

SUSTAINABILITY PERFORMANCE & COMMUNICATION ON PROGRESS

Submission to the
UN Global Compact





This document draws on relevant sections of the company's Business Principles, Our Code of Conduct and the latest edition of our annual publication, NLNG Facts and Figures 2020, as published on the company website, <http://www.nigerialng.com>



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STATEMENT FROM THE
CHIEF EXECUTIVE



In December 2015, Nigeria LNG Limited (NLNG) became a signatory to the United Nations Global Compact (UNGC), the world's largest Voluntary Corporate Responsibility Initiative with 11,500+ business and non-business participants from 156 countries across the globe.

The UNGC aims to create a global movement of sustainable companies and stakeholders. It supports companies and businesses to achieve the following:

- Doing business responsibly by aligning strategies and operations with the UNGC's Ten Principles anchored on four global areas of human rights, labour, environment and anti-corruption.
- Taking strategic actions to advance broader societal goals, such as the

UN Sustainable Development Goals (SDGs), with an emphasis on collaboration and innovation.

I am pleased to affirm that NLNG retains and reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. NLNG's membership and commitment to the UNGC is a public declaration of our continued commitment to incorporating environmental, social and governance standards in our strategies, policies and procedures, as well as embedding a culture of integrity.

In 2020, through this UNGC annual Communication on Progress (COP), we will transparently inform the public on how we continue to align our practices with the universal principles of

responsible behaviour through support to host communities, deepening the economy of Nigeria as well as engaging customers, suppliers and service providers on the need for responsible business practices.

Contents of this report can be verified in our published Facts and Figures on NLNG 2020, Anti-Bribery and Corruption (ABC) Policy, Statement of Business Principles, and our Company Code of Conduct.

Sincerely yours,

Tony Attah

Managing Director/Chief Executive Officer
Nigeria LNG Limited

THE COMPANY

Nigeria LNG Limited (NLNG) was incorporated as a limited liability company on May 17, 1989 to harness Nigeria's vast natural gas resources and produce Liquefied Natural Gas (LNG) and Natural Gas Liquids (NGLs) for export.

It is owned by four shareholders, namely:

the Federal Government of
Nigeria, represented by
Nigerian National Petroleum
Corporation, NNPC



49%

Shell Gas B.V.



25.6%

Total Gaz Electricite
Holdings France



15%

Eni International
(NA) N.V.S.ar.l



10%

The company also has two wholly-owned subsidiaries: Bonny Gas Transport (BGT) Limited and NLNG Ship Management Limited (NSML).



OUR VISION & MISSION

NLNG's Vision is to be 'a global LNG company helping to build a better Nigeria.'

NLNG will continue to be a global LNG company renowned for its operational excellence, cost leadership, high HSE standards, honesty and integrity. We help to build a better Nigeria by processing, shipping and marketing efficiently and profitably, the country's gas resources and by putting out the flares, thus diversifying the economy and minimising the environmental impact of our activities and products.

We will set the standards in community relations and technology transfer, and actively promote the sustainable development of Nigerian businesses. We will provide to our shareholders a

good return on their investment. We will provide an exciting and fulfilling place to work and the opportunity for staff to develop their potential.

Finally, we will execute and operate our business in Nigeria with an international outlook and mind-set.

NLNG's Mission is to market, produce and deliver liquefied natural gas and natural gas liquids to buyers safely, reliably and profitably, growing our company and its people to their full potential, and being a trusted partner with all our shareholders in the sustainable development of Nigeria's gas industry and NLNG host communities.

Our shared values of **Integrity, Teamwork, Respect, Excellence** and **Caring** for people underpin all the work we do and are the foundation of our Business Principles.



SUSTAINABILITY AT NLNG: OUR APPROACH

The 1987 Brundtland Commission definition of 'Sustainable Development' as a development in which present generations find ways to satisfy their needs without compromising the ability of future generations to satisfy their own needs, represents NLNG's view of sustainability.

We subscribe to the simple yet profound

idea that life should be qualitative for everyone today and also for generations yet unborn. This leads us to act with a great sense of responsibility and commitment as we consider the economic benefits of our investment decisions and business activities while we also consider with equal seriousness, the short and long-term consequences of these on both the environment and the society.

These three (3) pillars – the Economic, Environmental and Social Equity dimensions guide our processes and actions around sustainability. Sustainable development is also enshrined in our Statement of Business Principles and Ethics and guided by our Sustainable Development policy, which states as follows:

NLNG contributes to sustainable development through -

- Pursuing continuous improvement in our Health, Safety and Environment management and performance
- Taking sustainability into account in all our business plans and decision-making processes
- Applying sustainability to all our projects and activities with our host and other communities
- Engaging with governments and industry in the formulation of policies on sustainable development
- Contributing to the promotion of a clear understanding of how best to achieve sustainable development for Nigeria and society

In pursuit of our policy, Nigeria LNG shall -

- Ensure that all our Employees, Contractors and Suppliers are aware of and adhere to our General Business Principles
- Ensure that all our Employees, Contractors and Suppliers are aware of and adhere to our policies and strategies on Health, Safety and Environmental protection
- Ensure that our Nigerian Content Plans deliver in terms of building Nigerian capacity and ensuring the use of Nigerian staff, contractors and suppliers in a manner consistent with the sustainable growth of our business
- Ensure that all our Environment and Social Management Plans serve the goal of sustainable economic development in our Host Communities
- Set targets for Sustainable Development; measure, appraise and report on its performance

Reporting on our sustainable development performance also enables us to maintain the transparency required for effective stakeholder awareness and responsiveness as well as for measurement of our impact using global targets like the SDGs.

HIGHLIGHTS



In 2019, **NLNG celebrated 20 years of sustainable production** and **30 years of incorporation** as biggest LNG producer in Africa



In 2019, NLNG contributed a total of **\$2.68 Billion** to the Federal Government of Nigeria in dividends, feed gas purchases and taxes



Grew Nigeria's domestic consumption of Liquefied Petroleum Gas (LPG) from below **50KT in 2007** to over **800KT** in 2019 thereby reducing use of firewood and charcoal



Helped **reduce flaring** of gas from petroleum production activities in Nigeria **from 65% in 1999 to about 12% today**



ISO 14001:2015 certified production site in 2018



100% Nigerian Management
95% Nigerian Staff
Highest employer of shipping labour in Nigeria through NSML
82% Nigerianisation of BGT shipping crew



1st Shell-advised Integrated Gas/LNG site to successfully acquire **ISO 50001:2011** Standard certification



Commitment to biodiversity on Bonny Island through 1,000-hectare **Finima Nature Park** on path to becoming recognised RAMSAR Site/wetland of international importance



Finima Nature Park helps offset NLNG's carbon footprint across its operations up to about **247,158.78 Mega Tonnes of carbon dioxide (CO₂)** annually



Approximately **\$24 million** invested in scholarships, empowerment schemes and vocational training for **7,300+ young Nigerians**



Initiated the biggest CSR infrastructure project in Nigeria, the historic **34km Bonny-Bodo Road** linking Bonny Island with mainland Nigeria for the first time at a cost of **\$317million** shared 50:50 with the Federal Government of Nigeria



'Strategic Universal Health Care interventions on Bonny Island and across Nigeria including **over \$4million** invested in 2020 in supporting the fight against Covid-19, and the initiation of the Bonny Community Health Insurance and **Bonny Malaria Elimination Programmes in 2019 for 250,000+ residents** of Bonny'



SECTION ONE ECONOMIC SUSTAINABILITY

Without a doubt, the activities of NLNG constitute a critical part of the Nigerian economy representing the biggest effort in the creation of value and wealth from the nation's huge natural gas resources. NLNG is considered one of the biggest success stories and most important economic projects in Nigeria providing a stream of essential government revenue.

Since our operations began in 1999 with the first LNG cargo shipment, the company's impacts and economic benefits to Nigeria have remained extremely significant. Our contributions have helped close poverty gaps through provision of good jobs and business opportunities as well as helped build up the gas industry and value chain in Nigeria in line with several targets under the Sustainable Development Goals.



Sustaining Economic Growth and Contributions to National, Regional and Local GDP

1. DIVIDENDS, TAXES AND FEED GAS PURCHASES

- In 2019, NLNG paid dividends of about **\$37.6 Billion** out of which 49% went to the Federal Government of Nigeria courtesy of its shareholding in the company, via Nigerian National Petroleum Corporation (NNPC)
- The company also paid federal corporate income taxes to the tune of about **\$943 Million**, which is 9% higher than what was paid in 2018
- Payments by NLNG to Joint Venture (JV) feed-gas suppliers from inception till date is about **\$29.5 Billion** and **55-60%** of such payments also go to the Federal Government of Nigeria via the Nigerian National Petroleum Corporation (NNPC) shareholding in the JV companies

2. JOB CREATION

- NLNG has provided tens of thousands of jobs over the years during construction and expansion of its plant site in Finima, Bonny island moving from an initial 2-train facility to 6 LNG production trains today
- The major sub-contractors employed over 18,000 Nigerians in technical jobs in the Base Project (Trains 1 and 2) alone
- Through each Nigerian Content plan for its contracts, NLNG has promoted the development and employment of Nigerian manpower with special focus also given to manpower from within host communities
- For our ongoing Train 7 project which aims to increase capacity of the existing plant by 35%, over 12,000 jobs are estimated to be generated during the construction phase of the project, expected to last up to 2025



Growth in Domestic Liquefied Petroleum Gas (DLPG) industry

- For over 10 years, NLNG's intervention in the supply of Liquefied Petroleum Gas (LPG) - otherwise known as cooking gas - to the domestic market under the NLNG DLPG Scheme has guaranteed LPG supply, availability and affordability, and has stimulated the development of different parts of the LPG value chain in Nigeria
- Growth in usage of LPG has helped minimise the rate of death associated with the use of dirty fuel sources such as firewood and charcoal for cooking
- Between 2007 and 2019, NLNG cumulatively supplied over **1,802kiloTons (kTs)** of LPG into the domestic market, spurring a steady rise in annual domestic consumption in a market that was below **50kT per annum in 2007 to over 800kT per annum in 2019**
- To ensure steady supply of products, deliveries are made through NLNG's dedicated vessel chartered for the DLPG Scheme
- The ongoing DLPG market deepening strategy yielded some further dividends with the commencement of deliveries to Stockgap terminal in Port Harcourt, as part of deliberate moves to encourage growth of the sector beyond Lagos and reduce the impact of congestion of the Lagos ports on deliveries into the market



The Navigator Capricorn delivered the 1st LPG cargo from NLNG to Rivers State at the Stockgap receiving terminal in Port Harcourt. NLNG and Stockgap management pose for a picture at the historic event



Support for Local Businesses, Reducing Poverty & Inequality

- NLNG supports the development of host community and Nigerian contractors to enable them to achieve standards of excellence, and enhance their capacities and capabilities.
- The capabilities of local vendors have also been developed through mentoring and partnerships between more established Nigerian vendors and host community vendors.
- Because NLNG recognises the fact that funding is the bane of the Nigerian manufacturing industry, in 2013, the company introduced the **\$1 Billion NLNG Local Vendors Finance Scheme (NLVFS)**.
- This was subsequently increased to \$1.2 Billion in June 2017 with the introduction of an additional participating bank to the scheme making a total of six participating banks
- The scheme facilitates access to funds from participating banks to NLNG registered vendors (suppliers of goods or contractors of services). Under the scheme, vendors are able to get speedy access to finance and fairer financing terms with these terms secured using the leverage of NLNG's relationships with the banks

UNGC Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

UNGC Focus

Anti-Bribery and Corruption

NLNG's Code of Conduct and Anti-Bribery and Corruption (ABC) Policy are well aligned with UNGC's Principle 10 on anti-bribery and corruption.

NLNG is committed to upholding the highest standards of ethics in our relationships with employees, customers, suppliers, shareholders, regulators and our host communities. This commitment is ensured through policies which guide the business in its relationship with stakeholders. Two of the key policies - the Code of Conduct, and Anti-Bribery and Corruption (ABC) Policy can be found on our website at <http://www.nigerialng.com>

Consequently, direct or indirect offer, payment, soliciting or acceptance of bribes in any form including facilitation payment is unacceptable. Employees must avoid conflicts of interest between their private activities and their roles in the conduct of company

business and must declare to NLNG potential conflicts of interest.

All business transactions on behalf of NLNG must be reported accurately in the accounts of the company in accordance with established procedures and are subject to audit and disclosure. Everyone involved with NLNG's business must comply with the (ABC) laws of Nigeria and of the countries in which we operate and do business. Involvement in acts of bribery and corruption will attract disciplinary action, dismissal, legal proceedings and, possibly, imprisonment.

The 'tone at the top' towards Bribery and Corruption in NLNG is simple: it is one of zero tolerance. In order to drive this down the entire organization, the Anti-Bribery and Corruption effort of NLNG is multi-faceted, to assist employees and stakeholders to manage the inherent risks.

Some of NLNG's ABC Policy Implementation Measures:

Anti-Bribery and Corruption Training and Awareness

- In 2017, NLNG set out to consolidate on and sustain the gains of the previous years in embedding the ABC principles.
- Some of the measures to address gaps included, amongst other things, improving record keeping in Gifts and Hospitality to Government Officials, and revising NLNG ABC foundation documents, namely, the Code of Conduct and NLNG Standard on Company Sponsored Travel for Government Officials.
- These actions raised awareness on current developments and the required ethical considerations in the company's supply chain

Integrity Barometer Journey

- From 2013 to 2014, NLNG undertook a baseline Integrity Barometer assessment to provide a simple exposition of the effectiveness of its policy and actions on anti-corruption governance in relation to the company's operations across all key sectors and divisions.
- Subsequently, a review was carried out every year up to 2017 to ascertain the progress made on agreed key focus areas of the Transparency Index.
- The company has since continued both the annual self-assessment of identified parameters and stakeholder survey to continuously monitor its performance around this very important business integrity index

Conflict of Interest (Col) Declarations

- NLNG requires all members of staff to declare any perceived or actual conflict situation that exists during the course of their engagement with the company. Declared conflicts are reviewed and resolved by company management
- Employees are also required to declare any gifts and hospitality given/received from the company's business partners/associates.
- The annual Conflict of Interest Declaration is also used as a medium for members of staff to attest once again to the NLNG Code of Conduct & Business Principles

Ethics Line (“Whistle-blower Hotline”)

- As a show of commitment to fighting corruption, the NLNG Ethics and Compliance Hotline Line was set up in 2012.

The Ethics Line allows for confidential, anonymous submission of information on potential violation of laws, rules, regulations or any policies.

- The NLNG Ethics Line, or whistle-blower platform, is an anonymous, toll-free resource managed by an external party. No call tracing or recording devices are ever used, and callers may remain completely anonymous, if they so wish. Callers are given a number and call back date at the end of their calls. Should they desire to follow up on the status of their report, or want to provide additional information, they simply call back and reference this information. They can also receive feedback through e-mails or track the progress of the whistle through the external party's platform.
- NLNG will continue to ensure that staff, vendors, suppliers and other counterparties are continuously encouraged to make good faith reports on unethical behaviour/misconduct.
- This is aimed at creating an environment that promotes values such as fairness, accountability and ethical behaviour. Cases reported are continuously monitored, investigated and closed out within set targets.

Counterparty Integrity Due Diligence (IDD)

- As a practice, NLNG carries out integrity due diligence on all counterparties doing business with it as a component of the overall counterparty risk management
- This also helps the company to screen potential relationships to identify parties who are may be misaligned with business principles in the area of anti-corruption

A lush tropical forest with a wooden boardwalk and people walking through it. The forest is dense with various green plants, ferns, and tall trees. A wooden boardwalk with railings leads through a shallow stream or swampy area. Two people are walking on the boardwalk; one is wearing a blue shirt and the other a green shirt. The background is filled with more trees and foliage.

SECTION TWO ENVIRONMENTAL SUSTAINABILITY

With regard to the environment, NLNG has a sound Health, Safety and Environment (HSE) policy anchored on the need to take proper care of its assets, the health and safety of its employees and stakeholders, and to give proper regard to the sustainable management of the environment.

NLNG plans its work to:

- Prevent injuries and ill-health to workers and surrounding communities
- Prevent damage to assets and minimise any negative impact on the environment
- Avoid or eliminate future liabilities;
- Meet requirements for demonstrable due diligence

NLNG was the first major multinational company in Nigeria to complete a full Environmental Impact Assessment (EIA) process for all of its Trains 1 to 6 before commencement of business. We regularly interface with the Federal Ministry of Environment (FME) and other relevant stakeholders, locally, nationally and internationally on environmental issues.

An important element of the EIA process is to identify and mitigate potential

adverse impacts of NLNG's operations. For NLNG's existing projects, a number of potential impacts (positive and negative) were identified and mitigation measures taken for the adverse impacts. The FME regularly carries out annual mitigation and compliance monitoring exercises of NLNG Projects.

In addition, NLNG submits itself to external audits from independent auditors, e.g., British Standards Institution (BSI), and is ISO14001:2015 certified as

well as conducts regular monitoring of its own HSE performance, in pursuance of continuous improvement and to foster a positive HSE culture within the organisation.

UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges

In our environmental practices, Nigeria LNG Limited ensures continuous compliance with applicable legislations as monitored by the various regulatory bodies in Nigeria such as the Federal Ministry of Environment (FME), Department of Petroleum Resources (DPR), Rivers State Ministry of Environment (RSME), and others. We carry out regular reviews and evaluation of all existing and proposed environmental laws and regulations that impact or have potential impact on NLNG Business.

NLNG's commitment to environment sustainability is to ensure that the environment around the main plant site on Bonny Island and across our other locations is protected and preserved for future generations. To meet this key challenge, we undertake some activities on a regular basis including:

1. Biodiversity Surveys and Monitoring

- Regular biodiversity surveys and biological monitoring is done monthly to observe the state of flora and fauna that live on the island. Diverse species of plants and animals are normally sighted during these surveys.
- In 2019, the company's flagship biodiversity conservation initiative, the Finima Nature Park celebrated its 20th Anniversary with a two-day programme. Over 2,400 guests graced the occasion which was used to showcase NLNG's commitment and contribution to local, national and global conservation objectives consistent with the project's Environmental Impact Assessment (EIA) requirements and relevant Biodiversity Conventions

2. Emissions to Air

- For emissions to air, the principle adopted is minimisation through abatement at source
- Dispersion modelling was employed in initial environmental investigations to predict possible areas of deposition of pollutant species for regulated parameters that could potentially be generated from NLNG's operations
- We monitor our operational footprint via continuous ambient air quality monitoring, while stack emissions monitoring is routinely carried out at identified areas within the plant and surrounding communities. These ensure that air quality at the workplace and in the nearby settlements do not exceed regulatory tolerance limits for ambient air pollutants.

NLNG is also committed to addressing climate change challenges through the implementation of its Green House Gas (GHG) and Energy Management Plan

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CLEAN WATER
AND SANITATION

3. Monitoring of Discharges to Water

- Key environmental indicators are regularly monitored to ensure compliance with permit conditions and applicable regulatory limits as it pertains to effluent discharge, with the results submitted to both NLNG Management and regulators at stipulated intervals
- To ensure compliance with regulatory requirements and NLNG's own HSE policy, we have adopted the principle of minimisation through abatement at source for aqueous effluents which have the potential of causing negative impact on the receiving environment

4. Sewage treatment and disposal

- Key environmental indicators are regularly monitored to ensure compliance with permit conditions and applicable regulatory limits as it pertains to effluent discharge, with the results submitted to both NLNG Management and regulators at stipulated intervals
- To ensure compliance with regulatory requirements and NLNG's own HSE policy, we have adopted the principle of minimisation through abatement at source for aqueous effluents which have the potential of causing negative impact on the receiving environment

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RESPONSIBLE
CONSUMPTION
AND PRODUCTION

5. Solid Waste Management

- NLNG's waste management strategy complies with the concepts of 'waste management hierarchy' and 'duty of care' for both on-site and off-site waste treatment and disposal activities
- The principle adopted for solid waste is 'Cradle to Grave', which is essentially the proper and controlled handling, treatment and disposal of solid waste, underpinned by the 4R philosophy of Reduce, Reuse, Recycle and Recover
- 'Duty of care' audits are regularly carried out with federal and state government regulators
- The incineration of non-hazardous combustible waste is carried out within NLNG's facility, as the fragile nature of Bonny Island does not allow for the creation of a landfill site
- Non-hazardous solid wastes are temporarily stored on the plant site before being transported to treatment and/or disposal facilities off the Island. These facilities are also duly accredited by the Federal Ministry of Environment and/or environmental sanitation authorities
- The company ensures the proper management of its hazardous waste using the best practical environmental options after approvals from the federal and state ministries of environment. Other waste management initiatives currently pursued by NLNG particularly for hazardous waste include the use of buyback and recovery schemes with original manufacturers



Finima Nature Park - World Wetlands Day



Finima Nature Park - Recognition as Wetland of Importance



Finima Nature Park

Finima Nature park

In 2019, as NLNG celebrated 20 years of uninterrupted production and 30 years of incorporation, the Finima Nature Park (FNP) celebrated its 20th year of existence.

The Park is NLNG's nature reserve and conservation project in its plant location on Bonny Island, measuring approximately 1000 hectares and is presently being managed by an NGO, the Nigerian Conservation Foundation (NCF). In the future, the management of the park will be overseen by a Board of Trustees drawn from the host community and other relevant stakeholders, thereby encouraging community buy-in and

sustainability of the initiative.

The reserve area covers the rain forests and mangrove swamps, as well as an ecologically important area of sandy soil with freshwater ponds and tall timber between the swamps and the beach. Already, the reserve is home to some wildlife species of high conservation value, a variety of mammals, bird species and reptiles. There have been sightings of the African Fish Eagle, *Haliaeetus vocifer*. Troops of the Mona monkey, *Cercopithecus mona*; and flocks of the White-face Whistling duck, *Dendrocygna viduata* are also commonly sighted and are the park's

most predominant species.

In addition, Finima Nature Park is home to a number of species classified by International Union for Conservation of Nature (IUCN) such as the African Grey Parrot, *Psittacus erithacus*. There is steady growth in the population of indigenous species in the park as a result of measures put in place by NLNG which include discouraging hunting and encouraging rescue of captured animals and preservation of natural habitat. This is evident in the more frequent sightings of *Osteolaemus tetraspis*, the dwarf crocodile.

Some key achievements of the Park:

- Helps offset NLNG's carbon footprint across its operations to about **247,158.78 Mega Tonnes of carbon dioxide (CO2) annually**
- Has served as a natural barrier protecting about 250,000 people in Finima and Bonny against flooding damage from ocean surges
- Hosts about **20,000 visitors annually**, comprising of local and international tourists, primary, secondary and tertiary school students, families, researchers etc. and this boosts ecotourism in Nigeria
- Has established **conservation clubs in 45 schools** with membership base of over 2,000 pupils
- Has sustained a **mangrove reforestation effort with about 3,000 seedlings planted** across the park-ocean boundary as natural barrier
- Hosts congregation of migratory waterbirds annually
- Institutionalised as a **recognised Ramsar Site of international importance**; on August 21st 2019, the Finima Nature Park was designated an internationally acclaimed centre for Wetland Education and therefore a member of Wetlands Link International. This makes it one of the 350 Wetland Education Centres across the six continents of the world and the second in Nigeria to become a member of Wetland Link International

For more on the Park, visit www.finimanaturepark.com

The background image shows a healthcare setting. In the foreground, a woman in a white lab coat and stethoscope is looking down, possibly at a patient. In the background, a woman is holding a young child, and another person is visible. There are windows and a poster on the wall. A green semi-transparent box covers the left side of the image, containing the section header and a paragraph of text.

SECTION THREE SOCIAL PERFORMANCE

NLNG strives to conduct our activities in a manner that respects the rights and dignity of all people. As a law-abiding organization, the company takes deliberate steps in its actions to avoid infringement on the human rights of people, which aligns with the United Nations Guiding Principles on Business & Human Rights (UNGP), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Constitution of the Federal Republic of Nigeria (1999).

UNGC Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

The NLNG Statement on Human Rights makes our position clear for all our customers, suppliers, employees and partners.

Some of our commitments in this area are:

- Pursuing the goal of no harm to people, and will in so doing consult with our stakeholders and publicly report on our performance
- Respecting human rights as a commitment to our stakeholders including our employees, contractors, host communities, customers, shareholders and the public.
- Undertaking necessary due diligence to ensure that applicable human rights principles are considered and imbibed in our projects, operations, policies, procedures and business relationships
- Actively supporting and promoting human rights in our activities and operations, including in core business activities and strategic sustainable development and social investment initiatives
- Respecting the human rights of local communities and indigenous peoples in land resource acquisition and development, while committing to the provision of adequate information to ensure Free Prior Informed Consent

On a broad basis, we are committed to a dignified and qualitative life experience for everyone that comes in contact with our business and to positively impact the society around us. NLNG ensures that all its Environment and Social Management Plans serve the goal of sustainable economic development in Host Communities. This has led to a wide range of Corporate Social Responsibility (CSR) programmes and a commitment to constructive engagement and partnerships with all stakeholders for strong social performance. For example, all major projects carried out by NLNG or our contractors must have a social performance plan and address the social impacts of operations on local communities.

NLNG conceives and implements CSR projects at both national and local levels to benefit the lives of citizens. These are in four areas which we refer to as the Four Pillars of our CSR:

Together, these activities help to affirm human rights and dignity, and boost the life experience of citizens for the better in those communities hosting our operations and assets as well as in the country at large. They also facilitate development of know-how and build capacity in the sustainable use of resources.

A few of NLNG's CSR interventions are detailed below under each of the **4 Pillars**.



1 Education



2 Health



3 Economic Empowerment and encouraging Local Enterprise



4 Infrastructure improvement and Social Amenities



Ensuring Access to Quality Education

The company has maintained a key focus on education and human capital development as areas of special significance, because these two areas are intrinsic and fundamental to national development.

1. NLNG Scholarship Schemes

To encourage academic excellence and support human capital development in Nigeria, NLNG runs scholarship schemes across three main levels of education i.e. Post Primary, Undergraduate and Postgraduate

Post-Primary Scholarship Scheme (PPSS)

- The scheme aims at assisting high performing basic six pupils in company's host communities to access secondary school education.
- The scheme kicked off in 2012 with 28 beneficiaries and, by 2019, had grown to a total of **342 beneficiaries** with a total sum of **N825,300,000 (\$2.697m)** expended to date.
- The scholarship covers all 6 years of secondary school education in Nigeria and prospective pupils are admitted through application on company's website based on advertised criteria. A selection test is then conducted to identify the best candidates.

Undergraduate Scholarship Scheme (UGSS)

- The oldest of NLNG's scholarship schemes, the UGSS was founded as a critical education intervention programme for our host communities in 1998 and was later opened up to the rest of Nigeria in 2003
- A total of **3,416 undergraduates** from various universities in Nigeria have benefited from it with **N768.9 million (\$2.513m)** invested on the scheme
- The scholarship award value is **N150,000 per annum** for the duration of the course. The scheme was reviewed from 150 beneficiaries to 300 annually starting from the 2018/2019 academic year

Overseas Postgraduate Scholarship Scheme (PGSS)

- This scheme was launched in October 2012 with an annual intake of 15 beneficiaries to study in leading UK universities. The value of the scholarship is **\$67,500 per awardee per programme** with actual spend per awardee however ranging from \$45,000 to \$67,500, depending on the course of study
- Courses covered under the scheme include Environmental Studies, Engineering, Management, Accountancy, Economics, Information Technology, Geology, Banking, Law and Medicine
- **78 persons** have so far benefited from the scheme with a total expenditure of **N1.308b (\$4.27m)**



Beneficiaries of NLNG Overseas Post Graduates Scholarship Scheme

2. Bonny Vocational Centre (BVC)

- In furtherance of our policy of self-sustaining economic development within our host communities and in line with specific understandings and agreements with the Bonny Kingdom, NLNG established the Bonny Vocational Centre (BVC) in 2004
- BVC is an innovation and vocational enterprise institution approved and accredited by relevant agencies and awarding bodies such as the Rivers State Ministry of Education, National Board for Technical Education (NBTE), National Business and Technical Examination Board (NABTEB), City and Guilds of London Institute, and the Institute of Leadership and Management (ILM) London
- BVC is wholly funded by NLNG but run as an independent entity with a Board and management in place, with reports on its operations for accountability
- Since inception, the Centre has trained 2,102 beneficiaries in different vocational trades and levels. 694 of these have successfully completed and graduated with the Level 3 IVQ Advanced Diploma of the City & Guilds of London Institute
- Upon graduation, BVC trainees enter into employment, work placement or go for further education. A number of them have taken up jobs directly with NLNG or other oil and gas companies on Bonny Island as well as within the industry elsewhere in Nigeria



An instructor engages a student at Bonny Vocational Centre



Ensuring Good Health & Well-being

Good health is the foundation and bedrock on which all human efforts and endeavours are built. Realizing that no sustainable development can take place within an unhealthy community, NLNG has also put in place programmes to support healthcare access and delivery within its immediate environment.

The Bonny Community Health Insurance Programme (BCHIP)

- An initial social impact assessment study commissioned by NLNG showed that a community health insurance scheme was more sustainable than periodic health interventions
- The programme, therefore, arose out of a need to ensure that people are not denied healthcare or have to pay out of pocket at the point of accessing healthcare services.
- The programme operates on the basis of pooling of risks to ensure that no single individual carries the huge financial risks associated with a major healthcare need or crisis.
- In terms of governance, BCHIP is guided by a Tripartite MoU agreement between NLNG, the Rivers State Government (Ministry of Health) and Bonny Kingdom which was signed in 2019. The initiative is duly incorporated with a Governing Board and a Technical Advisory Committee.
- NLNG has already invested over **N300m (\$980,000)** in upgrading 3 existing government health facilities on the Island – **the Bonny**

General Hospital, Finima Health Centre and Bonny Comprehensive Health Centre.

These facilities are currently healthcare providers under the programme. To date, **more than 2,200 residents of Bonny and Finima towns on Bonny Island have enrolled** onto the programme as it continues to fulfil its mandate of Universal Health Care (UHC) for all



Maternity services being provided at the Bonny Zonal Hospital under the Bonny Community Health Insurance Programme (BCHIP)

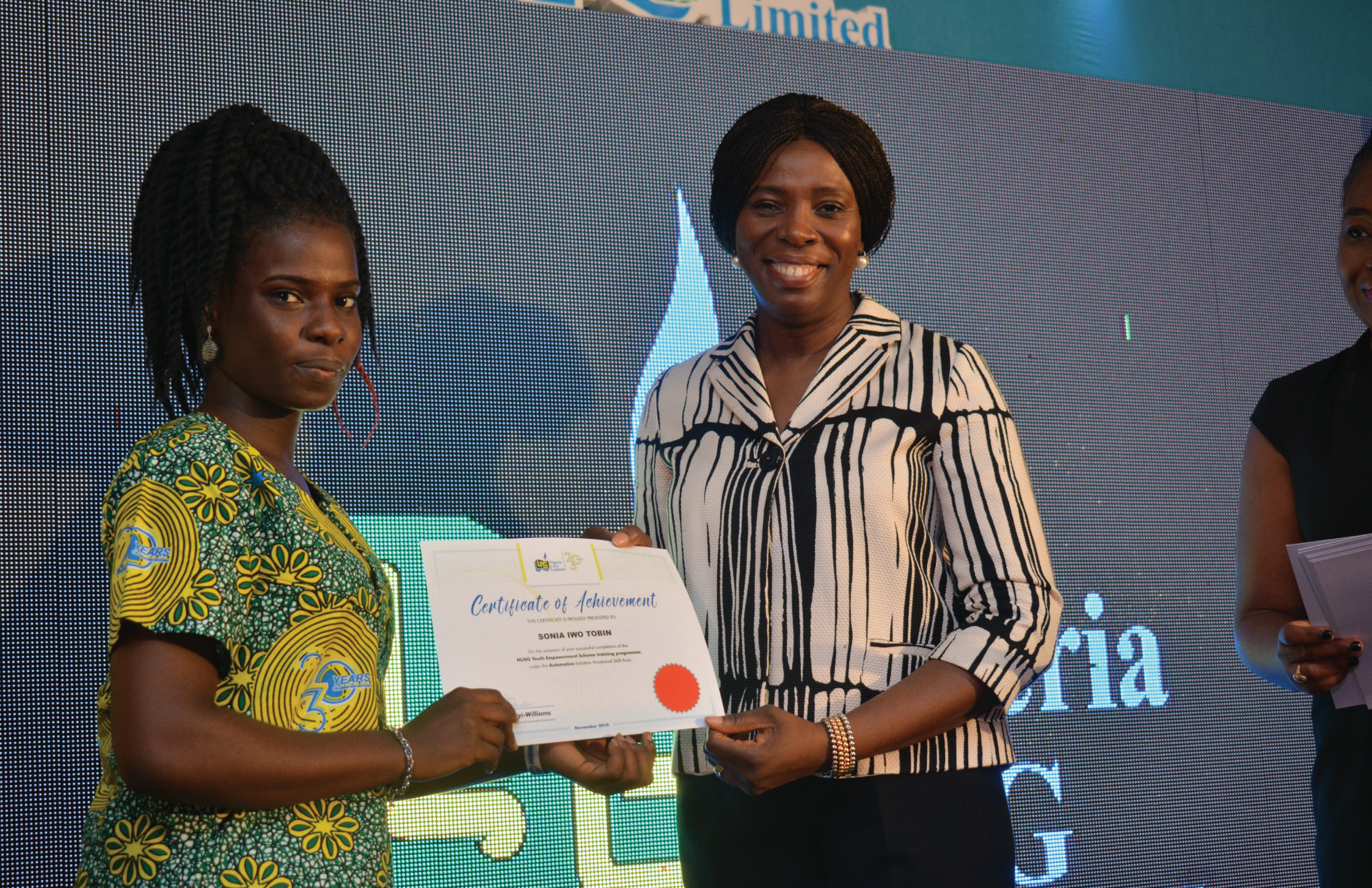


Reducing prevalence of poverty via Economic Empowerment

The high rate of poverty on Bonny Island and many of NLNG's host communities had been quickly identified as a major issue even before commencement of operations. To address this human crisis and also to forestall youth restiveness arising from poverty, NLNG commenced the Youth Empowerment Scheme in October 2004

The Youth Empowerment Scheme (YES)

- The YES is NLNG's major sustainable economic empowerment programme targeted and **open to youths aged 18-35 across all of our host communities** i.e.
 - Our primary hosts on Bonny Island – Bonny and Finima towns
 - Secondary host communities Rumuji and Ubeta, hosts to our pipeline node junctions; with Amadi-Ama and Ogbunabali, our Head office host communities in Port Harcourt
 - And also **90 other pipeline / Right-of-Way communities**
- The scheme is designed to make the participating youths economically and socially responsible and self-reliant through guided technical and managerial training
- Since inception, over **1,400 youths from various host communities** have participated in the scheme with a sum of **about N887m invested**. Participants have been trained in vocational modules such as catering and hotel management, photography and video production, welding and fabrication, automotive repairs, farm management, hairdressing and cosmetology, fashion and design, woodwork and furniture-making etc.
- In 2018 and 2019, our sustainable implementation of this programme and its consistent approach at reducing poverty led to our winning the Sustainability Enterprise and Responsibility Awards (SERAs) 2018 & 2019 as the Best Company in Poverty Alleviation



Youth Empowerment Scheme (YES) graduate receiving certificate



Right of access to quality infrastructure and basic amenities

In 1998, the Joint Industry Companies (JIC) on Bonny Island, made up of NLNG, Shell Petroleum Development Company Limited (SPDC) and Exxon Mobil, signed a Memorandum-of-Understanding (MoU) with Bonny Kingdom. This MOU provided a framework which enabled the JIC to pool resources and provide the kingdom with the Bonny Master Plan, the 1.5km by-pass road, the 1.2km access road, uninterrupted electricity and potable water supply managed through a special purpose vehicle called the Bonny Utility Company (BUC). Over the years, more than \$182m has been spent by the JIC in delivering development projects on the Island.

Power and Water Supply on Bonny Island via BUC

- The Bonny Utility Company manages the provision of utilities i.e. power and water to thousands of households on Bonny Island. This initiative is 50% funded by NLNG on a yearly basis
- For power supply, BUC currently serves **15,236 households**, essentially covering the entire island via its power distribution network. It offers customers a progressive tariff schedule, which means a free basic allowance followed by increasing subsidized energy charges as a function of consumption. As a result, customers who range from low-income households to larger service sector businesses — receive an indirect subsidy
- The utility also uses prepayment metering and adopts a cashless transaction mechanism in its revenue collection
- This initiative has, since its inception, provided Bonny Island with over **98% uninterrupted power supply** and the benefits have been tremendous:
 - Increased pace of development, with total electricity consumption for 2018 standing at 120,408 MWh
 - Creation of full-time and part-time jobs for the local community
 - Years of uninterrupted operations for the Island's major industries
 - Better performance of public services; thriving businesses with machinery and equipment utilized at optimum capacity while residential users experience higher comfort levels
 - Environmentally friendly operations through the elimination of noisy and polluting generator sets
 - Safe and secure environment at night due to presence of functional street lighting



Bonny Island power supply



BUC also handles the operation, maintenance and management of water facilities on Bonny Island. The sustainable water development interventions provided by NLNG and its JIC partners include the multi-billion Naira drinking water infrastructure in the community referred to as the **Bonny Water Project**. This includes:

- **Five water treatment plants** with production capacity of **11.4 million Litres/day** distributed through a reticulated water system with **availability greater than 97%**
- A **test lab** to monitor daily the quality of water produced and distributed
- Over **1,200 direct connections** to houses
- **300 water fetching kiosks** at different locations in Bonny and Finima for public use

COVID-19 INTERVENTIONS ACROSS NIGERIA

At the onset of the Covid-19 pandemic in the country, NLNG triggered critical mitigation measures in all company locations and the Residential Area within its facility in Bonny. NLNG also promptly established engagements with relevant Rivers State and Bonny Local Government authorities to identify urgent intervention programmes to protect its host communities and the state from the threat of the virus.

The outcome of these engagements brought NLNG to the forefront of delivering initiatives to help fight the outbreak and to manage any eventual spread of the virus.

Consequently, NLNG donated a 24-bed Holding Centre to Bonny Zonal Hospital plus medical equipment and PPEs worth **\$1 Million** to strengthen the hospital's ability to manage the virus in case of an outbreak in Bonny and environs. Among

the items donated by NLNG for use on Bonny Island include N95 particulate respirators, surgical masks, nitrile gloves, hooded coveralls with boots, suction machines, drip stands, oxygen concentrators, oxygen cylinders, split air conditioners for wards and consulting rooms, wall mounted hand sanitizers, patient monitors and sundry furniture items.

The handover of the Bonny Holding Centre came on the heels of the donation of vehicles, medical equipment and PPEs worth **\$500,000** for management of Covid-19 to Rivers State Government during which time NLNG also pledged an intervention at Rivers State University Teaching Hospital (RSUTH) worth **\$1 Million**.

The 10-bed Bonny Holding Centre was later expanded to a 24-bed Treatment Centre based on engagements and

mandate given by the Rivers State Governor to oil and gas companies operating on Bonny Island.

NLNG has also donated palliatives worth **\$250,000** to its over 90 host communities in Rivers State including Bonny and Finima, to alleviate hardship in the midst of restrictions imposed by the government due to Covid-19. NLNG and Shell (SPDC) in partnership also jointly donated a second round of palliatives worth about **\$280,000** to residents of Bonny Island to cushion the effects of the two-week lockdown imposed by the Rivers State government on the island in June 2020.

Besides the donations, NLNG worked together with Bonny Local Government Council on enlightenment campaigns and also provided stipends for thermo-scanning volunteers at entry points into the Island.

Additionally, as part of support to the Federal Government of Nigeria via the Oil Industry Fund led by the NNPC, the company made donations to state governments and health facilities across Nigeria to aid the fight against the coronavirus as follows:

- The upscaling of specific facilities at Federal Medical Centre, Yola and donation of items to the Adamawa State Primary Healthcare Development Agency, both in Adamawa State, to a value of **\$500,000**. These items included ICU beds and accessories, Ventilators, Patient Monitors, Suction Machines, Chemistry and Haematology analyzers, syringe pumps, infusion pumps, gloves, sanitizers among many others
- Donated similar medical equipment and personal protective equipment worth **\$300,000** to the Lagos State Government
- Also made smaller donations of similar items worth **\$150,000** each to the State Governments of Akwa Ibom, Bayelsa and Edo States



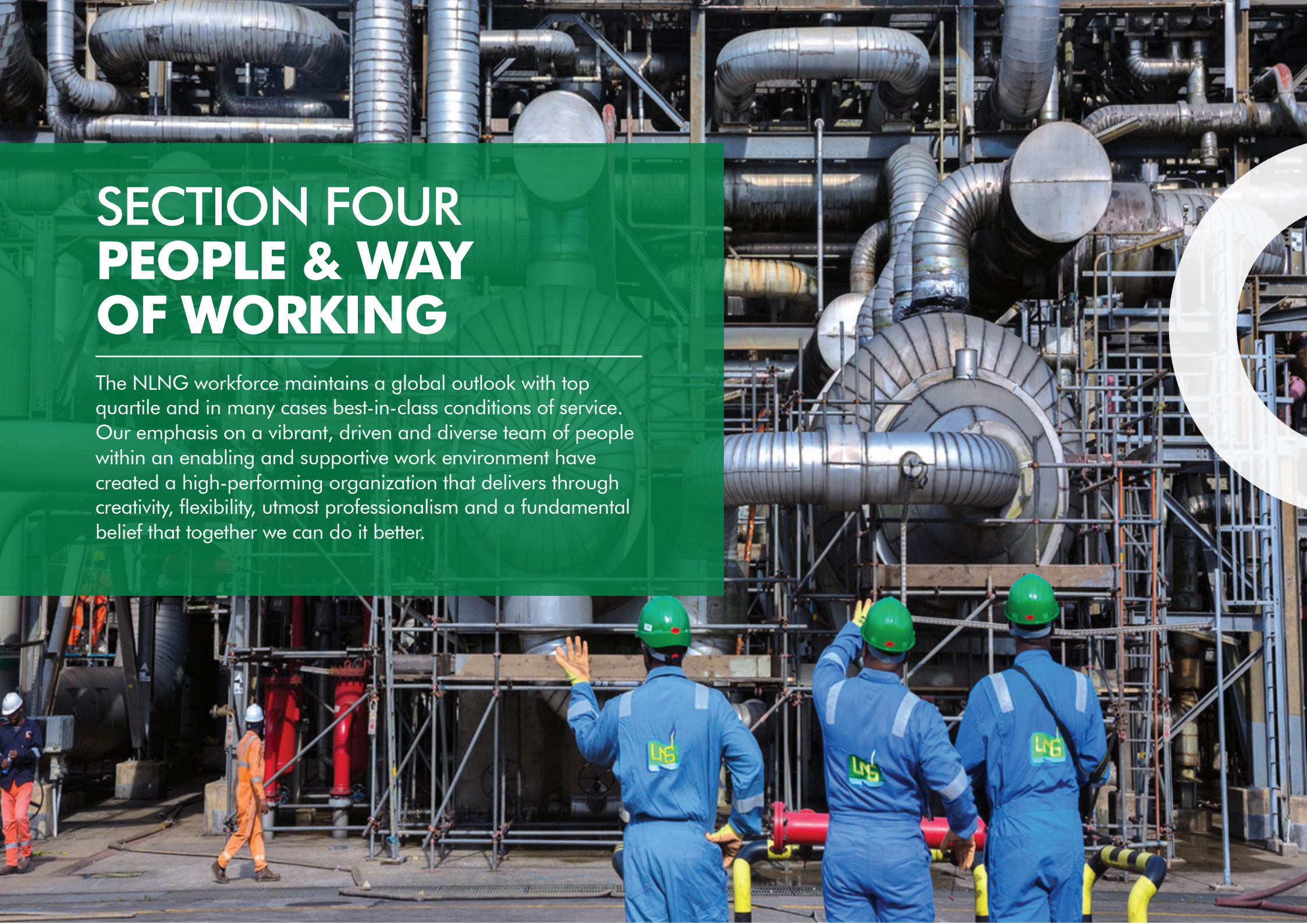
COVID 19 donations to Lagos State Government



Equipment donations to the Federal Medical Centre, Yola, Adamawa State are inspected by the Chief Medical Director, Professor Auwal Abubakar and the Special Adviser to the State Governor on Primary Healthcare, Dr Aminu Aliyu



COVID 19 donations to Rivers State Government

The background image shows a complex industrial facility, likely a liquefied natural gas (LNG) processing plant. Large, insulated pipes and machinery are visible. In the foreground, three workers in blue uniforms and green hard hats are seen from behind, looking towards the equipment. One worker on the left is wearing an orange uniform. The scene is set outdoors under bright sunlight.

SECTION FOUR PEOPLE & WAY OF WORKING

The NLNG workforce maintains a global outlook with top quartile and in many cases best-in-class conditions of service. Our emphasis on a vibrant, driven and diverse team of people within an enabling and supportive work environment have created a high-performing organization that delivers through creativity, flexibility, utmost professionalism and a fundamental belief that together we can do it better.

NLNG, as part of our Statement on Human Rights, is committed to respecting, within the framework of applicable law, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, including the four human rights categories of:

- the elimination of forced or compulsory labour
- the abolition of child labour
- the elimination of discrimination in respect of employment and occupation
- freedom of association and the effective recognition of the right to collective bargaining

Our actions that contribute to the promotion of human and labour rights include the following:

- providing safe and healthy working conditions for employees and contractors
- guaranteeing freedom of association, within the limits of applicable law
- ensuring non-discrimination in personnel practices
- providing access to basic health and housing for employees and their families, if these are not provided elsewhere
- preventing the forcible displacement of individuals, groups or communities in our areas of operations
- applying the Voluntary Principles on Security and Human Rights in protecting people and assets

UNGC Principle 2:
Businesses should make sure
that they are not complicit in
human rights abuses

Principles on harassment

Quoting Section 3.4 of the NLNG Code of Conduct:

“NLNG will not tolerate harassment. We will not tolerate any action, conduct or behaviour which is humiliating, intimidating or hostile. Treat others with respect and avoid situations that may be perceived as inappropriate.

Feedback, criticism and challenge must always be delivered in an appropriate and respectful manner. In particular, be aware of cultural sensitivities - what is acceptable in one culture may not be in another. It is important to be aware of, and understand, these differences.”

To deepen the culture of no tolerance for harassment in any form, the company introduced a new core value of ‘Respect’ in 2017 as part of its Culture Alignment Journey (CAJ).

Respect as a Core Value:

- Introduced and accentuated **Respect** as a critical element of our core values in NLNG in addition to **Integrity, Teamwork, Excellence** and **Caring** already in place, and as part of the company’s efforts to promote the Universal Declaration of Human Rights
- The introduction of Respect as a core value in NLNG was immediately followed up with a campaign focused on discussing the various dimensions of respect and what constitutes disrespectful behaviour in the organisation, including a survey on harassment, fear and other dimensions of respect in the organisation

Health, Safety, Security, Environment and Social Performance (HSSE & SP)

The defence of the human rights of employees and all who work with us and come into contact with us is also deliberately tracked as part of the company's Health, Safety, Security, Environment and Social Performance (HSSE & SP) framework.

Health, Safety & Security:

companywide security requirements help keep staff, contractors and facilities safe in a way that respects human rights, and the security of our host communities.

Contracting and Procurement:

we seek to work with contractors and suppliers who contribute to sustainable development and are economically, environmentally and socially responsible. The yearly **Contractor-CEO Safety Leadership Conference** is a milestone in this regard as the platform enables our

contractors to have a face-to-face sit-down with the company's senior leadership team and have discussions around best practices as related to safety performance and also to voice and debate issues related to contractors' experiences and issues working with the company.

Complaints Hotline: Our commitment to human rights is further entrenched with the continuous promotion of the Ethics Line (Whistle-blower platform) managed by Deloitte, where parties can come forward with complaints of abuses,

unethical business practices, injustice and suspicious behaviours capable of compromising human rights standards in the organisation.

Overall, NLNG regularly engages with our external stakeholders and always strive to contribute, both directly and indirectly, to the general well-being of our host communities. More details of our various commitments and expectations can be found on our website –

www.nigerialng.com



UNGC Principle 4:

The elimination of all forms of forced and compulsory labour

UNGC Principle 5:

The effective abolition of child labour

Commitment to Safe and Open Work Environment

NLNG's commitment to employees in our Statement of Business Principles and Ethics is: "to respect the human rights of our employees and to provide them with good and safe working conditions, and competitive terms and conditions of employment."

Also, in Section 3.3 (Human Rights) of the NLNG Code of Conduct, we commit to comply with applicable laws and regulations including the United Nations Universal Declaration of Human Rights and the core conventions of the International Labour Organisation.

The Employee Assistance Programme (EAP)

The EAP is a voluntary, work-based program that offers free and confidential assessments, counselling, referrals and follow-up services to employees and their family members who may be experiencing work-related or personal issues. NLNG put this programme in place to provide expert and confidential support for employees who may be struggling with unique personal, emotional or psychological challenges impacting their quality of life.

The EAP counsellors work in a confidential and consultative manner to provide support to employees and family members, and improve their general wellbeing.

UNGC Principle 6:

The elimination of discrimination in respect of employment and occupation

Equal opportunity employment

NLNG is committed to the elimination of discrimination in respect of employment and occupation as well as promotion of equal opportunity.

At NLNG, we offer equal opportunities to everyone. This helps us ensure that we always draw on the widest possible talent pool and attract the very best people. We rely on everyone at NLNG to adhere to our principles on equal opportunity.

Recruitments in recent years of young graduate trainees and technicians were drawn from all across the country, in company's effort at replenishing the talent pipeline while reflecting Nigeria's diversity.

Significant milestones as regards career mobility, diversity and inclusion have also been achieved with the company's Realign-to-Win corporate reorganization programme which was completed in 2019:

Significant Milestones

2 new General Manager positions

7 new Manager positions

40% increase in headroom/promotion opportunities across the organization

Female General Manager and more females in leadership positions across the company

NLNG was chosen as the brand that African professionals most want to work for in the 2019 Careers in Africa 'Employer of Choice' study by the Global Career Company

Diversity and Inclusion

Studies have proven that companies with diverse and inclusive teams tend to be more agile, more innovative, and tend to attract top talents leading to them out-performing their peers. Acknowledging this critical insight, Diversity & Inclusion (D&I) in NLNG aims to develop and implement fit-for-purpose strategies, infrastructure, programs and activities aimed at:

Embedding behavioral inclusion and inclusive leadership –

this is about walking the talk and fostering a workplace that demonstrates value and respect for a variety in personalities, experiences, perspectives, skills and other ways we differ; thereby creating a stimulating and rewarding work environment, mutually fulfilling relationships and partnerships that deliver better business results

Attaining management-approved Diversity targets –

we identify and build mechanisms to measure, continuously improve and normalize both inclusion & diversity at NLNG. We constantly examine and challenge our data, set targets and develop clear roadmaps to achieving them

Harnessing the benefits of Diversity & Inclusion –

these include organizational health, increased profitability, innovation, resilience & agility essential for NLNG to thrive in the VUCA world in which we all now operate. We improve through reference to best practice, whilst ensuring respect and compliance with applicable laws (local and global). This also involves end-to-end embedding of diversity and inclusion in the development and implementation of policies, procedures and processes across the organization and not only as a Human Resources activity

In October 2020, NLNG held a daily series of awareness sessions and panel discussions tagged '**Dive In**' to deepen the conversation around D&I across the organization. Focused on the 3 core areas of NLNG's D&I which are **Gender, Disability and Inclusion**, the campaign helped to raise awareness of inherent biases, helping employees to identify behaviours and work patterns that work against diversity and inclusion. An Open Mic session where employees shared day-to-day, practical experiences crystallized the learnings and provided a memorable highlight of the losses that are recorded whenever team members are unavailable to actualize their full potential.

NLNG Womens' Initiative Network (NWIN)

Established in 2016, NWIN is the company's foremost initiative promoting diversity and value creation in NLNG by deliberate career and leadership development of female talents. The network was set up to achieve the following objectives:

- Develop leadership competencies of NLNG women to enhance NLNG's growth and reflect its culture and core values
- Equitable representation of women at all tiers across functions in NLNG
- Equipping Women to compete favourably for challenging roles by actively advocating for sponsorship for female talents
- Providing mentoring and networking / collaboration opportunities
- Health and positive mindset change within NLNG

Since its establishment, NWIN has greatly helped to boost the visibility and further advance professional development of NLNG's female employees and has also provided a platform for their engagement with NLNG management. This has led to a greater sense of pride, ownership and connection to the business.

NWIN activities are organized around major themes such as Advocacy, Learning and Development, Wellness and Socials and Projects and Collaboration. Some initiatives the network has promoted successfully are – annual company celebration of International Women's Day and similar events; establishment of

Creches across NLNG locations; female representation in NLNG developmental programmes; networking opportunities and mentoring of female talent; health and wellness retreats; charitable donations among others.



Cross section of Audience at an NWIN event in Bonny



Bright and colourful NWIN celebration at NLNG's Abuja office



NWIN IWD 2018 - Push for Progress



NWIN members and allies celebrate Int'l Women's Day

UNGC Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Collective Bargaining

NLNG is committed to the freedom of its employees to associate and negotiate in order to secure positive benefits from company management. The company maintains an excellent working relationship with the **Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)** with the immediate past National President of the body, **Comrade Ndukaku Ohaeri** emerging from NLNG.

The company's relationship with the union has been so productive that the in-house branch of PENGASSAN was

awarded the '**National Award for Most Cordial Relationship with Management**'.

Over the years, NLNG's proactive stance in the promotion of world class Labour practices and an atmosphere of healthy collective bargaining between the company and labour unions can be measured by the following key positive outcomes:

In 2017, the introduction of the following work-life balance provisions in our Conditions of Service:

Working from alternate locations

Flexible working terms

Compressed working hours

In 2019, improvements were recorded in various company financial grants to employees.



...Helping to build a better Nigeria

