



COMMUNICATION ON PROGRESS

YEAR 2011

STATEMENT BY MANAGING DIRECTOR

At Ghana Oil Company Limited (GOIL) the year 2011 was quite an eventful one, but through it all, we ensured that efforts to re-position the company to deliver greater value, generate revenue from other energy-related sources, and improve upon service delivery were sustained.

In 2011, the Managing Director of the company in the person of Mr. Yaw Agyeman-Duah retired from the company after attaining the age of 60 years. He served as the managing director for the last 10 years of service with the company and a total of 17 years of service with the company.

An interim management team headed by Mr. Kojo Bonsu took charge for the rest of the year. Mr. Patrick A. K. Akorli, the then finance manager was subsequently appointed to the position of managing director.

The company continued business expansion and excellence in market execution and made significant progress towards the re-branding of the company. The company continued to integrate its corporate social responsibility and commitments into its business strategy as practical demonstration of the company's sustainable commitment to the principles of the Global Compact.

As part of the company's custom and In keeping with its standards as first class corporate citizens, donations to selected communities and institutions across the country were made. Support was given, not only to needy institutions, but for several educational causes, sports, culture, social and national institutions.

In this regard, the company created value for our shareholders and all others who share in our business: customers, consumers, employees, government agencies, NGOs and communities.

Health, Safety, Security and Environmental issues continued to be prime focus in our business operations. The company believes that no operation is as important or profitable as to override its safety practices or the protection of the environment.

The company improved on its total recordable accidents during the year. Employees and attendants were provided with regular training, information and schooled in conducting operations at our facilities and networks in a manner that safeguards people and property including those in communities where we operate.

During the year, the company introduced a well-equipped Mobile Inspection and Quality Assurance Unit to ensure that products sold to motorists were of the highest quality.

The company continued the sale of environmentally, friendly products and improved on its housekeeping

The company maintained good staff relations which is crucial to ensuring the highest levels of staff well-being and productivity. Within the period the company devoted greater attention to strengthening communication, in order to gather and share information efficiently and effectively at every office location.

The company worked in partnership with the Staff Unions/Associations, (Junior & Senior Staff Union and Senior Staff Association) to ensure that staff concerns are raised and addressed constructively. In addition to participating in meeting with these unions and associations, it initiated and responded to separate requests for discussion on matters of mutual common interest.

Concerning staff grievances, the company dealt with these issues in compassionate ways.

The company provided advice and supported on health insurance for staff and their dependants. The company assessed health issues related to staff working environments. During the reporting period a number of health screenings, talks and awareness programs were held for staff to enhance staff wellness and well-being.

The company continued to advocate a smoke-free working environment and a healthy lifestyle for all staff. Staffs were made to be aware of the need for periodic medical exams for the early detection of potentially harmful medical conditions.

The company continuously reviews and upgrades staff health and insurance benefits, negotiates with insurance companies and local health providers.

While renewing our support for the initiative, we wish to assure the Global Compact that our approach to sustainable business practices are guided by the United Nations Global Compact Principles which are embraced by the company and championed by me, the chief executive.

Patrick A.K. Akorli

July 17, 2013

Managing Director

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TRAINING & DEVELOPMENT MANAGER

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	Global Compact Principle	Action Taken
	1: Business should support and respect the protection of internationally proclaimed human rights;	<p>HIV/AIDS WORKPLACE PROGRAMME</p> <p>The company continues to enforce its policy on HIV/AIDS at the Workplace .The key principles of the policy are recognition of HIV/AIDS as a workplace and business issue, non discrimination and stigmatization, and continuation of employment, prevention of new infections providing care and support, and community outreach.</p> <p>Awareness, education and advocacy programs are held throughout each year. Periodic and voluntary testing was encouraged within the period.</p> <p>NATIONAL HEALTH INSURANCE SYSTEM</p> <p>The company has ensured that all members of staff have registered with the National Health Insurance Policy. We have developed and integrated the policy with our internal health insurance scheme.</p> <p>OCCUPATIONAL HEALTH AND SAFTY</p> <p>The company continued to intensify its health and safety policies. The safety objectives for the year were to: achieve step improvement in total recordable accidents, Document& implement the ISO 9001:2008 compliance and obtain all work permits for projects. Safety reporting has been enhanced using key performance indicators include the following: Work related fatality rate (WRFR), Spillage to land or water Rate (SLWR) Lost time injury rate (LTIR) Fines by regulatory bodies rate(FRBR) Bulk road vehicle accident rate(BRVAR)</p> <p>To achieve these objectives, a number of strategies were put in place: Risk assessment of facilities, Planned inspection of BRVs, Safety week, Emergency drills, and Health talks.</p> <p>WORKFORCE ENGAGEMENT</p> <p>The company continued with its provision of safe working environment for its employees and communities within which it operates. The company also maintained its good relationship with the staff unions, government and other stakeholders by not implicating itself in any human rights abuses..</p>

	2: and make sure that they are not complicit in human rights abuses.	<p>The company continued with its measures and checks in regard with human rights abuses. The company does not in any way tolerate human rights abuses in its operations and extends same conditions to all out sourced suppliers and contractors. The company also ensures that its private security service operate in conformity with the law. Within the year there were no records of human rights abuse.</p> <p>There were training sessions on human rights issues and policies which were linked to internal company policies to alleviate any problem on human rights and ensure freedom of expressing opinions..</p> <p>The company ensured that child labour or forced labour was not practiced in any sphere of its operations, especially among the workforce of third party suppliers or contractors.</p>
	3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<p>The company ensures that employees have the right and freedom to join any association of choice.</p> <p>To this effect, employees are associated to the following associations/unions operating in the company.</p> <ol style="list-style-type: none"> 1. The local union of The General Transport, Petroleum and Chemical Workers ' Union (GTPCWU) of the Trade Union Congress (TUC)-Ghana subscribed by all junior staff and the Senior Staff Union. 2. The GOIL Senior staff Association for some supervisors and middle management staff. 3. The GOIL Junior staff Union <p>Collective Bargaining Agreement (CBA) is negotiated every year. The executive of the union and associations collaborate with Top Management in formulation and review of terms of conditions of service.</p> <p>Union Executives hold monthly meetings. A General Meeting between the Union Executives and the whole members of the Union is held quarterly. These meetings are approved and expensed by company.</p> <p>The Senior Staff Union & Association executives meet once a month and meet members once a quarter.</p> <p>Management meet all staff at least once in every two months at staff durbars to let members discuss general matters including business trend, health, welfare, among others happening in the company during the period, such durbars are normally chaired by the Managing Director.</p> <p>.</p> <p>There is a strict adherence to schedules for Negotiations and wage openers timed such that implementation of agreements is effected January 1, each year. All</p>

		<p>employees belong to at least on employee association. Tension between our workers and employer has been eliminated by the open door policy and constant dialogue with the unions on all issues.</p> <p>Management-employee associations’ relations for the period were very cordial within the period. It is the intention of management to organize training for Union Executive Office holders on topics such as: The new Ghana Labour Act (Act 651), Industrial Relations, Productivity Based Bargaining Discipline at the Workplace and Performance Management. The training aims at broadening their perspectives on Labour- Management collaboration at the workplace.</p>								
	4: The elimination of all forms of forced and compulsory labour.	<p>The company continues not to engage in child labour and enforces that its third party contractors and suppliers do not engage in that. When operational duties demand for overtime work and weekend jobs, the company ensures that it agrees with the affected staff and pays the requisite compensation as it demands.</p>								
	5: The effective abolition of child labour.	<p>Goil’s policy on abolition of child labour is clearly spelt out in its operations. The company does not employ minors and acts in strict compliance with the National Labour Law.</p> <p>Age verification is normally carried out during recruitment processes. Below is the age distribution of staff within the year according to our records</p> <p>The age distribution in the company as at the year 2011 is as follows</p> <table><tr><td>Age 20-29:</td><td>12%</td></tr><tr><td>Age 30-39:</td><td>20%</td></tr><tr><td>Age 40-49:</td><td>25%</td></tr><tr><td>Age 50-59:</td><td>43%</td></tr></table>	Age 20-29:	12%	Age 30-39:	20%	Age 40-49:	25%	Age 50-59:	43%
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	6: And the elimination of discrimination in respect of employment and occupation challenges:	<p>Physical challenge, ethnic background and gender are not barriers to employment.</p> <p>The company currently has a physically challenged employee in its fold.</p> <p>Goil gives equal opportunity to all manner of people who are of constitutional age and right frame of mind to work. Recruitment processes is done in a fair manner and are based on qualifications, skills and experience.</p> <p>There were equal opportunities on training programs to develop the skill of staff and programs by Ghana Employers Association on labour integration of disabled , The HR department monitored the compliance of all these policies.</p>								
	7: Business should support a precautionary approach to environmental challenge:	<p>The company continues to hold on to its mission statement of protecting and preserving the environment in all manner of its operations. The Health, Safety, Security & Environment Department oversee the implementation and monitoring of all environmental and safety policies in the company. Area of much concern on environmental issues covered the following: Reduction in Spillage Rate into water bodies and land areas, Reduction in Fire Hazards at all operational areas. Incident Report & Investigation Forms are in place to log on all necessary information</p>								

		<p>needed in case of such accidents.</p> <p>The company also upgraded the environmentally friendly products which reduces the CO2 emissions to the environment (Diesel XP & Super XP)</p> <p>The company is committed to protecting and preserving the environment which extends throughout the company with the involvement of employees at all levels. The company complies with all regulatory standards in the day to day operations of its business.</p> <p>The impact of the company's policy on environment is to minimize the environmental impact of its operations, equipment and , products</p> <p>The company conducts audits of our environmental and safety performance and practices and take actions for continual improvement.</p> <p>The company's policy on Environment Management are linked to make them congruent with all elements of ISO 9001:2008 embarked on by the company in furtherance to its quality management system</p>
	8: Undertake initiatives to promote greater environmental responsibility	<p>The company within the year introduced a well-equipped Mobile Inspectorate and Quality Assurance Unit to ensure product being sold to motorists were of the highest quality. The company continued to the sale of environmentally friendly products. Used oil disposal tanks have been installed at the stations and disposed off through authorized agents. Awareness programs of the spillage of oils are done for the station staff including the lube bay attendants.</p> <p>National Petroleum Authority and Environmental Protection Agency monitors all discharges from the facilities and reports on findings. Penalties are imposed if violations or non-compliances are noted.</p> <p>Energy usage policy is in place alongside the use of energy saving lamps to conserve energy usage at both the offices and the stations.</p>
	9: and encourage the development and diffusion of environmentally friendly technologies	<p>The company is in partnership with a technology company (Bidi Group) that provides technology on the efficiency of the usage of fuels sold by the company and educating the general public through radio adverts, TV commercials and on site demonstration to consumers on the effects of slight contamination of products and how the new technology mitigates such contaminations.</p> <p>The technology aims to promote engine efficiency.</p>
	10: Business should work against all forms corruption, including extortion and bribery	<p>The company has instituted an ethical and value based systems in place for effective and efficiency in its daily operations. The company works from these shared values of which integrity is critical to its operations. Goil therefore builds its operations on these core values:</p> <p>Innovation: We rely on new and ground breaking ideas to serve our customers with the best oil products.</p> <p>Creativity: We give our customers original products.</p> <p>Ethical: We act with honesty and integrity without compromising the truth.</p> <p>Environmentally Friendly and Safety: We ensure the safety of our internal and external stakeholders by giving them clean and quality products.</p> <p>Socially Responsible and Accountability: We take responsibility for our actions because it influences the lives of our internal and external stakeholders and society at large.</p> <p>The company operations are standardized to comply with all laws, rules and</p>

		<p>regulations, treat all colleagues fairly, honestly, and with respect and promote the diversity of company work force, deal fairly with customers and consumers, deal appropriately with competitors, avoid conflicts of interest, keep accurate records, provide accurate disclosures to regulators and shareholders, do not take personal advantage of opportunities, protect company's non-public information.</p> <p>Planned system audits are conducted on regular schedules by our internal audit team and external auditors, internal audits include forensic audits.</p> <p>Audit findings have prompted system improvements to close and eliminate gaps that could lead to fraud in our operations.</p>