



## **GOIL'S COMMUNICATION ON PROGRESS REPORT – 2016**

**June 2017**

Ghana Oil Company Limited (GOIL) continues to remain committed to the ten principles of UN Global Compact in the areas of Human Rights, Labor, Environment and Anti – corruption.

The attached communication of Progress Report for the year 2016 states and describes actions and measures taken by GOIL to integrate the principles of UN Global Compact in our business operations and strategies.

Our strategic plan of which the principles of UN Global Compact have been integrated allows us to enhance strategic research, the use of best practices at all levels and ensure reliable risk management and continual review, analysis and improvement of our business processes.

GOIL advocate for the importance of clean environment because this is one of the focus of our business. This we achieve by providing our customers with high quality fuels to prevent and reduce emissions into the environment. We are pleased to support the emission and climate change program that is championed by the UN.

The company intensified efforts in empowering its workforce relating to the handling of the business through training and attendance of seminars, workshops and conferences.

The principles of the Global Compact remains an integral part of the company's business, GOIL looks forward to maintain an open and productive dialogue in the years ahead.

A handwritten signature in black ink, appearing to read "Patrick A.K. Akorli", is positioned above the printed name and title.

**PATRICK A.K.AKORLI**  
**MANAGING DIRECTOR**

## GHANA OIL COMPANY LIMITED (GOIL) GC ADVANCED COP

IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES & OPERATIONS		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
Scope: Implementing the Ten Principles into Strategies & Operation	Criterion 1: The COP describes mainstreaming into corporate functions and business units	<p>GOIL is an Oil Marketing Company, with industrial and commercial operations in petroleum products and lubricants in Ghana. Our growth is based on shared core values.</p> <p>The core of GOIL'S Corporate Social Responsibility programs has been anchored on initiatives , programs and projects that benefit communities in need . Over the years, GOIL has held on to the belief that apart from assisting such communities, it is also vital for the success and growth of business.</p> <p>To this end, the core of the company's CSR business has been in water and sanitation. GOIL has thus continued with its portable Water supply project by delivering mechanized boreholes to several deprived communities spread across the country. Over the last three years for example, GOIL has been providing a minimum of 10 boreholes every year to deprived communities.</p> <p>GOIL is committed to supporting efficient and properly managed utilization of our energy sources and products. We take into account the needs of today's consumers and the interest of future generations through an active policy of environmental stewardship that is an integral part of our sustainable development strategy.</p>

		<p>As a general principle, GOIL is sensitive to the concerns expressed by the public, government and non-governmental organizations in matters concerning our operations.</p> <p>GOIL observes the rules of free competition and rejects bribery and corruption in all forms, whether public or private, active or passive.</p> <p>As a signatory to the UN Global compact and Ghana Business Code, GOIL is committed to ensuring that all its practices, procedures and processes are in line with the UN Global Compact.</p>
	<p>Criterion 2: The COP describes value chain implementation</p>	<p>GOIL applies its business principles and rules of individual behaviour whenever it leads or operates a Joint Venture. When we do not lead or operate a venture, we require the leader or operator to apply principles that are compatible with our business principles and rules of individual behaviour. In conducting its businesses, GOIL respects the natural environment and the cultural values of Ghana.</p> <p>Through our operations, we contribute to the social and economic development in towns and local communities.</p> <p>We have efficiently used our fuel analysers to test product quality and resolved complaints and enquiries in a timely manner. This has instilled a high level of customer confidence and satisfaction amongst our stakeholders</p> <p>GOIL is committed to developing people's skills inside and outside the Company.</p>

HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses</p>	<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human right</p>	<p>GOIL strives to uphold the principles of the Universal Declaration of Human Rights.</p> <p>In Ghana Oil Company Limited (GOIL), human rights take the form of non – discrimination, non- harassment, health and safety and privacy.</p> <p>We value difference in thought, ethnicity and culture because we believe such difference only makes GOIL as stronger brand.</p> <p>GOIL respects human rights and it plays a vital part in our interactions with all interested parties.</p> <p>GOIL seeks to rid the work environments of any form of harassment and violence. GOIL defines harassment to include but not limited to verbal or visual altercations, sexual harassment, offensive language or jokes, anti-diversity slurs, degrading comments and intimidating or threatening behaviour.</p> <p>Staff have been informed of the necessary channels to take should they be victims of harassment or violence.</p> <p>GOIL is committed to respect all human rights. All human rights related issues from all interested parties are given equal attention.</p> <p>Knowing how dangerous the product we sell are to the environment, health and safety of workers, GOIL provides capacity building training for staff especially HSSE staff to adequately equip them to identify and handle hazards at all our offices and service stations and to protect employees and all persons affected by our activities from risk to their health and safety.</p>

		<p>GOIL is aware that many people all across the world are killed, injured or made sick by the work they do. Workers pay such a price to provide for themselves and their families and this to GOIL is unacceptable.</p> <p>To provide workplace safety, GOIL have put in place measures at all our outlets to ensure the safety of our employees and the environment in which we operate.</p> <p>During the previous year, our service station staff who are exposed most to the hazards associated with the handling and storage of petroleum products were all trained on the hazards posed by the product they work with, its safe handling and advised on unsafe acts at the service stations.</p> <p>All newly recruited staff were provided personal protective equipment specific to their work and associated hazards.</p>
	<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles</p>	<p>Code of conduct and staff handbooks detailing procedures for handling human rights related issues have been distributed to all staff.</p> <p>We ensure that our contractor who work on our behalves as well as our suppliers do not to engage the employment of children less than 18 years</p> <p>At GOIL we continue to work to keep our employees, contractors and customers safe by focusing on adherence to safety regulations.</p> <p>We have strengthened our safety culture through change management programmes, reinforcing safety rules through display of posters and other capacity building programmes.</p>
	<p>Criterion 5: The COP describes effective monitoring and evaluation</p>	<p>Staff are encourage to report all anti-ethical practices observed through a memo to the Administration/Human Resources Department where for investigation.</p>

	<p>mechanisms of human rights integration</p>	<p>Staff have the right to be heard should a charge of human right abuse or breach of the code be brought against him/her.</p> <p>Any reported violation shall be automatically investigated and dealt with by Administration/Human Resource Department.</p> <p>GOIL ensure that its suppliers and subcontractors comply with the applicable laws, Human Rights and labour laws and ensure the safety and health of their staff in the workplace.</p> <p>Work permits are also issued to contractors undertaking jobs for and on behalf of GOIL to ensure the health and safety of all parties involved.</p>
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LABOUR MANAGEMENT POLICIES & PROCEDURES		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4: The elimination of all forms of forced and compulsory labour.</p> <p>Principle 5: The effective abolition of child labour.</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation</p>	<p>Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour</p>	<p>Management meet all staff at least every quarter at staff durbars to discuss general matters including business performance, welfare, health, safety, among other happenings in the company during the durbar.</p> <p>As stated in our mission statement :</p> <p>Our services provision will be on “Professionally trained, high quality, motivated workforce, working as a team in an environment, which recognizes and reward performance, innovation and creativity and provides for personal growth and development.</p> <p>As a company we do not in any way or at any level engage children less than 18 years in our employment as our work involves chemicals which may be hazardous if not handled safely.</p> <p>We also ensure that our contractor who work on our behalves as well as our suppliers do not to engage the employment of children less than 18 years</p> <p>As a company, we do not discriminate on the grounds of gender, sexual orientation, marital or civil partner status, race, colour, nationality, ethnic or national origin, religion or belief, disability or age. Currently, we have a physically challenged employee in the company</p> <p>The company guards against discrimination arising out of work related activities which include recruitment, remuneration, hours of work, maternity protection, job assignments, performance assessment and advancement, training opportunities and occupational health and safety</p>

	<p>Criterion 7: The COP describes effective management systems to integrate the labour principle</p>	<p>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 decent conditions at work to mention a few, in accordance with the national law without fear of intimidation or reprisal.</p> <p>The right to establish and to join organizations of their choice to promote and developed respective interest is high respected at GOIL. The freedom of association serves as an important instrument for the workers to achieve better working conditions.</p> <p>Due to the high risk nature of the job GOIL undertakes, it is our company policy to only employ people who are 18 years and older. Our operations comply with the local laws and the selection and hiring process.</p>
	<p>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>All our stakeholders are encouraged to inform or report any labour violation or wrongdoing to the following whistle-blowing email address which is accessible only by the chairperson of the ethics committee: <a href="mailto:wb@goil.com.gh">wb@goil.com.gh</a></p>



ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p>	<p>GOILs sole business is in the storage, distribution and marketing of petroleum products (Diesel, Super, LPG, Lubricants) across Ghana. Aware of the hazards posed by petroleum products to the environment (air, water, land), GOIL has put in place measures and guidelines along the supply chain to protect the environment.</p> <p>GOIL was successful at the transition ISO audit from ISO 9001:2008 to ISO 9001:2015. Several changes were made to the Standard Operating Procedures (SOPs) and this included not only procedures to promote quality but also to protect the environment. Work Instructions were developed for operations with high risk of pollution to the environment such as Verification of Pumps. Environmental concerns were tackled in such Work Instructions.</p> <p>Environmental requirements are not only implemented internally but extended externally to contractors and suppliers that provides services on behave of GOIL in and outside our premises. Before any work commences, contractors are issued with a work permit stating requirement of Health, Safety, Security and Environment.</p> <p>Work is only undertaken upon meeting all requirements. This is also supported with strict supervision. A violation of the requirement results in immediate termination of contract. Suppliers are also required to accompany chemicals procured from them with Material Safety Data Sheet and Instructions and training for equipment.</p> <p>A Health, Safety, Security, Environment and Quality Committee has also been established chaired by the Chief Operating Officer. This committee is to oversee all Safety, Health, Environment, Security and Quality concerns.</p>

		Management decided on the use of camp locks for all fill point of underground storage tanks at our Retail Outlets. This will prevent the displacement of petroleum products and limit the release of petroleum vapours into the environment.
	Criterion 10: The COP describes Effective management systems to integrate the environmental principles	<p>The construction and operations of Retail Outlet is subject to the acquisition of Environmental Protection Agency (EPA) permit. Environmental audit is a requirement for the issuance of EPA permit.</p> <p>All applications submitted during the past year were accepted and EPA permits issued. This is prove of 100% environmental compliance.</p> <p>During the previous year, the training department of GOIL came up with a training manual for the training of all staff involved in the supply chain. The manual contains Health, Safety and Environmental materials.</p> <p>The station staff were trained on Emergency Response Procedures and Material Safety Data Sheet to prepare them for emergencies.</p> <p>We make information available to stakeholders that illustrates the environmental performance and benefits of using GOIL products</p>
	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	<p>The company through its Environmental Management Policy ensures considerable reduction in gaseous and effluent emissions.</p> <p>The company ensures that its use of environmentally friendly cleaner processed fuels reduces emissions and pollution.</p> <p>Our continual partnership with a technology company (Bidi Group) offers technology on the efficiency of the usage of fuels (Diesel XP and Super XP) sold by the company. These products promote engine efficiency.</p>

ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Criterion 12: The COP describes robust commitments, strategies or policies in the area of anticorruption	<p>GOIL has a zero tolerance approach to bribery and corruption in any form including;</p> <ul style="list-style-type: none"> <li>• Abuse of public office for private gain</li> <li>• Misuse of public property</li> <li>• Misuse of public monies</li> <li>• Theft of public property</li> <li>• Theft of public money</li> </ul> <p>The company believes in full disclosure in its operations and therefore adopts standard accounting practices (IFRS principles ) and ensure good internal controls to facilitate the reliability of the financial statement</p> <p>GOIL applies its business principles and rules of individual behaviour whenever it leads or operates a Joint Venture. When we do not lead or operate a venture, we require the leader or operator to apply principles that are compatible with our business principles and rules of individual behaviour. In conducting its businesses, GOIL respects the natural environment and the cultural values of Ghana.</p> <p>Through our operations, we contribute to the social and economic development in towns and local communities. GOIL rejects all forms of bribery and corruption. In particular, GOIL will not resort to bribery or corruption in order to obtain or retain business or other improper advantage in the conduct of all business.</p>
	Criterion 13: The COP describes Effective management	The company is committed by ensuring that anti-corruption practices, standards, and procedures are communicated to all employees and business partners.

	systems to integrate the anti-corruption principle	All our stakeholders are encouraged to inform or report any breach of Company procedure or wrongdoing to the following whistle-blowing email address which is accessible only by the chairperson of the ethics committee: <a href="mailto:wb@goil.com.gh">wb@goil.com.gh</a>
	Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anticorruption	The company upholds the importance of good governance by investing in a well-structured Internal Audit Department. The department has an independent appraisal function which encompasses the examination and evaluation of the adequacy and effectiveness of the company's systems of internal controls.

TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
Scope: Taking Action in Support of Broader UN Goals and Issues	Criterion 15: The COP describes core business contributions to UN goals and issues	GOIL is a signatory to the UN Global Compact. This sets out commitments for business in relation to human rights, labour, the environment and anti-corruption. We have pledged to uphold these principles and ensure that all our practices, procedures and processes are in line with the UN Global Compact.
	Criterion 16: The COP describes strategic social investments and philanthropy	<p>Central to GOIL's good governance policies are corporate social responsibility programmes. The core of GOIL'S Corporate Social Responsibility programmes has therefore been anchored on initiatives, programmes and projects that benefit communities in need.</p> <p>Water and Sanitation</p> <p>During the year under review, GOIL continued its community water supply projects by providing potable drinking water to deprived communities across the country. In all, over 40,000 residents in seven communities benefitted from mechanized borehole projects.</p> <p>GOIL also took the initiative to support sports development by helping to promote the country's local league through the support of the country's two biggest traditional clubs- Asante Kotoko FC and Hearts Of Oak FC.</p> <p>Again as part of our corporate social responsibility, GOIL donated a Toyota Hiace bus to the Ghana National Blood Service at the Korle-Bu Teaching Hospital to support its daily operations. Management, staff and service station attendants also donated blood to store up the depleting stock of the National Blood Bank.</p> <p>GOIL has procured 1,200 hospital beds for distribution to Regional and District Government Hospitals to help solve the lack of beds for In-patients.</p>

		Institutions such as the Kaneshie Secondary Technical and homes such as the ‘Village of Hope’ orphanage amongst others were also supported in their activities in 2016.
	Criterion 17: The COP describes advocacy and public policy engagement	<p>GOIL has since 2013 been a strong advocate for the provision of portable water to deprived communities in Ghana.</p> <p>The provision of portable water has been an integral part of GOIL’s mission to assist the deprived in rural communities within Ghana to improve their living conditions. As at its onset in 2013, about forty (40) mechanized boreholes have been inaugurated in communities across Ghana.</p> <p>GOIL is determined to achieve its goal to provide portable water to deprived communities and as such will continue with its campaign.</p>
	Criterion 18: The COP describes partnerships and collective action	To contribute to the Forestry Commission of Ghana’s aim to conserve and manage Ghana’s Forestry resources, GOIL in collaboration with Forestry Commission embarked on a campaign to raise the nation’s forest coverage. The campaign is aimed at growing and nurturing over 10,000 trees across Ghana.

CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP		
GC Scope or Principle	Criteria for GC Advanced Level	GOIL Approach
Scope: Corporate Sustainability Governance and Leadership	Criterion 19: The COP describes CEO commitment and leadership	Apex Committee made up of the Chairman, the Managing Director and one other member of the Board deal with policy and corporate strategy direction of the Company and make recommendations to the Board.
	Criterion 20: The COP describes Board adoption and oversight	<p>The nine-member Board consists of eight (8) Non-Executive Directors who are responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling the Company's business. The ninth member who is the only Executive Director is also the Managing Director.</p> <p>The Board was assisted in the discharge of its duties, by the under-mentioned committees which met frequently in between Board meetings:</p> <p><b>APEX COMMITTEE</b> This Committee is made up of the Chairman, the Managing Director and one other member of the Board. They deal with policy and corporate strategy direction of the Company and make recommendations to the Board.</p> <p><b>FINANCE, AUDIT AND REMUNERATION COMMITTEE</b> The Committee's function was to review and make recommendations to the Board on the Company's budgets, audited financial statements and regulatory conformance.</p> <p><b>OPERATIONAL AND MARKETING COMMITTEE</b> The Committee assisted Management to review and consider operational and marketing strategies to propel the Company to prosperity, despite the competition in the Oil Industry.</p>

	Criterion 21: The COP describes stakeholder engagement	GOIL strives to earn the confidence of its shareholders, with the objective of providing them with a profitable investment. We regularly provide full and transparent information to all shareholders and are attentive to their concerns, especially through the Shareholders Advisory Committee.
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