



COMMUNICATION ON PROGRESS

YEAR 2012

STATEMENT BY MANAGING DIRECTOR

Ghana Oil Company performance in the year 2012 was a stirring one.

The company continued to support the Global Compact principles and corporate sustainability by creating long term shareholder value. This was achieved by the adoption of stringent business strategies that drove long-term corporate growth and profitability by mandating the inclusion of environmental and social issues in its business operations.

The company continued to exhibit qualities that attracted and retained employees easily which resulted in high productivity of employees. Measures to ensure less financial and reputation risk in the company's operations were continuously monitored.

Stakeholder's engagement in the company's operations remained high. This was achieved by learning from customers, employees and the community in which it operates.

The Company commenced the year with the implementation of the Rebranding strategy.

The Company's performance growth in volume of sales went above its average growth rate by 5%. This growth was as an effect of the construction of new stations and also bringing back on stream several stations which had been closed down for rehabilitation in 2011.

The major factor in the marked increase in the company's performance growth could be attributed to the goodwill and excitement generated by the launch of the Rebranding exercise on 18th May, 2012. This was supported by training station's attendants and other front-line staff to offer better service to our customers. The company still engaged the Mobile Inspection and Quality Assurance Unit to ensure that product sold to motorists were of the highest quality.

Health, Safety, Security and Environmental issues continued to be prime focus in our business operations. Key institutions such as the Ghana National Fire Services (GNFS) were charged to undertake audits of all retail and consumer outlets throughout the country in a bid to lessen potential accidents. We also pushed the sales of environmentally friendly fuels (Super XP and Diesel XP), which guaranteed better mileage and reduced emissions.

The company takes its corporate social responsibility very seriously. During the period, donations were made to a large cross-section of society in the educational, social, cultural, medical and sporting spheres for various worthwhile causes. For example, provision of potable drinking water for deprived communities.

Again, the company improved on its total recordable accidents during the period. 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.

Staff concerns raised was constructively addressed and grievances were compassionately dealt with.

The company continued to advocate a smoke-free working environment and a healthy lifestyle, through periodic health walk and health talk were organized for all employees. Employees were being sensitized about the need for periodic medical screening for early detection of potential harmful condition.

Patrick A.K. Akorli

July 7, 2014

Managing Director.

| | Global Compact Principle | Action Taken | |
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| | <p>1:Business should support and respect the protection of internationally proclaimed human rights;</p> | <p>HIV/AIDS WORKPLACE PROGRAM: The company continues to enforce its policy on HIV and AIDS sensitization program for employees. GOIL has rules of confidentiality and non-disclosure code of practice on the protection of workers' personal data and ensures the prevention of infections through educational talk to address certain socio-economic factors that facilitate the transmission of the virus.</p> <p>Prioritization and focus: We endeavor to prioritize our implementation efforts, including due assiduousness, in aspects of operations over which we have greater degrees of control and influence. Due to the nature of the industry, we recognize that our business and the environments in which we operate are continually evolving and that additional human rights issues relevant to our operations may become greater priorities in the future. We will seek to address such issues as and when it develops.</p> <p>Workplace health and safety: To augment the fact that the company has its members of staff registered with the National Health Insurance Policy, there is an enhanced health policy developed for all staff and their families called the GLICO Life Insurance to access free health services to a considerable measure. This health policy is to enhance employees' well being, productivity and personal safety. Additionally, the company periodically organizes health programs like health walk and health talks to sensitize our employees on the need of staying healthy.</p> | |

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| | 2. And make sure that they are not complicit in human rights abuses. | GOIL is dedicated to developing a culture which implements a policy of respect and support for globally acknowledged human rights and seeks to avoid connivance in human rights abuses of any form. | |
| | 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining. | The company is committed to ensuring that the right to organize and Collective bargaining allows those workers to find a common voice. It offers employees with an essential framework for engaging with management on their rights to receive fair wages, sufficient benefits, and the ability to do their work in fair and decent conditions. Management meet all staff at least once in every two months at staff durbars to discuss general matters including business welfare, health, safety, among other happenings in the company during the period. We trust that freedom of association can serve as an important instrument to help workers achieve better working conditions. | |
| | 4: The elimination of all forms of forced and compulsory labour. | The company continued not to engage in child labour and enforces that its third-party contractors and suppliers do likewise. When operational duties demand for overtime work and weekend jobs, the company ensures that it agrees with the involved staff and pays the requisite compensation as it demands. | |

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| | <p>5: The effective abolition of child labour.</p> | <p>The company takes a proactive approach to respecting this principle in our workplace by following a non-tolerance to child labor policy in our business operations nationwide and in our supply chain. The company does not employ minors and act in strict compliance with the National Labour Law.</p> <p>Please find below percentage age statistics for the year 2012.</p> <p>20years to 30years-6% 31years to 40years-21% 41years to 50years-26% 51years to 60years-47%</p> | |
| | <p>6.And the elimination of discrimination in respect of employment and occupation challenges:</p> | <p>As a company, we do not discriminate on the grounds of gender, sexual orientation, marital or civil partner status, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age. Currently, we have a physically challenged employee in our fold.</p> | |

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| | <p>7:Business should support a precautionary approach to environmental challenge:</p> | <p>Again, the company continuous to hold on to its mission statement of protecting and preserving the environment in all manner of its operations. Operating safely is central to the way we deliver products and services to our customers. Our goal is for all of our facilities to operate with no leaks or incidents that may cause serious injury to our employees, contractors or neighbors'. We have a universal set of standards that detail the safety risks that need to be managed and who is accountable. This is called our Health, Safety, Security and Environment Control Framework and it defines the controls for managing our operations safely and responsibly.</p> <p>In the year 2012,we inaugurated our Aviation Fuelling Operations and in order to do that efficiently, having to factor in environmental issues, some employees were sent to ENI Aviation Facilities at Bratislava Airport (Slovak Rep.) and Italy (Jesi, Brescia, Rome) for training on :</p> <ul style="list-style-type: none"> *Fueller Loading facilities and procedures. *Fuelling Vehicle Fleet maintenance and testing. *Health, Safety, Environment Emergency Procedures. | |
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| <p>8.Undertake initiatives to promote greater environmental responsibility</p> | <p>Our Company builds stations, installs tanks and pumps and operates systems that meet the requirements of each field while considering our influence upon the environment at all times. This is reflected by the emphasis we place on our environmental aspects of managing our business from the initial project phase to the operation of the station.</p> <p>We adhere to statutory requirements by obtaining Environmental Protection permits, Standard Board Permits, Factory Inspectorate Permits, Fire Service Certificates among others in our operations.</p> <p>We foster this commitment through the continual implementation of environmentally sustainable processes through our Health, Safety, Security and Environment Policy. Pollution prevention by use of installed used oil tanks disposal being disposed off through authorized agents.</p> <p>As part of our social responsibility we are engaged in providing water to various communities (bore holes) nationwide. Please find attached some pictures of our water projects at North Tongu District in the Volta Region.</p> | |
| <p>9. and encourage the development and diffusion of environmentally friendly technology.</p> | <p>The company's products are environmentally friendly and reduces the CO2 emissions to the environment(Diesel XP and Super XP).Our continual partnership with a technology company(Bidi Group) offers technology on the efficiency of the usage of fuels sold by the company. The technology aims to promote engine efficiency.</p> | |

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| | <p>10:Business should work against corruption in all forms, including extortion and bribery</p> | <p>As a company, employees submit reports by telephone, via our website or intranet and – which is the preferred means – through the traditional channels of reporting such concerns to managers and/or legal departments internally. The system helps us learn of wrongdoing, so we can take action to stop it.</p> <p>Also, as part of our approach to ethics & compliance training, we take action to ensure that our anti-corruption policies, standards, and procedures are communicated to all directors, officers, employees, and, where necessary and appropriate, to agents and business partners. Particular areas of focus with third parties include continued strengthening of due diligence procedures, and clearly articulated requirements (for example through the use of standard contract clauses).</p> | |
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GOIL Water Projects at North Tongu District in the Volta Region.



