

HEAD OFFICE

Oando PLC

The Wings Complex
17a Ozumba Mbadiwe
Victoria Island
Lagos, Nigeria

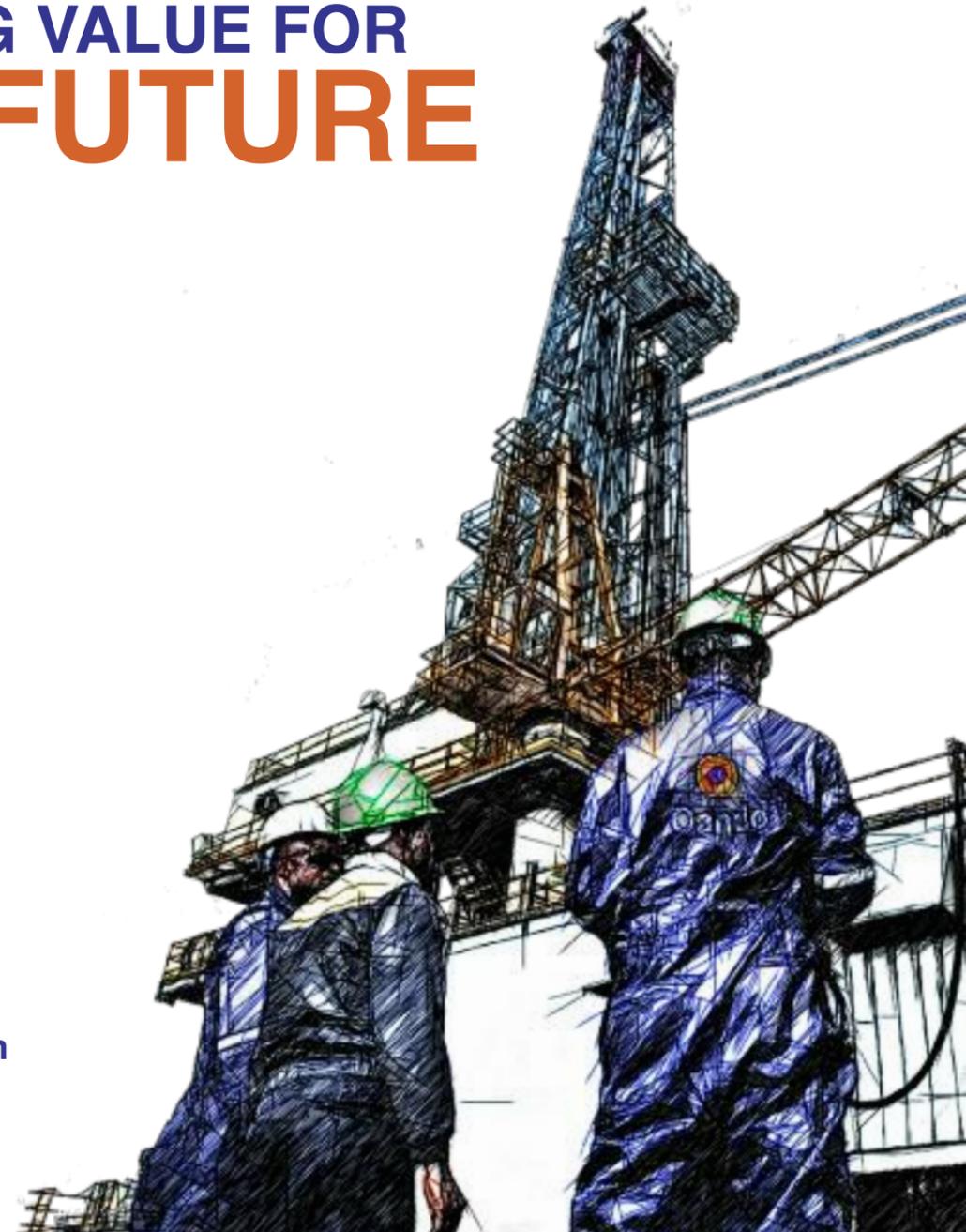
Tel: +234 1 270 2400
E-mail: info@oandopl.com

Oando PLC

Sustainability Report 2016



CREATING VALUE FOR
THE FUTURE



www.oandopl.com

Oando PLC

Sustainability Report 2016



CREATING VALUE FOR
THE FUTURE



What's inside

About this Report

5

About Oando PLC

10



How do we manage our risk (Risk management profile)

16

Sustainability is how we do business

20

How we fit into the National and Global Sustainable Development Goals

22

Our material issues in 2016

29

Targets and Data

66

GRI Content Index

70



About this report

The Oando PLC's ("the Company") Sustainability Report ("the Report") is an account of how the Company has fared on the three (3) sustainability tripods in the reporting year. The Company usually employs the Global Reporting Initiative (GRI) guidelines in drafting its report.

This year, the GRI standards in accordance with the Core Option was used in drafting the 2016 Report. Sustainability for the Company means fulfilling our obligations to the stakeholder, preserving the environment and impacting our society in a positive way.

We know that by the nature of our business, we may contribute some negative externality, but we are committed to reducing to the barest minimum the negative externalities and going beyond the minimum expectations for positive externalities.

This year our Sustainability strategy is focused on our contribution to the realization of the Sustainable Development Goals ("SDG"). We have since recognized the importance of the achievement of the sustainable goals to achieving the highest level of utility for all stakeholders thus we have aligned our business strategy with the SDGs. This Report will measure how far we have aligned ourselves with the SDGs and the actions we have taken towards its realization. We have worked closely with all stakeholders, to wit, the communities, the government, our employees, and our shareholders in order to understand their concerns and how we can better champion the SDGs.

This Report also highlights our actions and commitment to the United Nation Global Compact ("UNGC") 10 principles and other developmental indices. We are also committed to obligations arising from our involvement with the Partnership against Corruption Initiative (PACI) of the World Economic Forum (WEF) and the Convention on Business Integrity (CBI).



10

This Report also highlights our actions and commitments to the United Nation Global Compact ("UNGC") 10 principles and other developmental indices.



About Oando

The Company Oando is one of the largest indigenous Companies in the oil and gas sector in Africa. Through the resilience and hard work of our people, we have continued to be pacesetters in the Energy industry. We have attained numerous milestones which have positioned the Company as a leader in the Energy industry and has set us apart as the go to Company for investors and the employer of choice.

Where were we?

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.

It has been a journey to the top as a fully indigenous player in a sector that has historically been the playground of international oil companies and a challenge to stay at the top of the industry, during which we have harnessed the skills required to be market leaders in the sector.

For detailed information on our journey, please visit this link, [https://www.oandopl.com/about- \("OER"\)us/our-journey/](https://www.oandopl.com/about-()

\$1.5b

2014 - Oando acquired Conoco Phillips Nigerian business for \$1.5b

Charting a path of growth

- 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 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 delists from the Toronto Stock Exchange (TSX).

About Oando

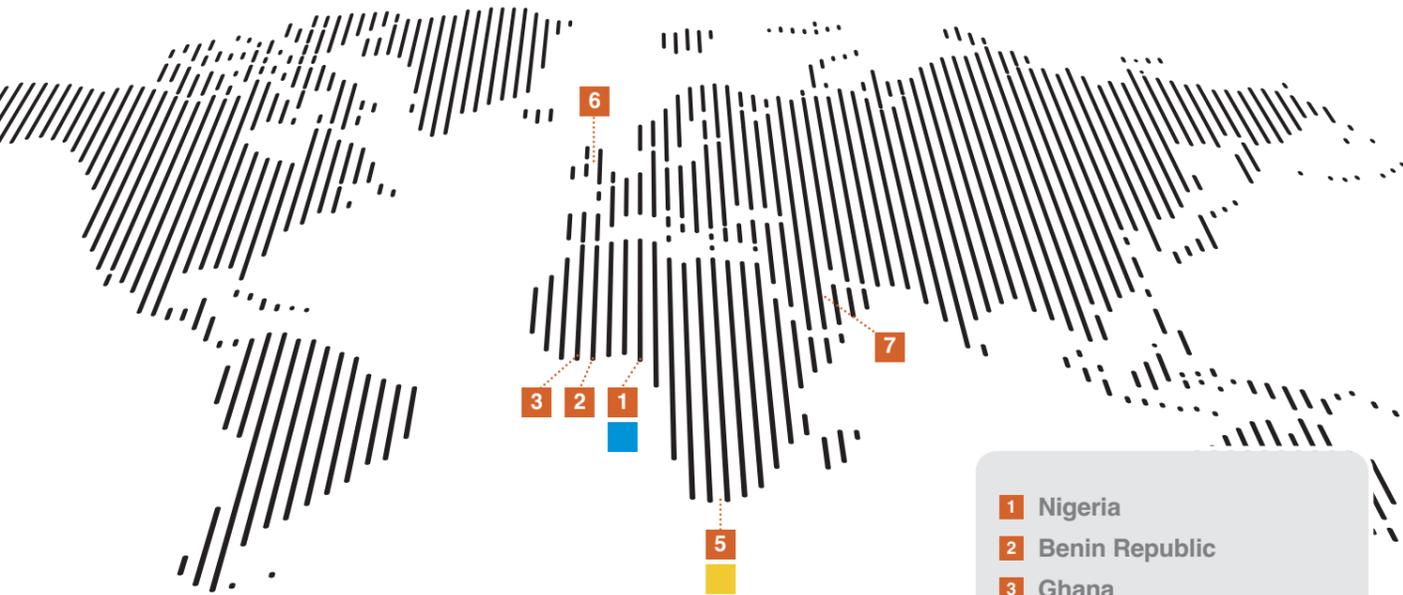


Where are we?

We have grown to be one of the foremost indigenous actors in the energy industry in Africa. Not only are we setting standards in the oil and gas sector, we are also active in the power sector through our subsidiary; Oando Gas and Power. We are the largest integrated energy solutions group in Sub-Saharan Africa with primary and secondary listings on the Nigerian stock Exchange and Johannesburg Stock Exchange Limited respectively. We delisted from the Toronto Stock exchange in the second quarter of 2016 to align with our business strategy.

Where do we aim to be?

Given our experience over the years, we have learnt from the challenges we have faced and that propels us towards excellent execution in the coming years. Our outlook for the year 2017 and beyond is to outperform ourselves. Our goal is to remain the first choice for investors wishing to invest in the energy sector in Nigeria, to be valued by our people and to seize the opportunities that enable us continue to shape the future of energy in Africa.



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.

What we do

UPSTREAM

Oando Exploration and Production division through Oando Energy Resources ("OER") has a portfolio of assets at different stages of development and production. It is currently the holder of several Oil Prospecting Licenses and Oil Mining Licenses.

MIDSTREAM

Up till the end of the first quarter of 2016, the Company through its subsidiary; Oando Energy Services limited provided oilfield and drilling rig services to major upstream companies operating in Nigeria. Oando Trading DMCC (OTD) is a supply and trading Company and a fully owned subsidiary of Oando. OTD is a key participant in the international oil markets, with a significant presence in the West African region, and direct access to major energy markets across Africa via its office in the United Arab Emirates.

Oando Gas and Power continues to grow her gas and power footprint in Nigeria and across sub Saharan Africa. Our strategy involved the deployment of efficient solutions to address customers' needs in our chosen market by leveraging our performance driven people and the capability of our investors.

DOWNSTREAM

Oando Terminal and Logistics is the downstream infrastructure management Company. It combines commercial, technical and socio-political understanding to excel in the logistics space.

DOWNSTREAM

Oando Marketing Plc (OMP), now OVH; our downstream marketing Company is a leading retailer of petroleum products in Nigeria with operations spanning across West Africa. It has an annual distribution capacity of up to two (2) billion litres and services over two hundred (200) industrial customers cutting across major sectors in Nigeria, Togo and Ghana. OMP has successfully transitioned into the leading consumer brand in the downstream sector in refined products, Liquefied Petroleum Gas and lubricants.

Chairman's Statement

HRM Oba Michael A. Gbadebo, CFR
Chairman



Dear Investor, Globally, the year 2016 has been rife with a host of challenges such as the crash in commodity prices, geopolitical events and heightened uncertainty related to the U.S. presidential election amongst others, which impacted the global economy; creating political, economic and social tensions.

While fulfilling our promise of maintaining a stable and profitable business to our shareholders, we are increasingly aware of the role of businesses in the development of the community in which it operates. We acknowledge that a business fares better when it performs well on the economic, social and environmental fronts, thus creating a win-win situation for all stakeholders; ensured profit for our shareholders, employee satisfaction, contributing socio-economic value to our society and ensuring that we preserve the environment for balancing of the ecosystem.

As business organizations are increasingly aware of global expectations to imbibe sustainable practices and corporate responsibility, we have since committed to making sustainability core to our business strategy. Likewise, we remain committed to our obligations and commitments arising from membership of several international and national organizations for the advancement of sustainable development and corporate responsibility among which are the

Convention on Business Integrity ("CBI"), the United Nations Global Compact ("UNGC"), and the World Economic Forum ("WEF"). We strive to go beyond the norm and minimum requirements of corporate governance requirements in order to give increased value to all our stakeholders.

The year 2016 marked the second full year since oil prices started crashing after peaking in June 2014. Brent oil prices opened at \$36.61/barrel, fell to a 14-year low of \$26 per barrel in January 2016 before climbing slowly to average \$44 per barrel for the year after OPEC reached a deal with non-OPEC producers to implement production cuts of 1.8mbpd.

The Nigerian economy contracted by 1.51% in 2016, the first annual contraction in twenty-five (25) years mostly due to the fall in oil prices; declining oil production & exports; and foreign currency shortages which raised inflation to an 11-year high of 18.5% in December 2016. Due to the tough operating environment businesses found themselves in, several operations were downsized or shut down entirely. Subsequently, unemployment rate which stood at 9.9% in 2015 quickly rose to 13.9% by Q3 2016. The Naira was devalued twice over the course of the year; a 41% devaluation from ₦199/\$1 to ₦280/\$1 in June 2016 and a further devaluation from ₦290/\$1 to ₦311/\$1 in August 2016 while the unofficial rate dropped to record lows of

₦494/\$1 in December 2016. These devaluations significantly impacted our dollar-denominated loan portfolio.

On a positive note, the Nigerian economy is expected to grow moderately by 0.8% in 2017 while a high 2016 base year will mean lower year on year inflation figures in 2017. The 2017 budget includes ₦2.24 trillion in capital expenditure, a 42% increase from ₦1.58 trillion in 2016, the infrastructure spending is expected to spur economic activity and lift the nation out of recession.

In executing our strategy, we have aligned our operations with a long term strategic view by divesting from our energy services business, and partially divesting from our downstream business as well as optimizing our balance sheet through a restructured ₦108 billion syndicated Medium Term Loan Facility and furthering our commitment to the SDGs and targets we have internally set for ourselves.

HRM Oba Michael A. Gbadebo, CFR
Chairman



0.8%

The Nigerian economy is expected to grow moderately by 0.8% in 2017

The Group Chief Executive's Statement



Mr. J. A. Tinubu
Group Chief Executive

2016 was a challenging year globally as the year began with an extended crash in oil prices. January 20th, 2016 saw a 14-year low with oil prices crashing to \$26.68 per barrel. The continuous downturn in oil prices had a negative impact on global economic growth.

The year was even more challenging for the Nigerian Oil and Gas industry and the country as a whole. The country recorded an estimated loss of N3.8 trillion due to a shortfall in oil production. Notwithstanding, the year 2016 ended on a more positive note as crude oil prices rose up to \$52/per barrel in December 2016.

During the tumultuous year, we maintained focus on our vision to be the premier company driven by excellence. At the beginning of the year we successfully embarked on some corporate strategic initiatives that would ensure profitability by the end of the year, with the overall aim of creating value for our shareholders.

60%
the Company's debt profile witnessed an impressive 60% reduction between the year 2015 and 2016.



**SUSTAINABLE
DEVELOPMENT
GOALS**

Sustainability is the way we do business. In 2016, we aligned our core values to the SDGs. The SDGs are now an integral part of our business; a standard through which we evaluate and incorporate a majority of our business goals and practices.

To reposition the Company towards sustained profitability, we divested our interest in the downstream business for a transaction value of \$210 million, we completed the \$115.8 million strategic midstream alliance in our Gas & Power Division and we also divested from our Energy Services business via a management buyout. As a result, the Company's debt profile witnessed an impressive 60% reduction between the year 2015 and 2016.

Whilst we are focused on returning to profitability and achieving growth, it is imperative that we consider how all that we do makes an impact on the world around us. At Oando, we aim to be the trusted investment vehicle, employer and partner of choice within the energy industry.

We believe that what is good for people, society and the planet is good for business and as a business focused on the energy sector, we share the important responsibility of aligning our interests with the greater good of the country and our society. Thus, we are committed to creating value for our shareholders, whilst providing clean and affordable energy, enabling global economic growth and positively impacting the lives and communities around us.



At Oando, the SDGs are embedded throughout our corporate strategy, we continually strive towards being an organization that creates pioneering business opportunities delivering decent work and economic growth, industry, innovation and infrastructure and social development that accelerates the building of sustainable cities and communities in Africa.

Through the Oando Foundation, the Company is transforming lives and positively impacting the Nigerian education sector. In 2016, over 16,000 out-of-school children were enrolled into Oando adopted schools, 549 scholarships were awarded to pupils, 1608 teachers and 107 head teachers/assistants were trained across 49 adopted schools and 8 solar-powered ICT centers were deployed to support technology-based education across the country.

We remain committed to the principles and policies of national and international initiatives that promote

ethical conduct, peace, justice and strong institutions. We take this opportunity to reaffirm our commitment to the ten (10) principles of the UNGC and the values of the CBI. We would continue to uphold and support the WEF in a joint effort to promote global governance, anti-corruption, business integrity and sustainable development.

The world is facing increasingly difficult challenges including hunger, inequality, poverty, inadequate access to quality education, amongst others. To overcome these challenges, we must all play our part as corporate organisations. We must all come together and agree on a common purpose and direction with a focus on what is most important - our future.

Jubril Adewale Tinubu
Group Chief Executive

In fulfilling these responsibilities, we are guided by the “Oando Way”. Our mission, vision and strong corporate culture is centred on our shared values of Teamwork, Respect, Integrity, Passion and Professionalism (**TRIPP**).

T teamwork

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

R espect

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.

I ntegrity

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

P rofessionalism

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

P assion

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

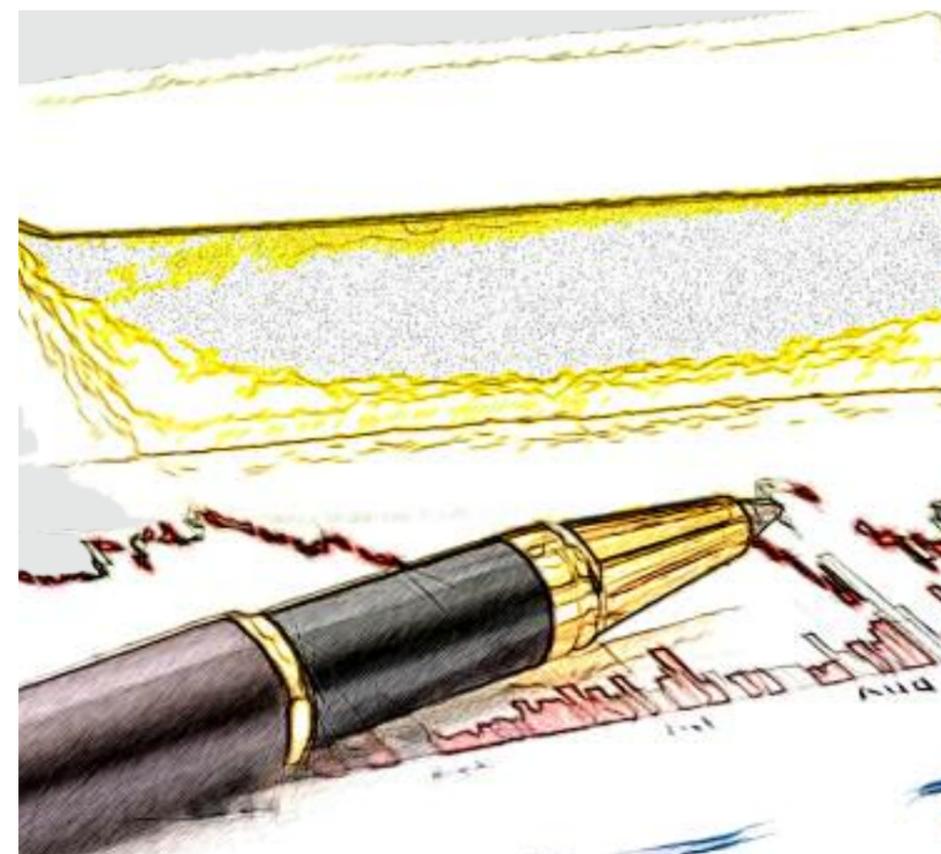
Oando Group Risk Management Profile

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
1	Liquidity Risk	<p>A key risk to the group's survival is its liquidity. This risk crystallized in some instances and resulted in the inability of the Company to meet its financial obligation to some counterparties as and when they fell due.</p> <p>Mitigating Measures To mitigate the effect, the Group embarked on an aggressive restructuring of its balance sheet through board and shareholder approved divestments, loan restructuring and new capital raising programs. The current divestment strategies will provide the opportunity to focus on the upstream business and raise the required capital to repair the balance sheet.</p> <p>The Treasury Manager estimates the current liquidity requirements and ability of the Company to meet future obligations on a weekly basis. In addition, cash flow is also monitored on a weekly basis. This involves comparisons with forecasts, investigation of differences, and identification of changes in cash flow requirements.</p> <p>In the preparation of project plans and models, the Corporate finance manager carries out stress testing on assumptions used in preparing the project model including inflation, interest rate and exchange rate simulation and develops scenario based hurdle rates for investment decisions. This ensures that the Company is aware of and adequately prepared to handle inflation, interest and exchange rate fluctuations.</p> <p>The Company has a formal Contingency Funding Plan that clearly sets out the strategies for addressing liquidity shortfalls in emergency situations. The contingency plan includes contingency overdraft lines with banks and a cushion of unencumbered, high quality liquid assets to be held as a buffer for liquidity stress situations.</p>
2	Macroeconomic	<p>Upstream business Volatility in oil and gas prices remains a high risk. Some stability has been seen at \$45 but this is still below our breakeven price of \$65. The resultant effect:</p> <ul style="list-style-type: none"> • Impacts our ability to service debts and other counterparty obligations. • Affects our ability to achieve our short to medium term production and profit targets • Means a downward valuation of Company assets. <p>Mitigating Measures</p> <ul style="list-style-type: none"> • Maintained the crude price hedge to preserve the value of our investment and continued to review for appropriateness and sufficiency. Management continued to take advantage of this opportunity to pay down loans utilising the hedge differentials. • Strategic reduction of operational expenses and reprioritization of work program to reduce capex spend and joint venture funding. • Loan restructuring initiatives at the Group and upstream subsidiary levels. Medium term loan restructured, Termed out loan repayments over 5 years and reduction of coupon rate from 20% p.a. to 15% p.a. The restructured Medium Term Loan (MTL) was executed in June 2016. • Strategic realignment with JV partners to ensure production optimization in the short to medium term.

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
3	Reputational Risk	<p>Media attention was much greater within the reporting period due to late financial reporting incidences to the Securities and Exchange Commission ("SEC") and the Nigerian Stock Exchange ("NSE").</p> <p>Late rendition of taxes and tax warning letters.</p> <p>The increased scrutiny on corporate behavior had the potential to increase the Company's vulnerability.</p> <p>Mitigating Measures</p> <ul style="list-style-type: none"> • This risk was managed by developing a proactive stakeholder's communication strategy and by carefully monitoring and reporting on the achievement of targets. • There is significant engagement with the tax authorities on outstanding taxes. We agreed on a payment plan for certain tax liabilities and the plan is being followed. • 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.
4	Regulation & Regulatory Risk	<p>Failure to comply with the provisions of the UK Bribery Act, the Foreign Corrupt Practices Act (FCPA), third party due-diligence risks inherent in capital raising transactions and dealings with third parties in high-risk jurisdictions where the Company predominantly operates.</p> <p>The risk of sanctions from the NSE, SEC, Johannesburg Stock Exchange ("JSE") and the Toronto Stock Exchange ("TSX") for non-compliance with listing requirements; Changes in legislation (or other legislation) in one of the multiple jurisdictions where the Company has a presence; all had the potential to threaten the advantages derived from our organizational and business structure within the reporting period.</p> <p>Sanctions from the TSX for non-compliance with tax requirements (unpaid taxes). Delays in concluding and publishing the 2015 financial statements.</p> <p>Mitigating Measures</p> <ul style="list-style-type: none"> • The Company continually strengthened its Compliance Department to ensure that there was adequate coverage for all the jurisdictions in which it had significant presence. • Management ensured significant engagement with the tax authorities on outstanding taxes. • Specialist country lawyers were also engaged to proactively identify and implement all necessary changes with respect to regulatory requirements in all the jurisdictions where the Company has significant presence. • Ensured awareness of and compliance with TSX requirements is up-to-date.

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
5	Strategic and Business Model Risk	<p>The risks of current or prospective negative impact on the group's earnings, profitability, capital base and reputation arising from a selection of inappropriate business strategies.</p> <p>Mitigating Measures To mitigate this risk, the Oando Opportunity Realization Process was instituted and implemented for the screening of potential and ongoing business opportunities.</p> <p>Continuous management reviews of business processes were carried out to identify areas for strategic improvement.</p> <p>Opportunities for diversification of businesses 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> <p>Operational reviews also took place for proper project evaluation.</p>
6	Business Partner and Joint Venture Risk	<p>Delays in the payment of cash calls by the government impacting negatively on the operator's ability to pay down receivables within contractual terms, thereby exposing the Company to the risk of default on JV obligations to third parties.</p> <p>The lack of operational control portended to expose the Group to joint venture partners who could take decisions that were not congruent with the Group's strategy.</p> <p>Mitigating Measures During the year, the NNPC entered into a repayment agreement with all of its JV partners with respect to cash call arrears to ensure a planned systematic repayment of NNPC's total outstanding debt.</p> <p>The Company continued to use the right resource mix, recruit experienced hands across all departments with a clear focus on partner management via the various asset managers.</p>
7	Business Continuity & Disaster Recovery Risk	<p>The Company may 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 natural disaster, fire, cyber-attack, etc.</p> <p>Controls</p> <ol style="list-style-type: none"> 1. Vital Company information is 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 that is updated regularly 3. The Company has a backup server and the disaster Recovery site has been relocated from the current high-risk area to a lower risk area with 99.9% uptime.

S/N	TOP RISKS	DETAILS AND MITIGATION CONTROLS FOR TOP RISKS
8	Financial Reporting Risk	<p>Given the size and complexity of the group structure and the limitation of the group's reporting application, there is a risk that as the Group grows and subsidiaries increase in number, there may be inaccuracies in its reporting and a risk of misleading the investing public.</p> <p>Controls</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: inter-company accounts are zero). Identified errors are discussed with the Finance Managers and corrected as necessary. 3. Internal and External Audit review the Financial Statements. The Audit committee also meets quarterly to review the Interim Financial Statements and the full year-end report.



Sustainability is how we do business

Oando is an indigenous energy company involved in the business of exploration, production, logistics and services in the energy sector, marketing of petroleum, liquefied natural gas, lubricants and other energy products. We are also involved in electricity generation through our gas to power subsidiary.

The activities that the Company undertakes are such that they have an impact on the environment and communities where it operates. However, Oando has always made concerted efforts to reduce to the barest minimum, its negative externalities and to contribute positively to the communities where it operates.

With the launch of the SDGs, it became imperative for governments and non-governmental institutions of which businesses are a part to go back to the drawing board. In view of this development, the Company had to re-strategize on how it intends to do business. Being mindful of the importance of achieving development and growth on the tenets of the triple bottom-line of sustainability, we have fashioned our business plans to meet our obligations to our shareholders and employees who are the key drivers of our corporate goals, engage and work with our host communities, ensure our activities leave the barest footprint on the environment and align with the government's commitment to the sustainable development goals.

We remain committed to transparency, stakeholder engagement, and continuous improvement in our approach to sustainability and its reportage.

How we do business

Teamwork

Respect

Integrity

Passion

Professionalism

OUR CORE VALUES

Oando's core values of **Teamwork, Respect, Integrity, Passion and Professionalism** underpins our business strategy and sustainability drives. We do not only believe in our core values internally but we exhibit them in relations with our customers, vendors, regulators and other third parties. We make it mandatory for vendors to align with our core values in dealing with the Company and other subcontractors they engage.

Teamwork - each person recognizes his strengths and weaknesses, and acknowledges their part in working together to collectively achieve the most effective and efficient results in advancement of the businesses' growth and development. We actively collaborate with government and non-governmental organizations in partnerships for the SDG goals.

Respect - each employee does not think himself more important than the other, but a member of a whole that functions optimally when each party is appreciated for its input. We promote gender equality and inclusiveness.

Integrity - at Oando, we recognize the importance of honesty, openness and hard work. We imbibe it in all our dealings within the organization and all stakeholder engagements. We also make integrity a prerequisite for engaging vendors. Our Governance Office continually champion policies and trainings that advocate anti-corruption, transparency and best corporate practices both within the organization and in the Energy industry.

Passion - we have a dynamic group of staff who are passionate about the business and its corporate goals. We involve our employees in the strategy and corporate goal setting for the business thus, it is a self-driven process. We are also passionate about development of the local communities in which we operate, hence the continued engagement of local communities through our Oando Foundation.

Professionalism - our employees and partners are equipped to, with the necessary knowledge and skill, make informed decisions on the Company's business and commitments. We have one of the best crop of experts in the industry who help us to make the best decisions on profit-making while fulfilling our social obligations and maintaining a balanced eco-system.

How we fit into the Global and National Sustainable Development Goals Agenda



In 2015, the world took a bold step towards ending poverty, fighting inequality and injustice, tackling climate change and a host of other complex global challenges by the year 2030 through the medium officially known as **“Transforming our world: the 2030 Agenda for Sustainable Development”** or simply put, the Sustainable Development Goals (SDGs). As part of plans to achieve the SDGs by 2030, states are required to make regulations and formulate policies for the achievement of the goals. The global vision is to improve livelihoods and protect the planet for future generations and realize the future we want.

Nigeria’s vision for achieving the SDGs are:

- To leave no one behind
- To integrate the SDGs in an inclusive and people-centered manner
- Focus on strengthening institutions through advocating for quality policies and practical interventions through partnerships with government and civil society.

As Africa’s largest integrated energy solutions Company, we recognize that the SDGs are the global priority for the next 14 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 across governmental and other international institutions as well as 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 when focusing on the targets of one goal, we are simultaneously addressing some of the targets of another goal.

We are currently specifically focused on some of the following goals and their correspondent targets:



Education (SDG 4) – We realized that for more sustainable development to take place within our operational areas, social capital has to be developed. Consequently, in 2016 we invested in quality education and awarded 2,702 scholarships/bursaries to students in Primary, post Primary and Tertiary institutions at a cost of N145.56m, provided educational infrastructure and donated to various schools in the Niger Delta to the tune of about N114.23m. Some of the projects embarked upon are:

- Construction of a six-classroom block at Silga Local Government Area (“LGA”) of Bayelsa State
- Construction of Teachers’ Quarters at Nembe LGA of Bayelsa State
- Construction of a Science Block at Silga LGA of Bayelsa State
- Construction of a Lawn tennis court at Silga LGA of Bayelsa State
- Construction of a Badminton hall & Volley ball Court at Silga LGA of Bayelsa State
- Craft Centre building at Awelga LGA of Rivers State
- Construction of a standard Teachers’ Quarters at Silga LGA of Bayelsa State
- Construction of a Six Classroom block at Silga LGA of Bayelsa State
- Construction of a Six Classroom block at Emadike at Ogbia LGA of Bayelsa State
- Completion of a Six Classroom block at Tuburu at Yenogoa, Bayelsa State
- Construction of a Six Classroom Block at Ekeremor LGA of Bayelsa State
- Completion of a Science block at Idu Obosiukwu community at Onelga LGA of Rivers State
- Construction of Science block at Ogbia LGA of Bayelsa State
- Principal and Teachers’ quarters in Ndokwa East, Delta State.



Inclusion and participation: (SDG 10 & 11) Provision of infrastructure for certain communities was another initiative that received attention in 2016. These infrastructure projects provided the communities with a conducive environment for members of the communities to handle their socio-cultural affairs. Community Town halls/ Civic centers, public conveniences and market stalls were built and handed over to the communities at a cost of about N425.7m. Some of these projects are:

- Construction of Town hall at Silga LGA of Bayelsa State
- Construction of Guests room in Multi-purpose Civic Centre at Silga LGA of Bayelsa State
- Construction of Egbema community Civic Centre building at Onelga LGA of Rivers State
- Construction of Open market stall block "A" and "B" at Silga LGA of Bayelsa State
- Construction of Lock up market stall block "A" and "B" at Silga LGA of Bayelsa State
- Sand filling / concrete flooring of market site at Silga LGA of Bayelsa State
- Modern Civic Centre at Ndokwa East LGA of Delta State
- Town hall at Nembe LGA of Bayelsa State
- Construction of one Standard town hall (converted to police post) at Omoku at Onelga LGA of Rivers State
- Construction of Omoku Community Modern market Onelga LGA of Rivers State

4
A total of 4 community Town halls/ Civic centers, public conveniences and market stalls were built



Electrification Projects (SDG7): Various electrification projects were executed in 2016. The projects involved procurement of Heavy industrial CAT generating sets, construction of Generator houses, construction of HT/LT lines, procurement of Transformers and in some cases connection of the communities to the flow-station power grid.

The electrification projects provided an affordable energy source to the rural dwellers. It also helped to create more job opportunities, boosted several small and medium-sized Enterprises, improved security within the environment and contributed positively to climate change due to a decrease in the use of firewood as a source of light and energy. Generally there was improved quality of life for members of the communities. The sum of N870.3m was spent in various electrification projects. Some of the projects embarked on include:

- Umusadege electrification upgrade at Ndokwa West LGA of Delta State
- Electrification of Kpongbokiri community at Brass LGA of Bayelsa State
- Procurement /installation of 810 kva (CAT) Prime rated generator with generator house at Silga LGA of Bayelsa State
- Procurement and installation of 2.5mva injection substation at Isoko LGA of Delta State
- Construction of HT/LT lines and installation of 2 new 500kva transformer at Isoko South LGA of Delta State
- Installation of existing 2.5mva transformer at Isoko South LGA of Delta State



Water project (SDG6): Clean, accessible water for all is one of the SDG goals. The Company realizes that majority of its communities are situated in the rural areas and draw their main sources of water from the stream, rivers, and ponds. In other to provide clean and potable water for inhabitants of the communities various water projects were executed. A typical full bouquet of water project executed included a bore hole, Generator, Generator house and a mini treatment plant. The execution of portable clean and accessible water projects has helped to reduce water borne diseases, improved sanitation and hygiene. For 2016 the sum of N153.08m was spent on below water projects:

- Construction of a 20,000 Gallon water scheme at Onelga LGA of Rivers State
- Construction of Mini water scheme in Agbidiana community at Ekeemor LGA of Bayelsa State
- Construction of Water scheme with treatment plant, generator house/supply of generator at Silga LGA of Bayelsa State
- Completion of a mini water scheme with treatment plant at Nembe LGA of Bayelsa State
- Completion of a mini water scheme with treatment plant at Agrisaba community at Nembe LGA of Bayelsa State
- Reconstruction of Okigbene water scheme at Nembe LGA of Bayelsa State
- Construction of Water scheme at Twon Brass, Phase 2 at Brass LGA of Bayelsa State
- Construction of Omoku Integrated water scheme at Onelga LGA of Rivers State
- Completion of Twelve Public Convenience at Silga LGA of Bayelsa State

₦119.62m
In 2016 the sum of ₦119.62m was spent on Health care



Health Care project (SDG3): Keeping the people healthy means providing basic health care services and infrastructure for members of the communities we have adopted. We realized that for health centers within the communities to function optimally, proper infrastructure had to be provided. Consequently Health care centers were built with full components of Doctors and Nurses quarters, Pharmacy bay, Mini water schemes, Generator for power, mini operating theaters and recreational facilities. These enhanced infrastructure have now attracted and retained qualified medical professionals in most of our rural communities. Life expectancy has increased as sick members of the communities are now promptly attended to in the community hospital/health centers rather than having to travel long distances to the cities for basic medical attention. In 2016 the sum of ₦119.62m was spent on health care as enumerated below:

- Construction of doctors' & nurses' Quarters at Silga LGA of Bayelsa State
- Construction of health centre main building and fence at Silga LGA of Bayelsa State
- Completion of health centre main building and fence, doctors' and nurses' quarters at Nembe LGA of Bayelsa State
- Construction of a health centre at Nembe LGA of Bayelsa State
- Construction of a health centre at Obigbor at Onelga LGA of Rivers State
- Construction of Obigbor health centre mini water scheme at Onelga LGA of Rivers State
- Provision of water treatment plant & a standby generator at Obigbor mini water scheme Health Centre Onelga LGA of Rivers State



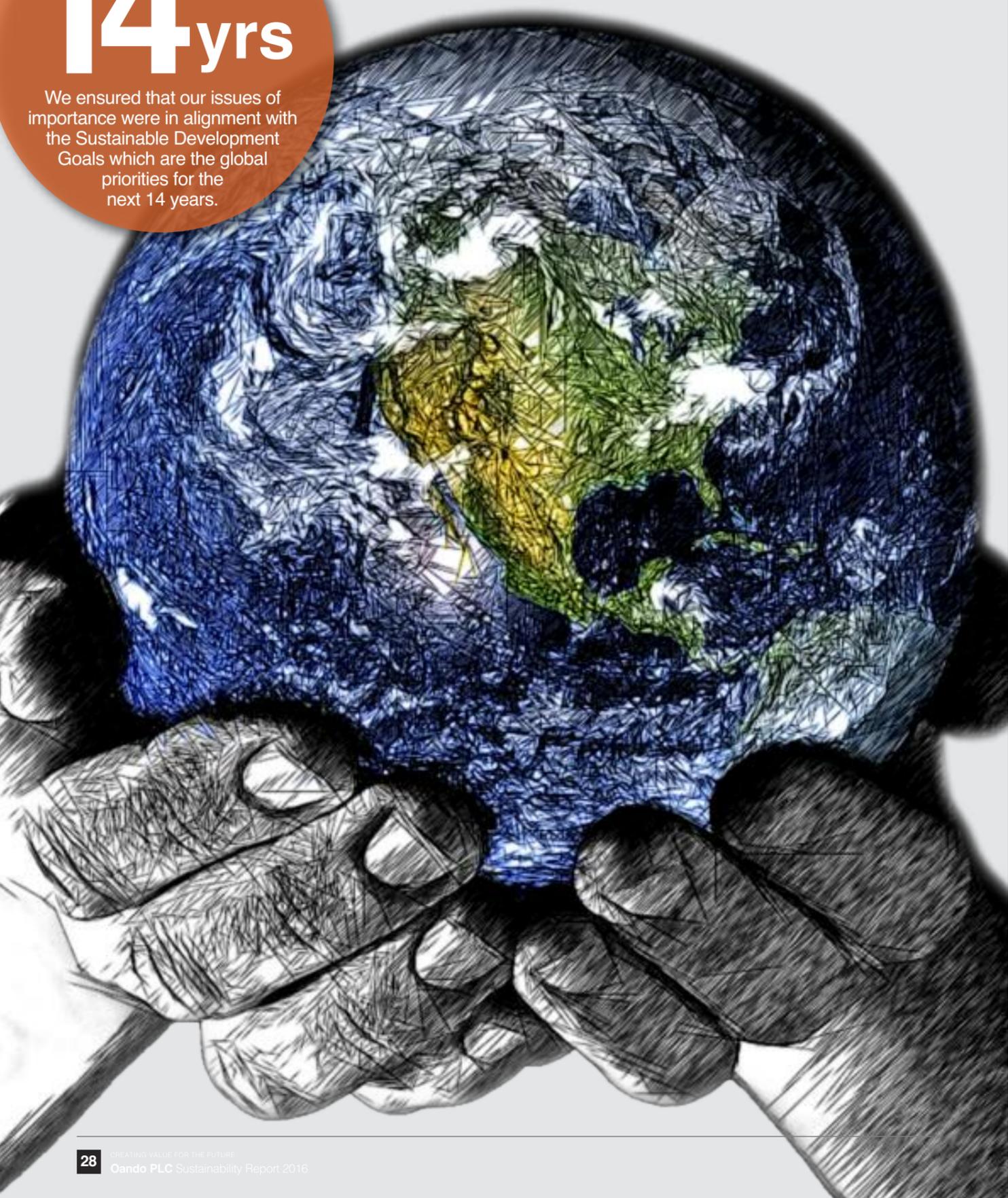
Road Construction (SDG 9). In realization of the need for infrastructural development in line with SDG9, network of roads were constructed within the communities to ease the challenges of movement of goods and services. These roads in addition created some levels of social and economic comfort and mobility especially for communities within the swampy terrain. Movement within the communities became less difficult while economies thrived due to better means of transportation for farm produce. During the period under review the Company constructed a total of 19 Asphalt and Concrete roads with drains. This covered about 15.2km and cost more than ₦1.063b to execute. Construction of these roads created a huge relief to the communities. Some of the projects embarked upon are:

- Construction of 1km concrete road and pavement at Silga LGA of Bayelsa State
- Construction of Aboh community road phase I (Osowu and Odili streets) at Ndokwa East LGA of Delta State
- Construction of Aboh community road phase II (Akpanuka, Ogbogene, & Obi Enebeli streets) Ndokwa East LGA of Delta State
- Construction of 500m Emata road and drainage in Oleh community at Isoko South LGA of Delta State
- Construction of 130m (Edhouno lane) and one side drainage at Isoko South LGA of Delta State
- Construction of 330m Ikpekri road & side drainage at Isoko South LGA of Delta State
- 1km concrete road & drain at Nembe LGA of Bayelsa State
- Concrete landing jetty at Silga LGA of Bayelsa State
- Construction of 1km road and drain at Awelga LGA of Rivers State
- Construction of 500m road and one side drainage at Otokwe street at Isoko South LGA of Delta State
- Construction of 1km concrete road & drainage at Brass LGA of Bayelsa State
- Construction of 700m concrete road and drains at Silga LGA of Bayelsa State
- Completion of 1km concrete road & drainage at Nembe LGA of Bayelsa State
- Completion of 2.4km concrete road drains at Ekeremor LGA of Bayelsa State
- Construction of 1km concrete road & drain at Nembe LGA of Bayelsa State
- 510m roads & drain (Omoge & Zeeno) at Isoko South LGA of Delta State
- 510m roads & drain (Ugiriama & Ekregbo) at Isoko south LGA of Delta State
- 45m span reinforcement concrete bridge at Ogbia Local Government Area of Bayelsa State



14yrs

We ensured that our issues of importance were in alignment with the Sustainable Development Goals which are the global priorities for the next 14 years.



Our material issues in 2016



Our material issues for this report have been identified on the basis of their relevance and significance to our business. We ensured that our issues of importance were in alignment with the Sustainable Development Goals which are the global priorities for the next 14 years. We have identified our material issues in accordance with the specific targets of the SDGs to which we contribute to.

Economic

Creating Value

Our goal to continuously give value to our stakeholders remains the same. We aim to provide our investors and shareholders with a 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

Developing our People

We believe in hiring, developing and retaining a steady stream of seasoned and talented professionals in the 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.

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



Environment

Protecting our 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



Economic

Maximising our Opportunities

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

Related SDGs:

- SDG 8** Decent work and economic growth
- SDG 9** Reduced inequality



Social

Workforce Wellness, Motivation and Empowerment

Our goal is to be the employer of choice. To achieve this goal we ensure that we maintain a safe, secure and healthy working environment for our employees. We design programs, initiatives and activities that promote health, wellbeing, safety and security for our employees both at work and in their personal lives. In addition, we believe in providing the appropriate remuneration that would enable them sustain their passion for work and consequently, their productivity

Related SDGs:

- SDG 8** Decent Work and Economic Growth



Environment

Water, Gas Flaring, Air Quality

A key aspect of monitoring our impact on the environment centers on our utilization of natural resources and the consequent outputs such as effluents and discharges into water bodies, land and the atmosphere. We continue to remain well within regulatory standards and limits relating to water conservation, air pollution and other environmental indicators.

Related SDGs:

- SDG 13** Climate Action
- SDG 14** Life below water



Social

Workforce Wellness, Motivation and Empowerment

Our goal is to be the employer of choice. To achieve this goal we ensure that we maintain a safe, secure and healthy working environment for our employees. We design programs, initiatives and activities that promote health, wellbeing, safety and security for our employees both at work and in their personal lives. In addition, we believe in providing the appropriate remuneration that would enable them sustain their passion for work and consequently, their productivity

Related SDGs:

- SDG 8** Decent Work and Economic Growth



Access to Basic Education

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

Related SDGs:

- SDG 4** Quality Education
- SDG 5** Gender Equality
- SDG 6** Clean Water & Sanitation



4

A total of 4 community Town halls/ Civic centers, public conveniences and market stalls were built

Building Sustainable Communities

Our host communities are vital partners to our business. The development of our host communities are a major priority to our operations. We actively collaborate with our host communities to meet our mutual current needs, without destroying the environment and adversely affecting the ability of future generations to meet their needs as well.

Related SDGs:

- SDG 11** Sustainable Cities and Communities



Waste Management

With the objective of preventing pollution, we continue to ensure proper management of waste generated from our operations through the 4R's waste management technique - Reduce, Reuse, Recycle and Recover.

Related SDGs:

- SDG 12** Responsible consumption and Production
- SDG 13** Climate Action
- SDG 15** Life on Land



How far have we come?

PEACE, JUSTICE AND STRONG INSTITUTIONS (SDG 16)



PEACE, JUSTICE AND STRONG INSTITUTIONS (SDG 16)

Governance

Good corporate governance allows efficient and effective operation and management of the Company in the interest of all stakeholders.

At Oando, we believe that long term profitability and sustainability of the business can only be achieved through adequate governance structures and processes which identify the distribution of rights and responsibilities within the Company.

By upholding key fundamental principles of corporate governance best practice, we believe that we can maintain a corporate culture of Teamwork, Respect, Integrity, Passion and Professionalism which in turn promotes openness, transparency and sustainability in our management, operations and decision-making processes.

Our Governance Framework

As stated in our preceding reports, the development of the Oando Group Governance Framework was based on a consideration of the UK Corporate Governance Framework, South Africa's King Report on corporate Governance (King III), the OECD Principles of Corporate Governance and the SEC Code of Corporate Governance for Public Companies in Nigeria. We ensure that our Governance structure is in compliance with the Company's Article of Association, the Companies and Allied Matters Act, Cap C20 and Laws of the federation of Nigeria.



Shareholders

The role of shareholders within the Oando Governance Framework is to appoint the directors and the auditors. The Board of directors ("the board") and management of the Company as a whole, are accountable to the shareholders and must ensure that the shareholders are satisfied and more importantly impressed with the effective governance structure and standards in place.

The Board of Directors

The Board has the ultimate authority, responsibility and accountability for the Company. A range of significant decisions are specifically reserved for the Board in order to ensure that it retains proper and adequate control and direction of the Company. Such decisions are labelled-The Schedule of Matters Reserved for the board, which include but are not limited to the following:

- Strategy and Objectives
- Business plan and budgets
- Changes in capital and corporate structure
- Accounting policies and financial reporting
- Internal controls
- Major contracts
- Capital projects
- Acquisitions and disposals
- Communications with shareholders
- Board membership

The Board also maintains the authority to delegate some of these decision-making functions to the Executive Directors who are responsible for the day-to-day running of the business activities.

In accordance with global governance best practice, the offices of Chairman and Group Chief Executive are held by two separate individuals.

The full details of the composition and responsibilities of our board of directors are discussed extensively in the 2016 Annual Report (pages 32-40) and information on the Board Committees can be found on pages 42-44 of the 2016 Annual Report.

Group Leadership Council

The Group Leadership Council (GLC) of Oando is composed of top-level management who provide executive direction on the day-to-day administration of the Company, effectively managing our talents and resources for the achievement of our strategic objectives. A detailed explanation of composition and responsibilities of our GLC members can be found in our previous 2015 Sustainability Report.

Governance Initiatives and Policies

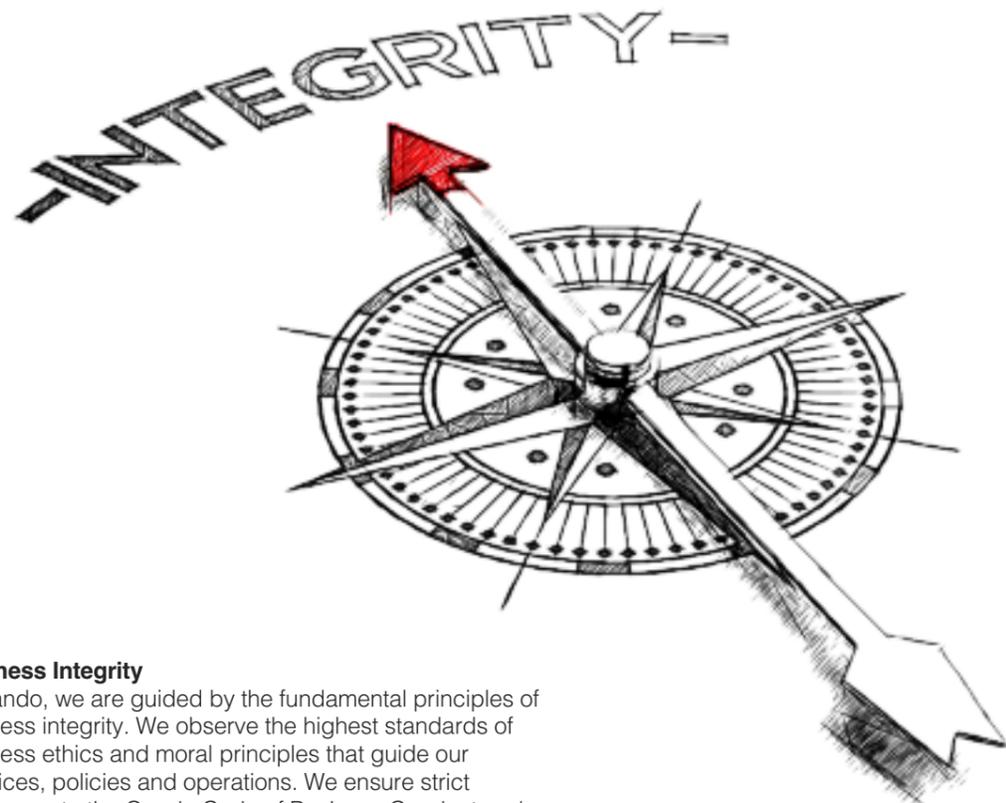
- Anti-Corruption Policy
- Blacklisting Policy
- Board Appointment Process
- Corporate Code of Business Conduct and Ethics
- Delegation of Authority
- Dividend Policy
- Environmental, Health, Safety and Security Policy
- Gifts and Benefits Policy
- Information Disclosure Policy
- Insider Trading Policy
- Know Your Customer Policy
- Matters Reserved for the Board
- Records Management Policy
- Related Party Policies
- Remuneration Policy
- Staff Handbook
- Whistle Blowing Policy and hotline
- Complaints Management Policy

Our Governance Practices

We are certain that the long-term sustainability and continuity of our business is directly linked to our corporate governance practices. Through our governance practices we are able to effectively monitor and control the day-to-day running of our business, as well as the decision making processes that influence our overall business objectives, corporate strategy and culture. The governing bodies within our organization have set up structures, clearly defining the guidelines, policies and procedures that demonstrate the acceptable limits for proper conduct of all the Company's business operations.

How far have we come?

PEACE, JUSTICE AND STRONG INSTITUTIONS (SDG 16)



Business Integrity

At Oando, we are guided by the fundamental principles of business integrity. We observe the highest standards of business ethics and moral principles that guide our practices, policies and operations. We ensure strict adherence to the Oando Code of Business Conduct and Ethics (the Code) which serves as a moral and ethical compass for all employees, as well as directors. The Oando Code of Business Conduct and Ethics is applicable to all Directors, Managers, Employees and those who work for or on behalf of Oando or any of its subsidiaries.

Anti-corruption is a major aspect of our Code, Oando is opposed to all forms of corruption. Our anti-corruption program is tailored towards compliance with applicable laws and regulations whilst providing training and actively monitoring progress on key issues such as money laundering, insider training, related party transactions and other key policies.

Our Governance officers are responsible for monitoring and reporting on the extent to which our ethics and anti-corruption policies are integrated into our business activities and adhered to by employees and directors, to ensure that we self-correct and make improvements where necessary, so that we may maintain our strong stance on anti-corruption.

We are committed to the global fight against corruption, we actively participate in this fight through our membership and active participation in local and international organisations. We are members of the Partnering against Corruption Initiative (PACI) of the World Economic Forum, The United Nations Global Compact (UNGC) and the Convention on Business Integrity.

To maintain a strong ethical culture within the organization, we ensure that new entrants are trained on the Company's policies and practices through a compliance on-boarding process. All directors and employees are required to participate in an annual recertification exercise which involves a refresher course on our values, governance policies and anti-corruption principles. Participants are then tested after which certificates of compliance are generated for all who pass the test.

A periodic newsletter called The "Ethics Watch" bulletin is published and circulated to all employees and business partners to educate them on different ethical and compliance issues whilst promoting a culture of 'doing the right thing even when no one is watching'.

How far have we come? continued

INDUSTRY, INNOVATION AND INFRASTRUCTURE (SDG 9)



INDUSTRY, INNOVATION AND INFRASTRUCTURE (SDG 9)

EMPLOYING TECHNOLOGY AS A TOOL FOR THE ADVANCEMENT OF OUR GOALS

Executive Summary

Technology adoption is driving business growth and innovation in Nigeria. Innovation results in the deployment of smarter applications, improved data storage, faster processing and wider information distribution. Oando is committed to using Information Technology ("IT") to drive innovation to ensure the business runs more efficiently while increasing value, enhancing quality and boosting productivity.

The Company is aware of the importance of technology, technological innovation and advancement to inclusive and sustainable development. Hence, we have fashioned our IT policies and processes to enhance development through, easy to use processes/gadgets for employees, robust waste management policy on IT products, enhanced access to information, upgrade of information systems, researches on how to employ information technology for the smooth running of our business and technology for the safety of people and machineries in our places of operation.

During the reporting year, the IT department focused on unlocking the value of information whilst harnessing technology to continue to deliver lower cost efficient, usable and secure services. The year also saw IT adopt a more strategic approach to governance and risk management in response to the new era of low oil price.

Although the use of technology was aligned to business realities, the continuously changing business expectations was met with the inclusion of diverse and bespoke service offerings and the adoption of a more flexible operating architecture model.

Some of the notable strategic initiatives completed include the following:

- Cost Containment Initiative: Optimization and rationalization of technology use, through business process reengineering to drive operational efficiency.
- Selection and commencement of the implementation of a financial reporting and management solution
- Implementation of technology acceptable policies to guarantee resource control whilst meeting our profit protection mandate.
- Risk and Cyber-resilience Assessment: Continuous Vulnerability assessment of IT Infrastructure, followed by 75% implementation of identified improvement opportunities.
- Company-wide security education: a continuous initiative aimed at creating the right cyber threat awareness amongst employees and other stakeholders

IT Management Approach

The IT department has rebuilt its operations, referencing global service delivery standards, security and business continuity frameworks (such as ITIL, ISO20000 and ISO27001), in ensuring that all business strategic intents are met.

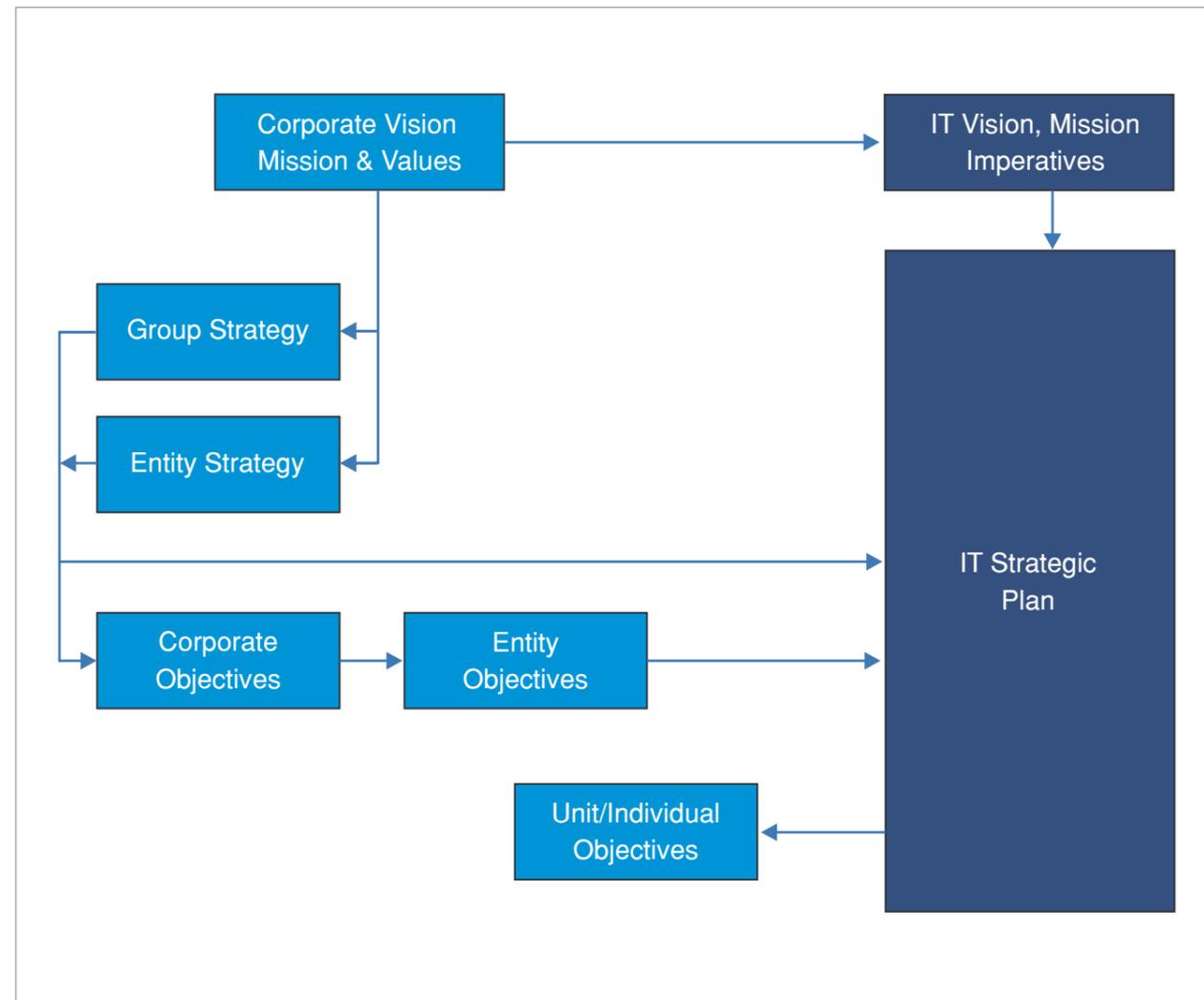
This very pragmatic approach is guided by a governance structure that includes the IT steering committee, a hybrid (co-sourced) organizational structure, delivering on imperatives that will:

- 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 with complete cost transparency;
- Deliver technology services based on a return on investment ("ROI") that makes business sense;
- Make available integrated systems that are scalable, reliable, and conform to appropriate standards;
- Increase visibility and recognition of the Company as a leader in the energy sector.

How far have we come? continued

INDUSTRY, INNOVATION AND INFRASTRUCTURE (SDG 9)

With a steering committee 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 policy manual ("the manual") establishes the IT policies and guidelines required for appropriately identifying information resources and business requirements while ensuring that these are effectively protected. The policy also stipulates IT Service Operation guidelines and requirements to govern IT

Service management. The policy takes into cognizance the industry the Company operates in and how technology will be utilized to support its broad objectives. Adherence to the policy safeguards the integrity, confidentiality and availability of Oando information

III. Commitments

The Information Technology team is committed to ensuring the Company 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: Leverage existing information technology and expertise to maximize investments and reduce costs.

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

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

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

V. Responsibilities

The Company's IT team are a group of professionals who specialize in various disciplines within the field of IT 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;

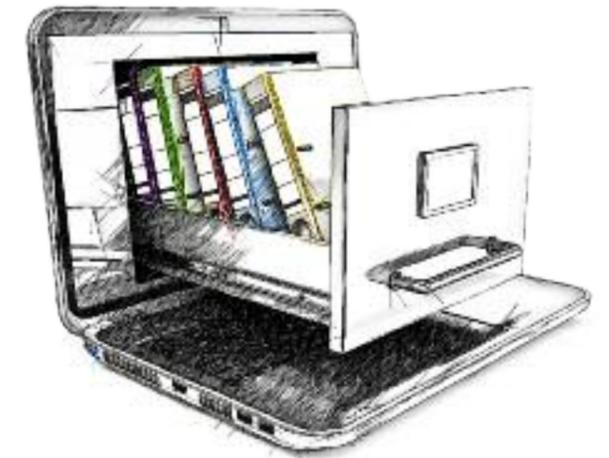
- Chief Strategy Officer
- Head, IT
- Service Delivery Manager
- Business Applications Manager
- Security Lead
- Administrators
- Application Developers
- End User Support
- Helpdesk

VII. Grievance mechanisms (i.e. Helpdesk)

The Helpdesk is a functional unit made up of a dedicated number of staff responsible for dealing with a variety of service events, often made via telephone calls, emails or automatically reported by infrastructure events.

The Helpdesk serves as a single point of contact for users to report service disruptions or degradations, request for IT service, resolve incidents, fulfil requests etc.

They also provide a point of coordination for IT groups and processes with the ownership of incidents/ requests through its lifecycle.



VIII. Processes, Projects, Programs and Initiatives

- IT Security awareness sessions conducted for all departments across the Company with focus on Social Engineering and Information Security
- The Do It Yourself ("DIY") campaign ran all through the year to improve the productivity of users and equip them with the right knowledge to do their work better
- Campaign about ransomware also ran to improve user awareness and prevent loss of critical data
- A customer Satisfaction survey was carried out to drive continuous service improvement

EVALUATION OF IT MANAGEMENT APPROACH

On a bi-annual basis, IT Management's approach to information systems is subject to an audit exercise to identify gaps in current procedures and processes, report to executive management and monitor corrective actions till closure.

This biannual Audit of IT Management approach leads to;

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

CSAT

Executive Summary

The 2016 customer satisfaction survey of Information Technology & Services ("IT&S") was conducted to achieve the following objectives;

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

How far have we come? continued

INDUSTRY, INNOVATION AND INFRASTRUCTURE (SDG 9)

A total of 93 respondents representing 45% of the expected respondents took part in this year's C-SAT survey with a satisfaction level of 75%. The survey ran for a duration of three weeks. An anonymous model was adopted to encourage sincerity in user feedback.

THE QUESTIONNAIRE

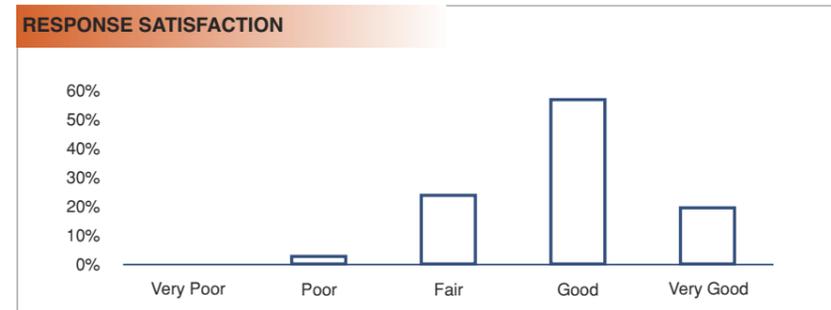
A total of 14 questions that covered IT&S operations and service delivery model as listed below were covered within the questionnaire:

- Service Desk operations
- Applications
- Network and Communications
- Collaboration
- Business led-IT Collaboration.

THE RESULT

Overall, there was a 75% satisfaction level, whilst, 23% of respondents believed the service rendered was fair, this provides an opportunity to increase satisfaction levels.

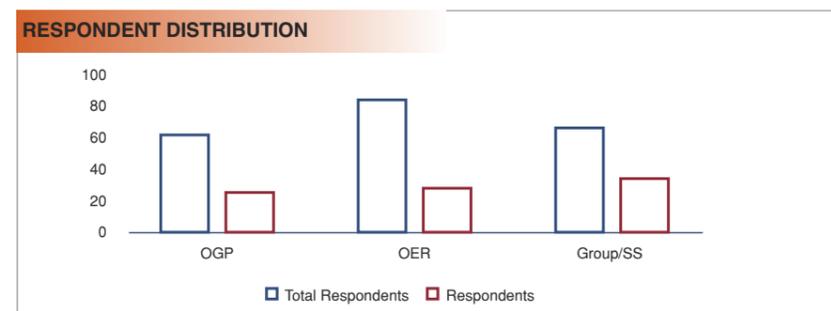
However, only 2 respondents believed that the IT service was below par.



DEMOGRAPHICS

A total of 93 respondents participated in the 2016 C-SAT survey with the demographics below;

Entity	Total	Respondents	% Respondents
OGP	61	26	42.6
OER	81	29	35.8
Group/SS	65	38	58.5
Total	207	93	45



75%
C-SAT Survey: There was a 75% satisfaction level, whilst, 23% of respondents believed the service rendered was fair

SUMMARY OF FINDINGS

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

- Users require more engagement from the Business Information Coordinators (BICs) and Productivity Coaches (PCs)
- There is room for improvement in the inventory management to ensure better system performance
- The IT&S level agreements ("SLA") not known by all users.
- Productivity coaching program effective but not widely reached across the entire organization, one-on-one engagement not very effective and limited curriculum to address a wide range of audience.

REVIEWS AND AUDITS

What we did well;

Service Delivery

- Phone pick up time and Helpdesk courteousness and professionalism
- Availability of SharePoint in and out of the office.
- The availability and quality of the Lync service.
- Tips and Tricks were beneficial to most respondents

Application

- Users were satisfied with the effectiveness and efficiency of Oracle ERP.

Business Information Management

- Excellent display of customer service with good knowledge of technology and the impact of the business.

AREAS OF IMPROVEMENT

The following areas of improvement have been identified;

- A stronger and more interactive awareness strategy for the Productivity Coaching ("PC") program, this should include remote locations.
- Productivity coaches to set up trainings (per entity) on basis business work tools.
- Business Information Manager (BIM) engagement of users for the various services the IT unit offers,
- Cheat Sheets for frequently used solutions; e.g. Video Conferences, VPN setup etc.

OUR SUPPLY CHAIN

Organizational Profile

The supply chain unit is charged with the responsibility of actualizing business goals by providing human, material logistics and business support services. These activities cover office administration, procurement, facility management, fleet management and travel management.

The activities listed above impact directly on the various areas of sustainable business practices such as the environment and socio-economic activities.

The Governance and Nominations Committee is responsible for the review and approval of Related Party transactions at board level. The Related Party Panel comprises of the Chief Strategy Officer, Chief Legal Officer, Chief Compliance Officer and Group Chief Finance Officer and they provide first-level review of most related-party transactions within the authority limits set by the Company's Delegation of Authority. Critical business concerns/ trends are escalated to the Board.

Key Supply Chain Drivers for 2016

- Restructuring of the organization as a result of divestment
- Company-wide drive for cost optimization
- Participation of our Environmental, Health, Safety, Security and Quality department in required tenders and sign off on relevant contracts
- Proper vendor contracting procedures which are in alignment with the Company's retrospective Purchase Order policy
- Synergy with our Corporate Communications department to augment knowledge about the Company to assist in engaging external stakeholders





CLIMATE ACTION (SDG 13)

OUR ENVIRONMENT PLAN

The "Oando Green Plan" (the plan) was conceptualized in 2016 which provided the framework for sustainable facility management practice at our proposed new office space, the Wings Towers.

The scope of the plan covered the following areas:

- Employee Education
- Energy Optimization
- Waste management
- Water management
- Paper management

The implementation of our environment plan would impact directly in a reduction in carbon emission and reduce waste generation. In the period under review, Oando owned two power generating sets with emissions beyond tolerable thresholds. The plan would immediately address sustainability concerns by reducing pollution and AGO consumption. The estimated reduction in CO2 emissions from discontinuing the use of generators is 130 tonnes per annum.

Transportation

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

The Oando staff bus scheme is a larger representation our conscious effort at reducing pollution. Seven (7) staff buses are used to transport employees to and from work from the closest stop to employees' homes. Staff buses being used as a carpool initiative transports an average of 150 employees daily significantly reducing the number of cars in traffic by 70 cars, thus reducing CO2 emissions by 322 metric tonnes annually.

Energy

Affordable and clean energy is a major focus for the organization as our midstream subsidiary continues to play a key role in the distribution of natural gas and power to businesses and industries. This energy is effectively managed through the implementation of a robust automated power generation system that automatically responds to energy demand, increasing and decreasing amount of energy produced at a particular time thereby ensuring energy is not wasted.

Daily reports were generated indicating produced energy against consumed energy and this formed a basis for performance review. Approximately 30,302scm of natural gas was consumed by micro –turbine engines while 113,513 kWh was consumed.

Protection and Restoration of Habitats

Approximately 1.73km of pipeline Right of Way was excavated by our midstream subsidiary in Lagos and reinstated. For instance, there were nine (9) local government areas of Lagos state that were impacted by the restoration activities of one of our subsidiaries. The restoration was carried out in conjunction with the Lagos State Waste Management Authority in accordance with the state law.

Emission

Emission is a critical aspect which the Company focuses on. This is particular for the midstream subsidiary as exhaust gases are emitted from generators at our power plants. In addition, diesel generators are used at some of our operational bases.

To manage the quality of gas emission, the quality of fuel used at our power plants are properly analyzed before procurement, while a robust maintenance plan is implemented to ensure optimal functionality of power plants to minimize carbon emission to the environment. Periodic audits are carried out by Federal and State environmental agencies and their reports form the basis for performance review. Environmental Monitoring Plans which are outputs of the Environmental Impact Assessments (EIA) are implemented to ensure adherence to specified key performance indicators.

Biodiversity

Some of our business activities (projects and operations) have certain unavoidable impacts on habitats and their ecosystem. However, in order to manage these impacts, a biodiversity risk assessment and management is incorporated into the EIA program conducted for all projects in compliance with Federal and State regulatory requirements.

Reports from environmental audits carried out by Federal and State agencies are used as reference documents for assessing performance. Stakeholder consultations which focus on biodiversity are a key component in the conduct of EIAs and Environmental Evaluation Reviews.

Effluent & Waste

Our waste philosophy guides how waste is generated and managed in the Company. We are proactive in ensuring that waste generation is minimized. Waste generated is segregated and disposal of such waste is carried out in line with stipulated regulatory guidelines. For instance, approximately 1,024kg of non-hazardous waste was disposed from our midstream subsidiary which demonstrates our desire to minimize waste generation. Effluent stream from our terminals and plants are controlled in a manner that prevents contamination of the surrounding environments. There are separator pits located within the terminals and plants that separate oil from water when they run off.

Environmental Friendly Programs

The Company continues to partner with organizations with environmentally friendly programs through financial support and actively participating in events organized by these organizations. Our employees speak at some events and participate on panel discussions as well as review technical papers presented at these events.

INFORMATION TECHNOLOGY AND THE ENVIRONMENT

Data Center Move

In 2016, as part of efforts to reduce our carbon footprint and eliminate the inefficient energy utilization in the in-house data centre, it was decided that the Company's main data center infrastructure will be moved to an energy efficient tier 3 co-location facility.

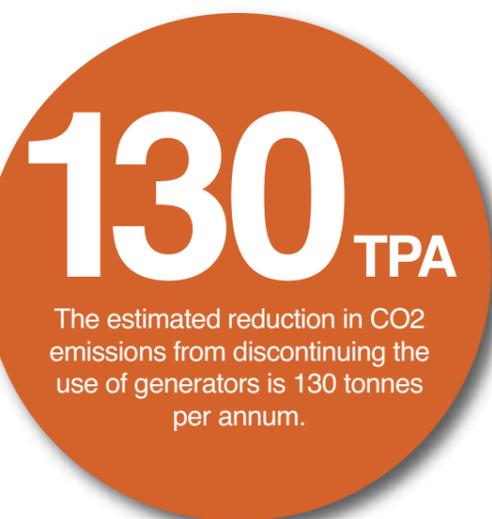
Expanded Secure Print Services

The secure print service was extended to more departments within the business. This increased our managed print coverage to 90% and subsequently reduced use of paper by 25%. This in turn reduced printing costs while ensuring Oando contributes its quota to preserving the environment.

IT Waste Disposal

In line with the Oando Asset Management process, some faulty and obsolete IT assets were disposed of in line with best safety practices during the year under review from our Head office in Victoria Island, Downstream HQ in Apapa, AGI - Ikeja and INTELS - Port Harcourt offices. Details of the items are captured below;

SN	Item Description	Quantity
1	Cisco IP Phones	38
2	Lucent Desk Phones	1
3	Panasonic Desk Phones	6
4	Polycom Desk Phones	6
5	Astra Dialog Phone	1
6	UPS / AVS	5
7	Laptops Computers	107
8	Desktop Computers	37
9	Monitor	17
10	Printers / Scanners	23
11	Toner Modules	61
12	14" CRT Screens	3
13	Projectors	2
14	Others (cables/monitor stands/Access points/Keyboards)	77
TOTAL		384





PARTNERSHIP FOR THE GOALS (SDG 17), SUSTAINABLE CITIES (SDG 11)

COMMUNITY RELATIONS

OUR STAKEHOLDERS

In 2016, Oando, through its Upstream subsidiary; Oando Energy Resources engaged the following stakeholders in the course of its operations across the Niger Delta. They include community Monarchs, Community Development Committee leaders, Community Women and Youth Leaders, Local Government Authorities, Pressure groups, and various Government Regulators – Nigerian Petroleum Investment Services, Department of Petroleum Resources etc.

Our stakeholders are identified and selected through the following ways:

Reconnaissance visit: Prior to commencement of any operation, a site reconnaissance field trip is usually conducted by the community relations department for data collection. During such visits, community leadership structures and other influencers are identified and documented. Information provided is later used for proper mapping and engagement.

Recommendation: Stakeholders are also identified through recommendation by opinion leaders within the environment. Some of the opinion leaders could be elderly persons within the community, prominent men/women, religious leaders or organized associations.

Documentary information: This is another form of stakeholder's identification. The documentary information could be in the form of reports, literature review, correspondence, government proclamations and gazettes.

Prioritizing of stakeholders is done through stakeholders mapping techniques. Once the mapping is done, stakeholders are then categorized into primary and secondary based on their level of influence.

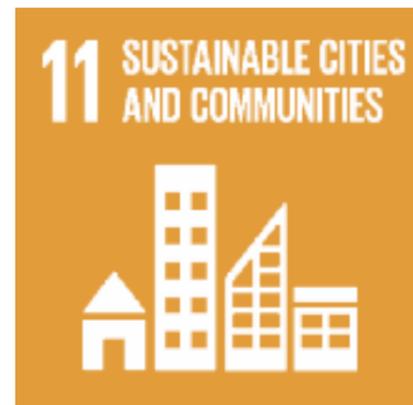
APPROACH TO STAKEHOLDER MANAGEMENT

We recognize that our stakeholders are our longtime partners and therefore they are accorded utmost recognition. Generally, efforts are usually made to proactively engage and create interactive opportunities to manage issues of concerns.

Stakeholder Engagement

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

Our engagements are routine activities in the ordinary course of our operations.



Stakeholder concerns

Key issues usually raised during engagement with our stakeholders are: employment opportunities, social projects execution, environmental issues, homage, security and socio-political issues. Regulatory issues are mainly focused around work program performance and compliance with existing laws guiding Oil and Gas industry activities.

Formal meetings are usually held to address issues raised by communities and government regulators. For the communities, employment opportunities at different levels are provided to qualified candidates. Social projects are also executed subject to the terms of the Memorandum of Understanding (MoU) entered into with the Communities and budget. Environmental issues are handled strictly in line with regulatory requirements and usually accorded prompt attention.

For the regulators, work program performances are usually presented, jointly reviewed and signed-off.

Stakeholders concerns form part of internal and external reports. These reports are reflected in weekly, monthly, quarterly and annual reports as the case might be. Issues raised by the community usually centers on employment, community development projects, economic empowerment programs, changes in community leadership etc. forms part of the major concerns in the reports.

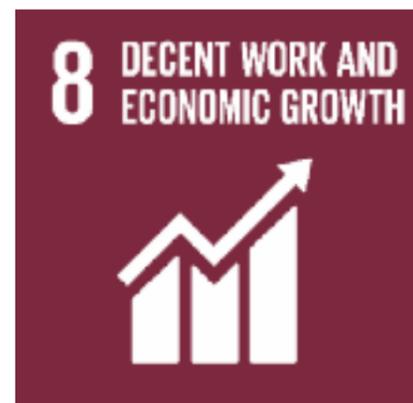
Feedback from the stakeholders come in form of reports, letters, communique, agreements and minutes of meetings. Weekly/monthly/quarterly/annual reports are compiled and transmitted to the General Manager External Relations who reports salient points to the OER Executive (Exco) meeting and thereafter to the Group Leadership Council (GLC) Meeting.

Formal local community grievance processes

Community grievance is usually received in the form of a written petition or organized protest. On receipt, the petition is documented and an internal review of the petition is made by the Company. The petitioner is invited for a discussion if there is merit in the petition. Otherwise an appropriate response is sent to the petitioner. Where compromise is reached with a petitioner who has complained of an issue that has merit, a resolution is signed off, otherwise further consultations are made with a view to resolving the grievance. Where all efforts fail the court of law becomes the last arbiter.

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, Letters, Government gazette, Opinion leaders etc.	Daily, weekly, Monthly, Quarterly, Annually.	Employment, Economic empowerment, Homage, Social projects execution etc.	Signing of MoU / Agreement after Round table, Workshops, Town hall meetings, etc.
Regulators	Laws establishing the regulators, Correspondence	Quarterly and Annual meetings	Execution of annual Work programs, compliance to regulations	Sign-off in Performance review meetings, compliance to regulatory framework.
Pressure groups	Correspondence	Round table meetings, legal means	Employment / Environmental issues, Economic opportunities	Agreement signing, Court resolution



DECENT WORK AND ECONOMIC GROWTH (SDG 8)

ENVIRONMENTAL HEALTH SAFETY, SECURITY AND QUALITY

Oando is determined in its pursuit to ensure that there are no fatalities in its operations, with respect to the health & safety of its employees and the environment, a key concern in our business operations. In 2016, there were no employee, contractor or third party fatalities, and the Fitness to Work system was strictly adhered to for tasks carried out for the period under review.

Key focus areas include:

- Ensuring zero work-related fatalities through employee consultations and empowerment
- Encouraging healthy lifestyles and developing healthy initiatives
- Strengthening environmentally friendly programs

In achieving these goals, a number of activities were carried out:

Policy review and update:

The EHSSQ policy and other related policies were revamped to ensure a more proactive approach to environmental health and safety matters. Areas of review included identification of critical positions within the organization for specified EHSSQ training, review of environmental studies after expiration of lifecycle and a security approach that respects people and human rights.

Policies reviewed and completely updated include:

1. Permit-To-Work (PTW)
2. Medicare
3. Personal Protective Equipment (PPE)
4. Security
5. Smoking
6. Spill
7. Environment Assessment

The Environment Health & Safety Management System (EHS MS):

As part of the Company's commitment to protecting the health and safety of employees and other stakeholders, there was a review and revamp of the organization's EHS Management System. A number of employees drawn across the various departments reviewed the organization performance in eight (8) elements of the EHS- MS. These elements comprise namely:

1. Leadership & Commitment
2. Policy & Strategic Objectives
3. Organization Resources & Documentation
4. Risk Evaluation & management
5. Planning
6. Implementation & Monitoring
7. Management Review
8. Audit

This review crystalized into the development of the Oando EHS MS Framework. This is now being used to further drive continual improvement of our EHS MS to meet the organization's Environmental Health & Safety objectives and targets.



Safety Awareness & Training:

A key focus for the organization was ensuring that employees took ownership for the tasks they were saddled with including all safety requirements related to those tasks. The EHSSQ experts provided standards, procedures and guidance to employees. Approximately, 350 employees were trained in 15 EHSSQ courses and awareness sessions.

Key EHSSQ Awareness Sessions & Courses included:

1. API 570
2. Non Detective Testing (NDT)
3. Heat Stress
4. Fitness-to-work
5. Hypertension
6. Elevator safety
7. EHS level 1
8. EHS level 2
9. EHS Level 3
10. EHS Management System

A September-October-November-December (SOND) awareness campaign and assets security session was held to equip our employees with vital security knowledge and tips. This was necessitated by the high security risks that generally exist in our environment at this time of the year.

Security Practices

Managing security risks through structured Security Risk assessments is important to ensuring the protection of the lives of employees and 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. In this regard, security incidents are reported, recorded and investigated and process audits /reviews are conducted to ensure compliance.

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

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

OUR ECONOMIC PERFORMANCE

The year 2016 was globally challenging due to a combination of factors, such as the geopolitical events and heightened uncertainty related to the U.S. presidential election, amongst others; which created political, economic and social tension. 2016 marked the second full year since oil prices started crashing after peaking in June 2014. The year opened with oil prices trading at \$26.68 per barrel on January 20th, a 14-year low, and the impact of the extended oil price downturn meant that oil companies had to continue to adjust to the lower crude oil price environment, focusing on efficient capital allocation, improved operating cost discipline and organic growth development.

As a group coming off an impairment driven loss position in 2014 and 2015, we took a strategic decision to re-define our group's strategy towards increased focus on our dollar denominated businesses while partially divesting from our Naira earning businesses. Hence, at the beginning of the year, we embarked on some corporate strategic initiatives geared towards achieving balance sheet optimization and ensuring we return to the profitability which we recorded at the end of the year.

Our upstream business, Oando Energy Resources (OER), saw a 20% decline in production due to sabotage activities which interrupted operations. However, we achieved a 5.3% increase in our 2P Reserves estimation, from 445mboe in 2015 to 469mboe in 2016 as well as a 70% increase in our 2C Resources from 122mboe to 208mboe. In addition, OER through its 81.5% held subsidiary, Equator Exploration Ltd, successfully farmed out a 65% participating interest in blocks 5 & 12 in the Democratic Republic of São Tomé and Príncipe to Kosmos Energy for a cash consideration of \$14m and a carry arrangement of up to \$20m on two (2) wells. We also successfully completed our voluntary delisting from the Toronto Stock Exchange.

2016 was a successful year for Oando Trading, our crude and refined petroleum trading business, which recorded a four year high trading revenue of N377.8bn (\$1.4billion) and PAT of N2bn (\$7.7million) as oil volumes witnessed continued growth resulting in a 106% increase in traded volumes of crude oil (13million barrels) and refined petroleum products (1.3million Metric Tons). This was driven by the structured execution of two Direct Sale Direct Purchase (DSDP) agreements with the NNPC as well as crude and product exports.

H1 2016 commenced in our downstream business on a bearish note as the circumstances driving the economic slowdown in 2015 continued to exist through 2016 leading to further contraction in the economy such as increase in Inflation, dearth of foreign exchange to cater for the payment of imported products and services, fuel shortages driven by inadequacy of foreign exchange available to petroleum marketers. Hence, there was greater dependence on inland lifting from the government,

How far have we come? continued

DECENT WORK AND ECONOMIC GROWTH (SDG 8)

and persistent security challenges resulting from pipeline vandalism and kidnappings in the country. In spite of these challenges, OVH has remained committed to delivering value, and is constantly investing in growth sustaining initiatives to ensure the organization stays on top when we start to see a turnaround in economic conditions.

The 2016 aggregated financial results for our midstream business; Oando Gas & Power showed a turnover of N30.37 billion, representing a 9% decline over the previous year's result of N33.53 billion. The decline was mainly driven by gas supply challenges that resulted from destruction of pipelines and gas facilities for the greater part of the year. However, through our entrepreneurial and innovative spirit, we achieved expected performance results. In the same year under review, a Profit after Tax (PAT) of N6.85 billion was achieved. This figure indicates a 20% increase over the comparative figure of N5.67 billion in 2015. The growth in PAT was mainly driven by deferred tax income and profit on the sale of Akute Power Limited.

The shareholders of the Company at our 38th Annual General Meeting (AGM) held December 7, 2015 approved the divestment of our rig business, Oando Energy Services, from the Oando Group. Sequel to approval of the divestment by the Securities and Exchange Commission (SEC) in the first quarter of 2016, OES Energy Services Ltd (formerly known as Oando Energy Services Ltd) completed its divestment from the Oando Group by way of a Management buyout (MBO).

Coverage of the Company's defined benefit plan obligations.

The Company operates a contributory pension scheme in line with the Pension Reform Act, 2004. The employee contributes 8% of their gross annual salary while the employer makes a 14.2% contribution. Pension fund administrators are chosen by individual employees to ensure optimal return on their pension and contributions.

The Company has a total liability of N1.16 billion for outstanding defined benefit plan obligations. The obligation is due for payment at an employee's exit and interest accrues at 9.5% per annum on the balance at curtailment. The plan's liabilities are met by the organization's general resources.

However, commencing from 1st January 2012, we discontinued the defined benefit scheme for management and senior staff; and at the end of 2016 the scheme closed with a balance of N782 million. The balance of the scheme in Oando Energy Resources (OER) was N379 million at the end of 2016.

Financial Assistance from Government

The Company gets no financial assistance from the Nigerian government or any other country. Likewise, the government of Nigeria has no stake in the Company.

2016 Direct Economic Value Generated and Distributed

Company	OER	OTD	OGP	OMP***	GROUP
	N'000,000	N'000,000	N'000,000	N'000,000	N'000,000
Economic value generated	77,277	377,785	30,369	60,421	455,747
Economic value distributed:					
Operating costs	54,762	2,359	4,679	14,819	109,253
Payment to government	891	-	-	-	1,637
Employee wages and benefits	4,306	415	1,162	1,604	9,478
Providers of capital	24,950	38	1,746	97	58,313
Community investments	-	-	-	-	145***
Economic value retained	16,661	2,025	6,848	(6,324)	3,494

***Donation to Oando Foundation given by companies within the Oando group.

***OMP's results are for H1 2016.

How far have we come? continued

REDUCED INEQUALITIES (SDG 10) AND GENDER EQUALITY (SDG 5)



REDUCED INEQUALITIES (SDG 10) AND GENDER EQUALITY (SDG 5)

HUMAN CAPITAL MANAGEMENT

At Oando, we understand that people are pivotal to building a sustainable company thus our people constitute the foundation of our existence. In 2016, we positioned the organization to attract and retain diverse talent and empowered them to continuously seek developmental opportunities.

The Organization's employee profile is displayed below:

Total Employees by Subsidiary

Employment Category	Gas & Power	Downstream	Energy Resources	Oando PLC	Energy Services	Total
Full Time	51	303	72	68	47	541
Contract	25	334	29	65	81	534
Consultants	1	7	12	2	17	39
Industrial Trainees/Interns	0	16	3	0	1	20
Total	77	660	116	135	146	1,134

Non-discrimination

At Oando, we believe that there is beauty in diversity and that our differences makes us stronger. Thus, we have a zero discrimination policy. The diversity of our staff elicits more innovative and creative ideas across all ages, gender, tribes, nationalities, religious affiliations and physical disabilities. The Company ensures there is a level playing field for all applicants during recruitment exercise and remunerates her staff based on job level and expertise without regard for gender or affiliation.

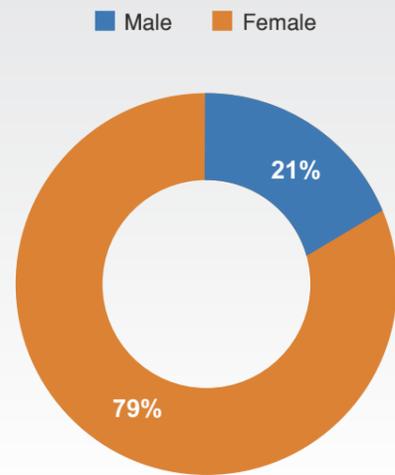
How far have we come? continued

REDUCED INEQUALITIES (SDG 10) AND GENDER EQUALITY (SDG 5)

Gender Distribution

We pride ourselves as an equal opportunity employer by ensuring our policies and procedures are poised to continuously propagate inclusion and diversity. Our people initiatives in the current year were aimed at enhancing and instituting commitment, motivation and employee engagement.

GENDER DISTRIBUTION



Remuneration, Benefits & Employee Welfare

We are strong advocates of equal opportunities and we place emphasis on linking performance with reward; thus, we adopt a pay-for-performance culture. The Oando Reward Framework guides our remuneration process for all employees. In addition, for company executives and Board level remunerations, the Governance and Nominations Committee 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 guided by the Pension Reform Act, 2014. The Company pays 14.2% of an employee's 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.

Oando, engages third party outsourcers for temporary/ or part time employees to aid its operations and we do our best to ensure that the organizations we engage 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 our business as it directly impacts our drive for continuous improvement and building a sustainable organization. We have continued to improve on our existing employee skill profile through various learning interventions including but not limited to: classroom training, e-learning, on-the-job training, coaching & mentoring and self-study.

Similar to previous years, learning interventions were effected through blended learning methods as reflected above, to address competency gaps as identified by our routine competency assessment report and business exigencies. All the activities were geared towards building organizational and individual capacity to ensure a sustainable organization.

Performance and Talent Management

To sustain our growth trajectory, the Company continuously embarks on:

- Performance management which is vital to maintaining our governance framework, it ensures that our people strive to reach their optimum potential, achieve their objectives and in turn the organization's corporate objectives. This is achieved through our performance management system which runs two cycles annually.

- Succession planning and collegiate review exercises which are continuously carried out within all entities to build internal pipelines of talent. These exercises typically involve evaluating direct reports on performance and potential in line with the Company's short and long term objectives, vision and mission.

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

Prohibition of Child labour

The Company strictly prohibits child labour and does not employ minors and children in any of its business place. Our KYC process specially emphasizes the assurance that vendors do not engage in child labour.

Other 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 and 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 and their interests based on their respective impact on the business;
- Adequately understand what our key stakeholder concerns & issues are;
- Resolve or manage the stakeholder concerns identified and;
- Update stakeholders on resolutions to their concerns; and advance improvements

We have maintained the identification and classification of our key stakeholders (outside of our employees) into the following groups:

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

The processes of stakeholder identification and prioritization are as detailed in our previous Sustainability Reports (2013 Pages 26 – 28, 2014 Pages 29 – 33).

OUR KEY STAKE HOLDERS



How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)



QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

OANDO FOUNDATION

Building the Right Foundation for Sustainable Development

.....Transforming Lives through Education



The Oando Foundation at a Glance

Oando Foundation ('the foundation or OF') believes education is the greatest investment to secure sustainable development in the continent. Over the years, we have doggedly demonstrated our commitment to achieving the right of every child to quality education in Nigeria; working with multi-layered stakeholders, using integrative and participatory approaches to increase learning opportunities for children.

Established in 2011 by Oando PLC as an independent charity to support the Nigerian Government in achieving its Universal Basic Education goal, the Foundation's vision is to create sustainable and equitable educational systems in communities, to empower every child through its signature project the Adopt-A-School Initiative (AASI).

The Adopt-A-School programme utilizes an integrated school development approach. It comprises infrastructural development (including water and sanitation), teacher capacity development, information & communications technology (ICT) education, early childcare development, grants and scholarships, strengthening institutional management of education, and other projects geared towards improving access to quality education and transforming the lives of children in communities across Nigeria.

In line with our theory of change, the Foundation's programme interventions support the actualization of four of the seventeen Sustainable Development Goals. These strategies derive directly from our objectives and constitute the key components of our strategic plan. The strategies that guide our mandate are structured as individual but interrelated initiatives:



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Quality education is a critical route out of poverty and towards prosperity. We aim to support the Nigerian Government to achieve its Universal Basic Education goal through our signature project; the AASI. The strategies which address this objective are:

- Infrastructural development through school renovation and new buildings
- Teacher training and provision of instructional aids
- Introducing Early Childhood Care and Development Education
- Establishing Creative (ICT) Centres
- Oando Scholars programme



Achieve gender equality and empower all women and girls

We aim to ensure access and improve the quality of teaching and learning outcomes in schools as well as prioritize the needs of the girl child across all our programme interventions.

We also recognize the community as a great backbone in our advocacy efforts. This is why we ensure that the School Based Management Committee ("SBMC") members' capacity are built to reach out to children (especially girls) who are out of school, or who are likely to drop out of school, as well as their families so as to begin to provide a more protective environment. Through our advocacy efforts, we are increasing the participation and voices of women and children in the SBMC and the school development planning process, and have begun to see our advocacy efforts paying off.



Ensure availability and sustainable management of water and sanitation for all

Lack of privacy for the girl child due to inadequate facilities to support Water, Sanitation and Hygiene ("WASH") needs, especially during their menstrual cycle is a key challenge. The Foundation continues to support WASH needs in adopted schools through provision of portable water supply, wash bays, and toilets.



Strengthen the means of implementation and revitalize the global partnership for sustainable development

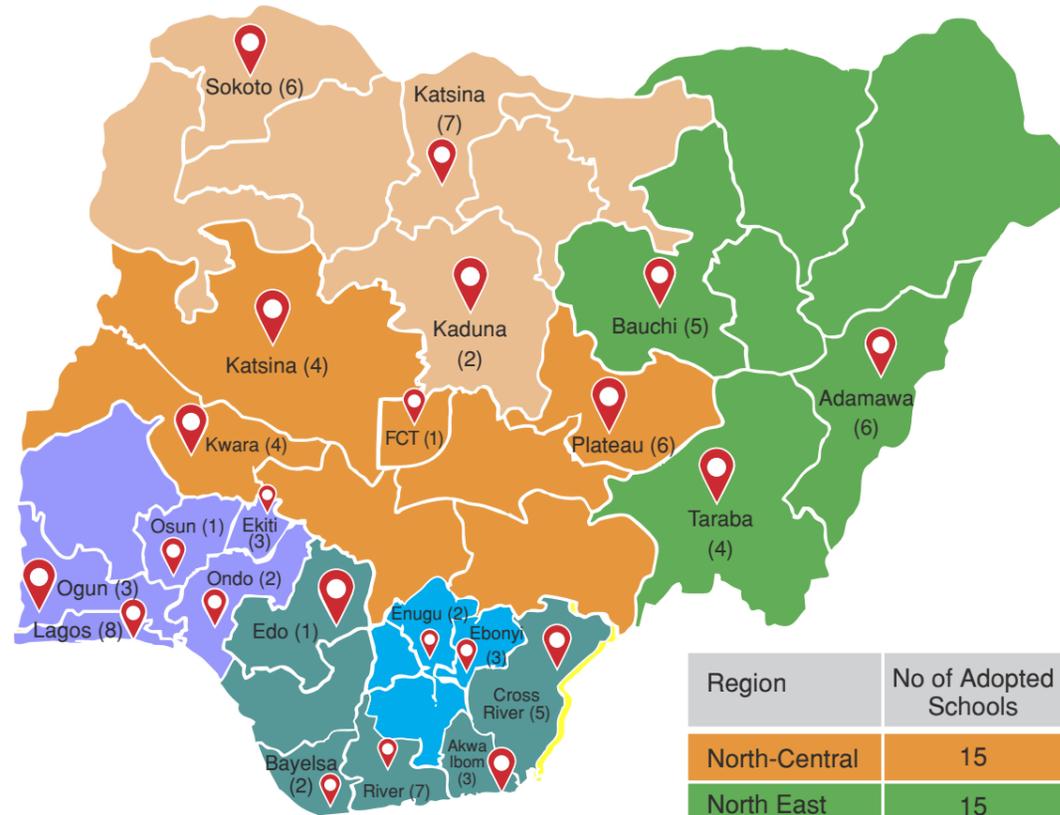
We work in close collaboration and have formed strategic alliances with key government educational institutions, non-governmental organisations, industry specialists, community members, as well as partner with other private sector organisations to ensure effective programme implementation, monitoring, and replication (where required) across other non-adopted schools in the country.

The Foundation is also registered with the UK Charity Commission and has a 501C3 status in the United States of America.

How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

THE FOUNDATION'S REACH: 88 SCHOOLS ACROSS 23 STATES



Region	No of Adopted Schools
North-Central	15
North East	15
North West	15
South West	5
South South	18
South West	17

88
88 schools across 23 States



LIMITATION TO APPROACH

Whilst recognising our several strengths, the Foundation is also aware of its limitations, as follows;

Management

- A change in executive leadership of its key funder, Oando PLC, could pose a risk to financial resourcing and administrative support.

Operations

- The Foundation realises that as its programmes increase in scale, internal capacity gaps may become apparent.
- Participating in the global philanthropy space may leave the Foundation vulnerable to competing international priorities.
- Donors may seek to determine the Foundation's priority areas and expenditure posing a reputational risk to the Foundation.

Our Strategy

- The complexities of a holistic approach to education reform may create challenges for scale up and replicability.
- There is a risk of low understanding and prioritisation of the Foundation's initiatives within Oando PLC.

Management

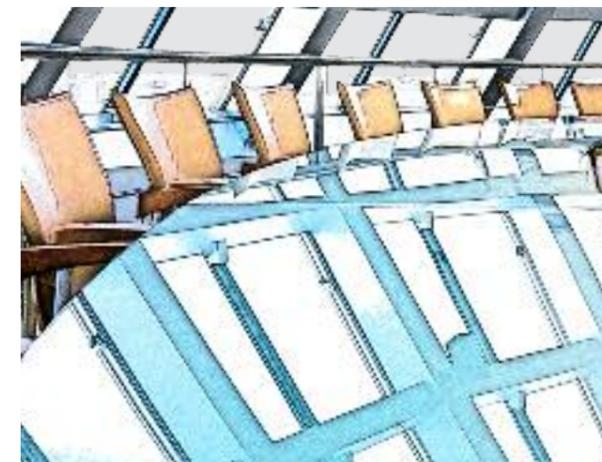
The foundation's highest authority is its Board of Trustees ("BOT") members are selected based on pre-determined skills matrix. The Board provides oversight to the Head, Oando Foundation who is supported by a team of dedicated staff to manage its daily operations. The BOT meet independently and jointly during the course of the year to provide oversight functions to the Foundation's activities.

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

Other responsibilities of the board include the following:

- Determine the organization's mission and purpose: It is the Board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served;
- Provide proper financial oversight: The BOT must assist in developing the annual budget and ensuring that proper financial controls are in place;
- Ensure adequate resources: One of the Board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission;
- Ensure legal and ethical integrity and maintain accountability: The BOT is ultimately responsible for ensuring adherence to legal standards and ethical norms;
- Ensure effective organizational planning: The BOT must actively participate in an overall planning process and assist in implementing and monitoring the goals;
- Recruit and orient new BOT members and assess BOT performance: The BOT have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance;
- Enhance the organization's public standing: The BOT should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community;
- Determine, monitor, and strengthen the organization's programs and services: The BOTs responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness;
- Support the Chief Executive and assess his or her : The BOT should ensure that the Chief Executive has the moral and professional support he or she needs to further the goals of the organization;

The Foundation effectively leverages Oando PLC's in kind human resource support. The Foundation's strategy is therefore embedded in Oando's culture that is hinged on the following core values of Teamwork, Respect, Integrity, Passion and Professionalism (TRIPP) and the Oando Code of Business Conduct & Ethics.



How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

Policies

The Foundation's operations manual documents the policies employed in managing its operations and includes the policies, guidelines and practices, which guide the Foundation's staff, partners and associates in the execution of its core and support processes. The manual was revised from time to time based on emerging realities, new developments and changes impacting the operating structure of the Foundation. Reviewing, updating and ensuring availability of this manual is the responsibility of the Head, Oando Foundation.

The following are the key policies covered:

- Child protection
- Finance
- Procurement and Services
- Gifts and Benefits
- Volunteer Management
- Stakeholder Engagement
- Third Party Declaration

Our commitment

The Foundation remains the only independent charity established by a Corporate, offering a holistic model to improve the basic education sub-sector in Nigeria.

With 8.7million Nigerian children lacking access to quality primary education due to constraints such as extreme poverty, socio-cultural barriers, and conflict-affected environments, the Foundation is committed to ensuring that by the end of 2021, 500,000 children of primary school age across Nigeria will be supported to access quality education.

Goals and targets

In 2016 we made significant progress in our programme approaches and delivery, engaging with stakeholders to serve our key beneficiaries better. Our commitment is driven by our passion to improve the deplorable state of basic education in Nigeria and transform lives.

2017 Key Targets

- Provide conducive learning environment for 67,000 children across our adopted schools
- Mobilize and retain 15,000 Out of School Children ('OOSC') back to school
- Infrastructural development in 15 schools
- Train 1500 teachers on modern pedagogy and classrooms management
- Establish 15 ICT centers to increase deployment of ICT curriculum in our schools
- Train 200 Local Government Education Authority (LGEA) officials on Education Management Information Systems to improve availability of quality education data for decision making

Resources

The Foundation is funded from Oando PLC's pre-tax profit. This funding is supplemented by income generated from grant seeking activities with international donors, development partners and select private sector entities to fund some of the Foundation's programmes.

Expense authorisation are in accordance with the BOT-approved Delegation of Authority:

Amount	Recommended by	Approved by
Less than 5 000 000	Finance	Head, Oando Foundation
5 000 000 and above	Head, Oando Foundation	Board of Trustees

Grievance mechanisms

Respect for human rights is particularly critical to the way we operate, in this regard, we focus on three areas: labour rights, communities, and supply chains. Our communication channels enable us to meet our commitment to provide access to remedy.

Formal Channels for Complaints and Grievances

	Employees and Vendors	Communities and other stakeholders
Purpose	Receive complaints, questions and concerns related to theft, fraud, discrimination, harassment, employee relations, labour, health and safety, and human rights	Receive community stakeholders feedback on issues related to programme quality, programme performance, physical disturbances, and contractor management
Communication channels	Ethics line, telephone and email	Telephone, email, mailing address, letters and Implementing Partners
Complaints and grievances process	Initial complaint is received (in confidence, if through our ethics and compliance hotline) by a third party, and the cases are investigated and resolved by the corporate Ethics Committee with local site support as necessary.	Complaints are received and documented. Investigations vary based on severity. Stakeholders are engaged to resolve and close out grievances.

Our Approach

Monitoring our approach

The Foundation prioritizes evidence-based planning:

- At least biennially, the board is evaluated or conducts a self-evaluation to review its performance and identify areas for improvement
- Monitoring and evaluation of all programme components are integral parts of the AASI initiative, ensuring efficiency and effectiveness in programme delivery.
- Internal and external auditing of the Foundation's financial statements are carried out annually.
- Established stakeholder feedback mechanisms to support our participatory programme approach.

Provide access to education



Infrastructural Development



Early Childhood Care Education



ICT Education



Scholarships



Advocacy



Girl Child Education



Out of School Children Mobilization

Improve the quality of education

Capacity strengthening for:



Teachers



Local Government Education Authorities



School Based Management Committees

500k

The Foundation is committed to ensuring that by the end of 2021, 500,000 children of primary school age across Nigeria will be supported to access quality education

How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

In 2016, specific actions aimed at improving performance included:

- Programme Intervention: the foundation gained significant traction in programme implementation supporting over 67,000 pupils (16,602 OOSC enrolled in 2016). The Foundation established 7 walk-in centres, 7 ICT centres, renovated and equipped 8 schools, donated 2,000 teaching & learning aids, strengthened the capacity of 1,608 teachers, trained 268 LGEA & SBMC officials on educational management information systems and school governance.
- Governance: Increased trustee participation through reconstitution of the Foundation's US, UK & Nigerian boards, scheduling of quarterly meetings of each Board, constitution of key committees namely Finance & Audit, Strategy & Planning, and Fundraising Committees to support the Foundation's strategic objectives. Also, increase in trustees' visits to project intervention site.
- Finance/Operations: Targeted fundraising efforts through institutional grants, Trustee-led crowd funding, direct programme cost optimization, and resolution of the Foundation's tax exempt status.
- Visibility: Increased media visibility through advocacy campaigns, active social media presence, and traditional media engagements.

Stakeholder Identification and Selection Process

Oando Foundation commences its stakeholder engagement process by conducting a Stakeholder mapping / analysis. The analysis identifies key stakeholders within a community / state and determines the likely relationship between stakeholders and the Project. It also helps to identify the appropriate consultation methods for each stakeholder group during the life of the project.

Some of the most common methods we use to consult stakeholders include:

- Phone /email
- Letters
- One-on-one interviews
- Workshop/focus group discussions
- Distribution of newsletters
- Social Media
- Meetings
- Newspaper

When deciding the frequency and appropriate engagement technique used to consult a particular stakeholder group, three criteria are considered –

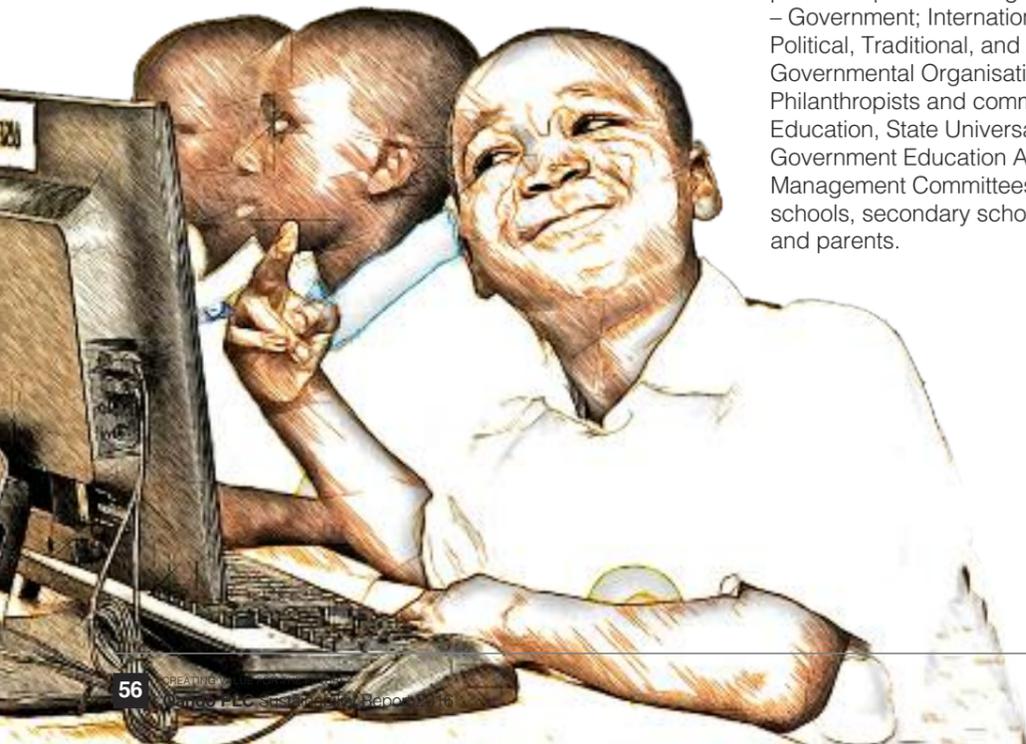
- The extent of impact of the project on the stakeholder group
- The extent of influence of the stakeholder group on the project
- The culturally acceptable engagement and information dissemination methods

In general, the extent of our engagement with each stakeholder is directly proportional to their impact and influence whilst considering peculiarities associated with each stakeholder per time.

Stakeholder Engagement

At Oando Foundation, we recognize that effective stakeholder management is critical to the success of our work; engaging the right people in the right way improves the quality of our interventions, increases ownership and drives sustainability. 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.

The Foundation has identified and cultivated multi-level partnerships with a range of groups across various levels – Government; International Development Agencies; Political, Traditional, and Religious Leaders, Non-Governmental Organisations, Civil Society Organizations, Philanthropists and communities. Also State Ministry of Education, State Universal Basic Education Boards, Local Government Education Authorities, School Based Management Committees, head teachers of adopted schools, secondary school principals, scholarship boards and parents.



A detailed overview of our identified stakeholders is highlighted in the Stakeholder Identification Table:

Stakeholders	Organization	Description	Main Role
Funders	Oando PLC	Oando PLC established the Oando Foundation in a bid to extend its Corporate Social Responsibility mandate. The organization currently contributes a percentage of its pre-tax profit to the Foundation	Funding and in-kind support
	Organized Private Sector	Private sector organisations able to offer supplementary and complimentary funding and support	Funding and in-kind support
	External Support Agencies and International NGOs	International donor agencies and development partners willing to commit funds and technical expertise to supporting basic education reform.	Funding and Technical Assistance
Delivery/Implementation Partners	Non-Governmental Organizations (Implementing Partners)	OF selects community-based NGOs who are responsible for programme implementation at the state and community level.	Manage all state and community level engagement. Facilitate project implementation – CBR projects, SBMC development and oversee scholarship process
	Federal Ministry of Education	Overall responsibility for developing national policies and guidelines for uniform standards at all levels of education in Nigeria as enshrined in various statutory instruments, including the 1999 Constitution of the Federal Republic of Nigeria and National Policy on Education.	Provide necessary approvals and regulatory guidelines
	Universal Basic Education Board	UBEC ensures unfettered access to nine (9) years of formal basic education; that is, qualitative universal basic education for every Nigerian child of school-age. It has the mandate to drastically reduce the incidence of drop-outs from the formal school system, through improved relevance, quality and efficiency.	Provide necessary approvals and regulatory guidelines
	State Universal Basic Education Boards (SUBEB)	The Boards are established by the Federal government to remove distortions and inconsistencies in basic education delivery and reinforce the implementation of the National Policy on Education as well as to ensure access, equity and quality of basic education throughout the country. This government agency is responsible for the implementation of basic education programmes at the state and local government levels.	Provide necessary approvals and regulatory guidelines
	Local Government Education Authority	At the primary level, Local Governments share responsibilities with the federal and state governments. They have direct responsibility for overseeing primary schools within their local government areas.	Direct oversight of development programmes, local level monitoring

How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

A detailed overview of our identified stakeholders is highlighted in the Stakeholder Identification Table:

Stakeholders	Organization	Description	Main Role
Delivery/Implementation Partners	Communities	These represent an array of local level education stakeholders including School Based Management Committees, Community Based Organisations, and Traditional Leaders. They have a deep understanding of the local operating environments and the capacity to support programme implementation. They are the Foundation's key sustainability stakeholders.	Implement CBR and ensure accountability at school level Key to mobilization and retention of OOSC as well as monitoring of school level activities
	Media	These include representatives of print, digital and social media who partner with OF to create awareness and showcase projects in line with our overarching communication strategy	Provide visibility and highlight impact of programmes
	Board of Trustees	The Board of Trustees are the governing body responsible for decision making on behalf of the Foundation.	Oversight of OF activities. Ensure proper corporate governance.
	Oando PLC Employees	Members of Oando PLC staff who sign up to contribute their time, skills and resources to the Employee Volunteer Programme	Contributing financial resources, time and skills
	Project Beneficiaries	Learners	These are the major beneficiaries of the Foundation's interventions and are at pre-primary and primary levels of education
	Teachers	Teaching staff in adopted schools	Collaboration and cooperation
	Head teachers	Head teachers of adopted schools	Collaboration and cooperation
	Parents	These are the parents, guardians and caregivers of pupils in our adopted schools	Reinforce learning initiatives by supporting learners
Evaluation Partners	Monitoring and Evaluation Consultants	Consultants that work with the Foundation to implement and oversee monitoring and evaluation of all OF's programmes	Monitoring and evaluation; routine assessments

Stakeholder Issues and Concerns Raised

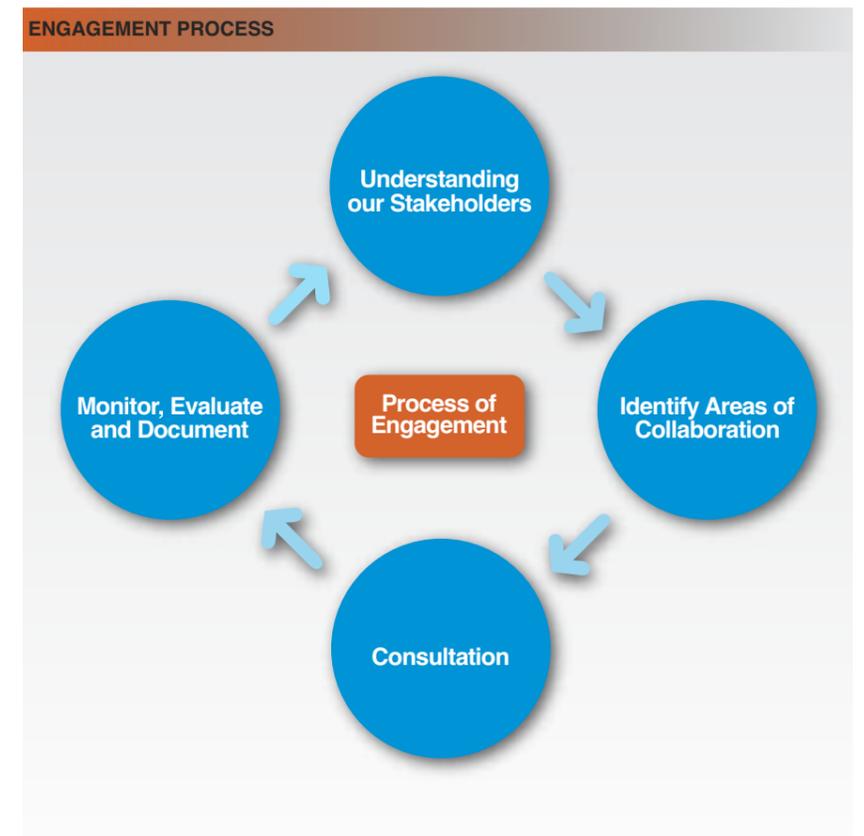
Stakeholder Group	Key Stakeholder concerns/issues raised	Resolution Strategy
State Universal Basic Education Board	Sustaining their commitment through change in administration	The Foundation committed to signing an MOU with SUBEB which captures our expectations from SUBEB and our commitment. The MOU is passed on from administration to administration
Implementing partners	Bridging Capacity gaps in effective implementation & monitoring of AASI	The Foundation development mechanism for an ongoing capacity strengthening support to Implementing Partners. Developed templates and guide to support implementation and monitoring
Community Members	Capacity gaps to monitor and advocate effectively	The Foundation has a robust training plan for SBMC's across management and advocacy leaders, including involving them in the school renovation process through CBR
Teachers	Non-availability of teaching and learning materials	The Foundation now supports teachers with teaching and learning materials to improve the quality of teaching and learning

Stakeholder Engagement Overview

Stakeholder engagement within the Foundation is critical for supporting the project's risk management process, specifically the early identification and avoidance/management of potential impacts (negative and positive) and cost effective project design.

Hence, stakeholder engagement is an on-going process throughout our programme lifecycle and has been categorized into four phases -

- Stakeholder Mapping (Understanding and identification)
- Consultation
- Monitoring and Documentation
- Ongoing engagement throughout project cycle



How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

Understanding our Stakeholders: this involves state level stakeholder mapping to identify partnership opportunities. Understanding our stakeholders will help us in profiling the priority stakeholders and appreciate the power they have to impact our Programme.

Identify Areas of Collaboration: part of understanding our stakeholders includes ascertaining their roles and responsibilities and how this aligns with the Programme's objective. With information on our stakeholders, their interests, and their capacity to impact the Programme, we are able to make informed decision on how best to engage.

Consultation for us involves:

- Fair representation and involvement of principal stakeholders in the design and implementation of our Programmes
- Periodic Programme update provided to all stakeholders whilst ensuring contextualized information per stakeholder to ensure stakeholders get a detailed, holistic picture.
- The Foundation consults through workshops, focus groups, public meetings, surveys, participatory tools and stakeholder panels. We choose relevant mechanisms for each stakeholder group as one template won't fit all. We prioritize issues from the stakeholders' viewpoint, understanding the stakeholders' issues of importance.

Monitor, Evaluate and Document: Knowledge management is critical for capturing information and sharing what is learned. Transparency of the process is greatly aided by accurate documentation. Hence, we collect a wide range of views to assess success and learning points of the engagement process.

Vulnerable Groups Identified

In line with our commitment to ensure inclusive and equitable quality basic education in the communities we serve, Oando Foundation targets the below vulnerable groups:

Out of School Children: Despite the Child Rights Act signed unto by the Nigerian government, Nigeria still has the highest number of out-of-school children – 8.7 million; representing 14% of the 61 million children out of school globally. Children who are not in school are mostly unaccounted for. They are therefore “invisible” and often not considered in policy and decision-making. Oando Foundation deploys several community-driven mobilization campaigns, working with diverse stakeholders such as the School Based Management Committees and Mothers' Associations to support OOSC enrolment and retention.

Girl-Child Education: Educating the girl child is not a luxury. However, gender disparity continues to exist - from access, to enrolment and school completion rates, to the quality of learning. Among children not attending school there are twice as many girls as boys, and among illiterate adults there are twice as many women as men. Oando Foundation mainstreams gender across all its programme interventions such as the Voices of the Girl Child campaign which chronicled the challenges of the girl child in accessing quality education; Oando Scholars Programme prioritizes the girl child in the scholar selection and award process; Code clubs in our adopted schools designed to empower girls in Oando adopted schools with technology skills through creativity and learning, among others.

Children in Emergencies: The North-Eastern part of Nigeria has become significantly displaced educationally due to 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 Dzangula communities in Gombi LGA were destroyed by the insurgents, making it impossible for children to continue schooling.

To support the re-integration of out-of-school children (OOSC) back into school, the Foundation had earlier adopted 11 schools in Bauchi and Adamawa states, some in locations close to the state-government approved settlement camps for displaced persons. We are partnering with USAID-funded Education Crisis Response (ECR) programme to support the mainstreaming of OOSC from non-formal learning centers into Oando adopted schools.

Children with Special Needs: To reduce the difficulties faced by children with disabilities in accessing formal education and support their retention in school, the Foundation provides appropriate teaching and learning aids, as well as ramps in the schools we renovate. In addition, our teacher training programme builds capacity of teachers to understand and utilize differentiated learning approaches in their pedagogical practice, to support children with special needs.

OPERATIONAL RISK MANAGEMENT

Our Risk Management approach is anchored on involvement and communication with the stakeholders at all levels of the project. It provides us a means of identifying, prioritizing and controlling the risks that threaten our objectives. In addition, we have evolved through monitoring and documentation, as well as making project decision based on evidence.

At the inception of each project, a risk mapping / analysis is carried out to identify potential risks and a plan is developed to mitigate such risks. In the course of our work, we have categorized some of our risks and mitigation processes:

- **Financial Risks:** To minimize issues around finances such as embezzlement by partners, Oando Foundation has developed checks and balances at different levels, embedded in our financial and procurement policies. The checks ensure that staff, consultants and partners document all their financial dealings and the finance department ensures due diligence is followed. In addition, these processes are included in the terms of our agreement with all third parties and vendors.
- **Project Delivery Risks:** Involvement of stakeholders across all levels is at the core of our approach to ensuring quality delivery of all our school improvement projects. Through capacity strengthening and sensitization, community members and government bodies learn to take ownership and monitor delivery of all projects implemented. Also we have established feedback mechanism that encourages early communication among beneficiaries, implementing partners and Oando Foundation.
- **Government Bureaucracy** - as part of our sustainability process, Oando Foundation engages all government bodies responsible for basic education in our communities. We ensure continuous consultation and engagement whilst ensuring an MOU is executed to secure their commitment and boycott all unnecessary bureaucracy in approval processes.
- **Reputational Issues** – we continually engage with our beneficiaries and other stakeholders to ensure shared understanding and manage any issues or concerns that might arise. In addition, we engage media both traditional and social media in pushing out content on what the Foundation is doing per time.
- **Inadequate Funding** – We deploy a multipronged approach that increases our funding sources beyond Oando PLC. The Foundation identifies and engages other partners across different sectors - communities, government, private sector organisations, International development organizations etc. with similar interest to co fund or sponsor some of our projects.

Beneficiaries Identification and Selection Process

Oando Foundation jointly selects its beneficiaries at all levels with key stakeholders using set criteria. The joint selection process improves inclusivity, openness and transparency.

Our selection process is guided by the following -

- Joint selection and verification of beneficiaries
- Evidence based
- Clearly defined Project specific needs-based selection criteria
- Prioritization of the most vulnerable
- Geographical coverage focused on areas and populations most in need
- Taking into consideration pre-existing social, cultural and political dynamics or practices that may marginalize or exploit certain groups
- Developed monitoring mechanisms to check any bias

Ethics and Integrity

As part of our commitment to having the highest standards of accountability, we have a zero-tolerance policy towards bribery and corruption of any kind. This includes compliance with all applicable anti-bribery and corruption laws, including the Economic & Financial Crimes Commission (Establishment) Act 2004, and Money Laundering Prohibition Act 2011 (as amended), as well as international ethics and bribery laws. We work and partner only with those who share this commitment.

To ensure that Oando Foundation continues to conduct operations fairly, ethically and lawfully, Oando Foundation employees are bound by the Oando Code of Business Conduct and Ethics. All staff play their critical part of maintaining the Foundation's assets (money, equipment and reputation). Where there are any concerns, the Code provides a detailed procedure for reporting and escalation of such concerns. In the course of this year, the Oando PLC Governance Office sensitized Foundation employees on important matters, taken from the Group Code of Business Conduct and Ethics (the “Code”) and other company policies, in the form of Compliance titbits to aid understanding of the Code and company policies. The communications on Compliance titbits contained links to the referenced policies from which the titbits were drawn.

The Foundation conducts due diligence on potential donors to assess their credibility and integrity. Staff and partners of the Foundation are given sensitization and access to the Oando PLC Whistle Blowing Policy, which is applicable to all Employees, Executive Management, Contract Staff and third parties. This provides the opportunity for employees and third parties with whom the Foundation engages to raise concerns of illegal or unethical behaviour by Foundation personnel, in a confidential manner and receive feedback on any actions taken in this regard.

How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

2016 Achievements

Over its 7 years of existence, Oando Foundation has invested resources, time, and skills to assist communities and children in need. The outcome is improved learning environments and increased enrolment. Below is a summary of our achievements in 2016:

1. School infrastructure Improvement

Public primary schools are characterized by poor learning environments and fast decaying infrastructure. In order to ensure we reach schools with the most pressing needs, we work with the State Universal Basic Education Board (SUBEB) giving consideration to school population, level of deterioration and community population.

Oando Foundation improves the quality of learning and the school environment by renovating existing structures, building new structures and ensuring access to clean water and sanitation facilities in each of our adopted schools.

In line with the Foundation's renovation strategy, the following renovation work was carried out:

- Construction of a block of three classrooms at Sabon Kaura Primary School, Bauchi State
- Construction of a block of toilets at Nyibango Primary School, Adamawa State
- Construction of school perimeter fence at LEA Primary School, Babale, Jos, Plateau State
- Construction of 1 block of 3 classrooms, 1 block of 3 toilets, and provision of potable water at Randawa Primary School, Katsina State
- Construction of a block of three classrooms in LEA Primary School, Rido, Kaduna State
- Renovation of 1 block of 5 classrooms, 1 block of 3 toilets, and provision of potable water at Muslim Community Primary School, Omupo, Kwara State
- Renovation of 1 block of 3 classrooms and provision of potable water supply at Umaru Audi Primary School, Niger State
- Renovation of 1 block of 3 classrooms at Ibrahim Gusau Nizzamiyya Islamiyat Model Primary School

2. Scholarships

Oando Foundation Scholarship programme remains one of the key drivers of increased enrollment and retention of pupils in our 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. To date, over 1,000 pupils have benefited from the scheme. In 2016, Oando Foundation awarded 197, increasing the number of current scholars to 524.

3. Establishment of ICT Centers

Our ICT Component is aimed at strengthening the utilization of the existing National ICT Curriculum and promoting ICT education in public primary schools through the establishment of solar powered ICT Centres, capacity building and support for ICT teachers, provision of ICT textbooks to aid curriculum implementation, monitoring and support. In 2016, Oando Foundation established 7 ICT Centres in Sokoto, Plateau, Kwara, Katsina, and Bauchi States.

Students using ICT Centres at Sabon Kaura General Muhammed Buhari Primary School, Katsina

4. Capacity Strengthening

4.1 Teachers Training

The objective of Oando Foundation's teacher training programme is to improve the skills of 1,600 teachers in one hundred (100) adopted schools over a period of three years (2016-2018). The programme is expected to improve teachers' skills in modern pedagogy and content knowledge in three core subjects of Mathematics, English Language and Science and Technology. It is also expected to strengthen the capacity of 100 head teachers and assistant head teachers in school management and leadership. In 2016, 1,608 teachers and 47 head teachers and assistants were trained respectively across 40 adopted schools.

4.2 School Based Management Committees (SBMCs)

Oando Foundation has identified the need to increase community involvement in education. The Foundation develops and empowers SBMCs to become effective at contributing to transformative education. Our capacity building programmes help improve the quality of education at the local level. In 2016, Oando Foundation trained over 246 SBMC members in over 16 communities. Oando foundation has partnered with the DFID Education Support System in Nigeria (ESSPIN) to roll out trainings in five states across Nigeria.

4.3 Local Government Education Authorities

The overall aim of the LGEA capacity strengthening component is to improve the availability of quality education data through improved knowledge and usage of functional Education Management Information System (EMIS) by LGEA officials. This is based on the premise that improved knowledge and usage of functional EMIS by LGEA officials will improve the availability of quality education data for planning, resource allocation and performance monitoring and evaluation at the local level. In 2016, OF completed the 1st stream training for the pilot cluster of 8 LGEA's and 3 SUBEB's covering 15 schools across 3 states in North East Nigeria.

5. Partnerships and Advocacy

5.1 Educate a Child, Qatar

OF partnered with Educate a Child Qatar to enroll 60,000 children in school by 2018. As a result of participatory community assessments across the country, OF was able to garner support for Out-of-School children through evidence-based advocacy in Northern Nigeria. Stakeholder engagements resulted in allocation of additional funds to schools, community mobilization of resources and enrolment of over 12,000 children in school in the 2015/2016 academic session.

5.2 USAID Education Crisis Response in Nigeria

Our advocacy efforts also gave rise to a Partnership with USAID Education Crisis Response in Nigeria to mainstream 500 internally displaced children from informal learning centers to adopted public primary schools in Adamawa and Bauchi states and support their reintegration with Education Starter kits.

5.3 "Poultry Pen to Primary School Campaign"

OF mobilized support for vulnerable kids in Ogun State, Nigeria through the "Poultry Pen to Primary School Project". The project aims to raise funds to build a befitting school for over 1000 pupils in Itori Ewekoro Primary School who currently learn in a derelict poultry. This project was made possible by the collaboration of Corporate, Individual and institutional donors including Nigerian Celebrity Actress, Kate Henshaw and the United States Consulate in Lagos, Nigeria. The pupils will start learning in a new school in 2017.

Awards

The power of individual donors combined with external support from business, government and development partners enables us to empower communities and strengthen institutions vested with the mandate of education. Our efforts to transform the basic education sector in Nigeria have been well received by communities and governments. Our interventions have given rise to various awards and prepares us for the challenges ahead.

Sustainability

Sustainability is at the very core of our interventions at Oando Foundation and education remains the most potent tool in our quest to transform lives. Our accomplishments in the past year, shows us the great task that lies ahead in transforming Nigerian public schools to modern citadels of learning.



How far have we come? continued

QUALITY EDUCATION (SDG 4), CLEAN WATER AND SANITATION (SDG 6), GENDER EQUALITY (SDG 5)

SUPPLY CHAIN STAKEHOLDER ENGAGEMENT

Internal Stakeholders - Employees

In 2016, the supply chain organization experienced a major restructuring of its operations. The objective was to optimize operations while aligning it to the business strategy of each entity. Internal stakeholders were engaged on these changes which were primarily driven by the divestment of the downstream and rig businesses. The stakeholder engagements happen bi-annually and occur via communication channels such as internal memos and direct unit engagements.

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

- 1 Decentralization of the vendor management function to enable each business focus primarily on their strategic partners and manage their business risks/ exposures directly. The governance team in each business unit was still charged with due diligence function.
- 2 Budget Spend decentralization: Each of the divested businesses were to own and manage their supply chain management process and team in order to align with their current business strategy.

Communication to internal stakeholders was to ensure the following:

- i Requests are channeled to the appropriate teams
- ii Eliminate any down time to business operations.

External Stakeholders - Vendors & Business Partner Engagement

A vendor forum was organized by the supply chain team with the objective of keeping our strategic partners and vendors abreast of our current position as a company, given the divestment strategy, low oil prices, high interest rates coupled with militancy and vandalism in the oil and gas industry.

In the forum, we shared the vision of the organization to further strengthen our position by seeking increased profitability and improved payable scheduling. A number of vendors lauded the tenacity of the Company and requested improvement in payment of tax obligations to enable them get the necessary tax relief using withholding tax receipts. This message was received by the finance team who were in attendance.

The governance team also used the opportunity to re-emphasize the Oando Governance requirements and business ethics position.

Continuous Vendor & Business Partner Assessment

As part of the vendor selection process, a capability assessment was carried out to assess the technical capability and EHSSQ Compliance of new vendors. Also, the vendors go through a Due Diligence process to ascertain ethics and governance compliance as well as other areas to drive cost competitiveness and quality of service delivery. A vendor whose performance has been found unsatisfactory may be blacklisted in accordance with the Oando Vendor blacklisting policy. In 2016, Oando did not blacklist any vendor.

Our EHSSQ process and involvement in contracting helps eliminate the possibility of child and/or forced labor practices as it involves obtaining resume and proof of experience of the vendor's employees, provision of a fitness to work certificate which includes employee bio-data to ascertain age and other parameters.

Local Content

As part of our local content drive and in compliance with laid down statutes, 89% of the vendors used in 2016 were local vendors accounting for 95% of the total monies expended. This demonstrates our commitment towards building local capacity and strengthening local vendor capabilities. These vendors are subjected to the same vendor selection process and quality terms as our international vendors.

Improving Vendor Experience

Issues arising from vendor engagements, have been centered on prolonged payment delays, tax receipts from tax deductions and reputational issues for Oando PLC. In view of this, the following plan was instituted to address their concerns.

- Ensure prompt payment of vendor invoices by working with the Finance department to secure data for the Account Receivables by the respective entities for aggressive debt recovery
- To avoid reconciliation issues with the vendors, payment is to be made based on the date of the invoice.
- Engage the finance department quarterly on payment for taxes and prompt remittance of withholding tax receipts.

In 2016, the Oando PLC procurement team was able to achieve cost savings of over \$500,000 without any budget overrun.

EHSSQ STAKEHOLDER MANAGEMENT

There were engagements with stakeholder groups which were predominately regulatory agencies with supervisory oversight as specified in the Nigerian Legal Framework.

Key Regulatory Agencies included:

- (i) Department of Petroleum Resources (DPR)
- (ii) Federal Ministry of Environment
- (iii) Federal Ministry of Works
- (iv) National Inland Waterway Authority (NIWA)
- (v) Lagos State Ministry of Environment
- (vi) Lagos State Infrastructure Maintenance and Regulatory Agency (LASIMRA)
- (vii) State Environmental Protection Agencies

The regulatory agencies are required by law to grant approvals and permits before projects and operations can commence. All regulatory requirements for each project and operations were identified and mapped to the specific government agency providing such oversight function.

All stakeholders were considered priority because failure to identify, engage and meet their requirements to the commencement of a project or operation can have a negative impact resulting in potential legal, reputational and financial losses.

Work plans were sent to regulatory agencies with presentations to provide insight into the project or operation planned. Presentations were made on projects or operations basis with informal meetings held as follow up. Engagements were carried out by emails, formal meetings, telephone calls, one-on-one meetings.

Stakeholder Issues and Concerns

These issues are usually negotiated, agreed and documented in the MOU signed with the communities. Stakeholder feedback was reported to management as soon as they were received and the requisite steer obtained to guide in subsequent engagements with the stakeholder. Critical stakeholder feedback were usually presented at Board meetings.

Critical concerns were communicated through memos, presentation and emails to the company's senior executives who took necessary actions required to resolve all issues and progress our projects and operations.



Schedule of 2016 Activities

Oando Foundation Adopt-A-School Scholarship Award for 565 pupils.

Newly established ICT Centre equipped with computers, projectors, printers, solar power, and furniture at 7 adopted schools:

- General Muhammed Buhari Primary School, Daura, Katsina
- Central Primary School Udubo, Bauchi
- LEA Primary School, Babale, Plateau
- Ahmed Danbaba Primary School, Sokoto
- Salihu Anka Primary School, Sokoto
- Muslim Community Primary School, Omupo, Kwara
- Gidado Primary School, Katsina
- Solar Power for ICT Centre installed at Gwadabawa Primary School, Yola, Adamawa

Infrastructure Development:

- Construction of 1 block of 6 classrooms at Local Gov't Nursery & Primary School, Jagunna Itori, Ewekoro
- Construction of 1 block of 3 classrooms, 1 block of 3 toilets, and provision of potable water supply at Randawa Primary School, Mani, Katsina
- Construction of 1 block of 3 classrooms at Sabon Kaura Primary School, Bauchi
- Renovation of 1 block of 5 classrooms, 1 block of 3 toilets, and provision of potable water supply at Muslim Community Primary School, Omupo, Kwara
- Renovation of 1 block of 3 classrooms at Ibrahim Gusau Model Primary School, Sokoto
- Renovation of 1 block of 3 classrooms and provision of potable water supply at Umaru Audu Primary School, Minna, Niger
- Construction of perimeter fence at LEA Primary School, Babale, Plateau
- Construction of 1 block of 3 classrooms at LGEA Primary School, Rido, Kaduna

Infrastructure Development:

- Construction of 1 block of 6 classrooms at Local Gov't Nursery & Primary School, Jagunna Itori, Ewekoro
- Construction of 1 block of 3 classrooms, 1 block of 3 toilets, and provision of potable water supply at Randawa Primary School, Mani, Katsina
- Construction of 1 block of 3 classrooms at Sabon Kaura Primary School, Bauchi
- Renovation of 1 block of 5 classrooms, 1 block of 3 toilets, and provision of potable water supply at Muslim Community Primary School, Omupo, Kwara
- Renovation of 1 block of 3 classrooms at Ibrahim Gusau Model Primary School, Sokoto
- Renovation of 1 block of 3 classrooms and provision of potable water supply at Umaru Audu Primary School, Minna, Niger
- Construction of perimeter fence at LEA Primary School, Babale, Plateau
- Construction of 1 block of 3 classrooms at LGEA Primary School, Rido, Kaduna

Teacher Training:

- 1,608 Teachers and 107 Head Teachers/Assistants trained across 49 adopted schools
- Provision of teaching and learning materials to 47 adopted schools

Special Projects:

- Donation of Back-to-School materials to 500 IDPs to support their mainstreaming into formal learning schools
- Scholarship Award to 5 indigenous pupils of Ogun State to Nobelhouse College
- Scholarship grant to 4 university beneficiaries on the Ebola Education Trust Fund
- Donation of T-Shirts, fez-caps, exercise books, and straw hats towards extra-curricular activities: Inter-house Sports at 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 Local Government Primary School, Isolo, Lagos

565

2016 target: Oando Foundation Adopt-A-School Scholarship Award for 565 pupils.



Targets & Data

OUR ECONOMIC OUTLOOK

2016 Targets	2016 Outcome & Comments	2017 Targets
Profitability Return to profitability which will be driven through improved cost and capex management focus	A marginally profitable year	Profitability will be driven by focused cost and liquidity management, with significant selective oil and gas production initiatives planned for 2017.
Dividend Return the company to profitability to resume payment of dividends by 2018 year end	Dividend was not planned to resume in 2016	Return the company to profitability to resume payment of dividends by 2018 year end
Capital Structure Deleveraging our balance sheets to create a platform for long term profitability	Concluded the divestment of OESL (Rig business), Akute Power Limited (from the midstream business) and the Downstream business, and as a result, Oando PLC's debt profile which stood at US\$2billion as at December 2015 witnessed a 60% reduction by December 2016, to US\$812 million.	Focus further on reduction of our debts to create a platform for long term profitability while driving growth via our dollar denominated upstream and downstream trading businesses
Growth & Recapitalisation The dollar earning upstream & trading businesses main focus for growth. partial divestment from downstream & midstream businesses to result in capital injection to the group	Successful completion of our strategic deleveraging initiatives whilst still holding indirect interest in the downstream retail and mid-stream gas distribution operations.	Sustained growth via our dollar earning upstream and downstream trading business, continue to provide the necessary support to our new partners in the midstream and downstream businesses.

OANDO FOUNDATION TARGETS AND DATA

2016 Targets	2016 Outcome and Comments
Education To adopt 22 schools in 2016; increasing the total number of schools adopted and supported to 80.	Target met. 22 schools adopted in 2016, bringing total number of schools adopted and supported to 80.
Increase host community participation in Oando Foundation's programme interventions across adopted schools.	Capacity of School-Based Management Committees (SBMC) strengthened in host communities, leading to an increase in number of out-of-school children enrolled and resources mobilized to support projects in adopted schools.
Establish strategic partnerships with key actors to deepen quality of AASI programme implementation.	7 new partnerships established (technical and financial) to support implementation of LGEA, ICT, and Teacher Training components of the AASI.
Employee Volunteering To increase number of employee-led volunteer activities by 20%	Target unmet. Divestment of Oando subsidiaries in 2016 had direct impact on the Employee Volunteer Programme. Focus in 2016 was to re-structure the EVP based on existing realities to ensure continuity.

2016 CONSOLIDATED GAS UTILIZATION TABLE

Asset	Total Gas Produced	Total Gas Produced	Total Gas Utilized	Total Gas Flared	Total line loss	% Gas Utilized
	(JV) MMSCF	(OER) MMSCF	(OER) MMSCF	(OER) MMSCF	(OER) MMSCF	(OER) MMSCF
NAOC JV	351,370	70,274	60,598	3,622	6,054	86.2
Ebendo	4,578	2,060	299	1,761	-	14
Qua Iboe	1,355	542	2.4	540	-	0.4

EHSSQ TAREGET AND DATA 2016

Year	Oando Energy Service 2015	Oando Energy Service 2016	Oando Energy Resources 2015	Oando Energy Resources 2016	Oando Gas Power 2015	Oando Gas Power 2016	Oando Downstream 2015	Oando Downstream 2016	Total (Oando PLC) 2015	Total (Oando PLC) 2016
Fatalities (Staff/Contractor)	0	0	0	0	0	0	0	0	0	0
Exposure man hours	517,747	112,525	241,837	175,365	913,459	810,979	1,272,017	2,915,582	2,945,060	4,014,451
Lost Time Injury	0	0	0	0	0	0	0	0	0	0
Lost Time Injury Frequency	0.00	0.00	0.00	0.00	0	0	0.00	0.00	0	0
Medical Treated Case	0	0	0	0	0	0	2	2	2	2
Lost Workday Case	0	0	0	0	0	0	0	0	0	0
Total Recordable Incident	0	0	0	0	0	0	2	3	2	3
Total Recordable Incident Frequency	0.00	0.00	0.00	0.00	0.00	0.00	1.57	1.03	0.68	0.75
Environmental Spill	2	0	0	0	0	0	9	9	0	0
Hazard Identification Reporting	6,895	15,458	91	137	1,325	841	435	489	8,746	16,925
Fire incidents	0	0	0	0	0	0	5	5	5	5
Gas leaks	0	0	0	0	2	3	0	0	2	3

NEW EMPLOYEES HIRED WITHIN THE REPORTING PERIOD BY AGE GROUP AND GENDER

Age Groups	Gas & Power	Downstream	Energy Resources	Group	Totals
25 - 35 (Male)	0	0	0	0	0
25 - 35 (Female)	0	0	0	2	0
36 - 45 (Male)	0	0	0	0	0
36 - 45 (Female)	0	0	0	0	0
46 - 55 (Male)	0	0	0	0	0
46 - 55 (Female)	0	0	0	0	0
Total	0	0	0	2	0

EXITED EMPLOYEES WITHIN THE REPORTING PERIOD BY AGE GROUP AND GENDER

Age Groups	Gas & Power	Downstream	Energy Resources	Group	Totals
25 - 35 (Male)	1	1	3	7	12
25 - 35 (Female)	1	1	0	3	5
36 - 45 (Male)	1	2	0	2	5
36 - 45 (Female)	0	2	0	2	4
46 - 55 (Male)	1	0	4	1	6
46 - 55 (Female)	0	0	0	0	0
Total	4	6	7	15	32



GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GR 101: FOUNDATION 2016		
GR 102: GENERAL DISCLOSURES	Disclosure 102-1	Name of the organisation Page 2
	Disclosure 102-2	Activities, brands, products, and services Pages 8-9
	Disclosure 102-3	Location of headquarters Page 8
	Disclosure 102-4	Location of operations Page 8
	Disclosure 102-5	Ownership and legal form Page 6
	Disclosure 102-6	Markets served Pages 8-9
	Disclosure 102-7	Scale of organization Pages 8-9
	Disclosure 102-8	Information on employees and other workers Page 47
	Disclosure 102-9	Supply chain Page 39
	Disclosure 102-10	Significant changes to the organization and its supply chain Page 39
	Disclosure 102-11	Precautionary Principle or approach Pages 16-19
	Disclosure 102-12	External initiatives Page 14, page 34
	Disclosure 102-13	Membership of associations Page 34
GR 103: MANAGEMENT APPROACH	Disclosure 103-1	Page 29
GRI 201: ECONOMIC PERFORMANCE	Management Approach	Pages 45-46
	Disclosure 201-1	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> i. Direct economic value generated: revenues ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 201: ECONOMIC PERFORMANCE	Disclosure 201-3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. Page 48
		b. If a separate fund exists to pay the plan's pension liabilities: Page 48
		i. The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; Page 48
		ii. The basis on which that estimate has been arrived at; Page 48
		iii. When the estimate was made. Page 48
	Disclosure 201-4	c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. Page 48
		d. Percentage of salary contributed by employee or employer. Page 48
		e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact. Page 48
		a. Total monetary value of financial assistance received by the organisation from any government during the reporting period, including: Page 48
		b. The information in 201-4-a by country Page 48
	c. Whether, and the extent to which, any government is present in the shareholding structure. Page 48	
GRI 202: MARKET PRESENCE	Management Approach Pages 47-48	
	Disclosure 202-1	a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. Page 48
		b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. Page 48
		c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. Page 48
		d. The definition used for 'significant locations of operation.' Page 8

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 203: INDIRECT ECONOMIC IMPACTS	Management Approach Pages 53-56	
	Disclosure 203-1	a. Extent of development of significant infrastructure investments and services supported. Pages 23-27, Pages 54, 56, 60
		b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. Pages 23-27, pages 54, 56
		c. Whether these investments and services are commercial, in-kind or pro bono engagements. Pages 23, page 50
	Disclosure 203-2	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. Pages 23-27, pages 50-52
b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas. Pages 50-52		
GRI 204: PROCUREMENT PRACTICES	Management Approach Page 39	
GRI 205: ANTI-CORRUPTION	Management Approach Page 34	
	Disclosure 205-1	a. Total number and percentage of operations assessed for risks related to corruption. Page 64
		b. Significant risks related to corruption identified through the risk assessment. Page 17
	Disclosure 205-2	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. Page 34
		b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. Page 34
c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. Page 34		
	d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. Page 34	
	e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. Page 34	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 302: ENERGY	Disclosure 302-1 a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total energy consumption within the organization, in joules or multiples.	Page 40
	Disclosure 302-2 a. Energy consumption outside of the organization, in joules or multiple	Page 40
	Disclosure 302-4 a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	Page 40
	Management Approach	Pages 40, 61
GRI 303: WATER AND EFFLUENTS	Disclosure 303-1 a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff). b. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.	Pages 41, 51 Page 61
	Disclosure 303-2 a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:	Page 41
	Management Approach	Pages 40, 61

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 304: BIODIVERSITY	Management Approach	Page 41
	Disclosures 304-1 a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:	Pages 40, 41
	Disclosure 304-2 a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:	Page 40
	Disclosure 304-3 a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	Pages 40, 41
GRI 305: EMISSIONS	Management Approach	Page 41
	Disclosure 305-5 Reduction of GHG emissions	Page 40
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	Page 40
GRI 306: EFFLUENTS AND WASTE	Management Approach	Page 41
	Disclosure 306-2 Water waste by type and disposal method	Page 41
	Disclosure 306-4 Transport of hazardous waste	Page 41
GRI 307: ENVIRONMENTAL COMPLIANCE	Management Approach	Pages 39, 40- 41
	Disclosure 307-1 Non-compliance with environmental laws and regulations	Pages 40- 41
GRI 401: EMPLOYMENT	Management Approach	Page 47
	Disclosure 401-1 New employee hire and employee turnover	Pages 47- 48
	Disclosure 401-2 Benefits provided to full time employee that are not provided to temporary or part-time employees	Page 48
	Disclosure 401-3 Parental leave	Page 48

GRI Content Index



GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 402: LABOUR/MANAGEMENT RELATIONS	Management Approach	Page 49
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	Management Approach	Page 44
	Disclosure 403-1 Workers representation in formal joint management-worker health and safety committees	Page 45
	Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 44
	Disclosure 403-4 Health and safety topics covered in formal agreements with trade unions	Page 44
GRI 404: TRAINING AND EDUCATION	Management Approach	Page 48
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Pages 48- 49
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Pages 48- 49
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	Management Approach	Page 47
	Disclosure 405-1 Diversity of governance bodies and employees	Pages 47- 48
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Pages 47- 48
GRI 406: NON-DISCRIMINATION	Management Approach	Pages 47- 48
GRI 408: CHILD LABOUR	Management Approach	Pages 49, 64
	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	Page 64
GRI 409: FORCED OR COMPULSORY LABOUR	Management Approach	Page 64
GRI 410: SECURITY PRACTICES	Management Approach	Page 45
	Disclosure 410-1 Security personnel trained in human rights policies or procedures	Page 45

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 412: HUMAN RIGHTS ASSESSMENT	Management Approach	Pages 44, 65
	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	Pages 45, 65
	Disclosure 412-2 Employee training on human rights policies or procedures	Page 45
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Page 45
GRI 413: LOCAL COMMUNITIES	Management Approach	Pages 10, 13, 20
	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Pages 23- 27, 50- 59
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Pages 23- 27, 50- 59
GRI 415: PUBLIC POLICY	Management Approach	Page 46
	Disclosure 415-1 Political contributions	Page 46
GRI 419: SOCIOECONOMIC COMPLIANCE	Management Approach Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	Pages 21, 32- 34

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:

Ayotola Jagun

*Chief Compliance Officer and
Company Secretary*
ajagun@oandopl.com

or

Alero Balogun

Head of Corporate Communications
albalogun@Oandopl.com

