

COMMUNICATION ON PROGRESS

Submission to the UN Global Compact

2021



This publication is produced by the External Relations and Sustainable Development Division of Nigeria LNG Limited. More information on the company's operations can be found at www.nigerialng.com or www.nlng.com.

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...a global LNG company helping to build a better Nigeria



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STATEMENT FROM THE CHIEF EXECUTIVE



“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.”

As proof of our corporate commitment to responsible business, Nigeria LNG Limited (NLNG) took the step in December 2015, to become a signatory to the United Nations Global Compact (UNGC), the world's largest Voluntary Corporate Responsibility Initiative with 14,900+ business and non-business participants from 162 countries.

To date, NLNG remains dedicated to the aims of the UNGC as follows:

- Doing business responsibly by aligning strategies and operations with the UNGC's Ten Principles anchored on four global areas of environment, human rights, labour, 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.

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 strate-

gies, policies and procedures, as well as embedding a culture of integrity.

Sustainability of business practices is now more than ever, a critical conversation the world over. Through this annual Communication on Progress (COP), NLNG will transparently inform the public about how we continue to align our operations with the UNGC’s global principles of responsible behaviour through proactive preservation of the environment and prevention of harm; through our support to host communities and stakeholders; as well as through our mobilization of our employees, customers, suppliers and service providers to achieve the goal of safe, sustainable and profitable business.

For more details on the contents of this report, please see our Facts and Figures on NLNG 2021, as well as our Statement on Business Principles and Ethics, both of which can be found on our corporate website – www.nigerialng.com

Sincerely yours,

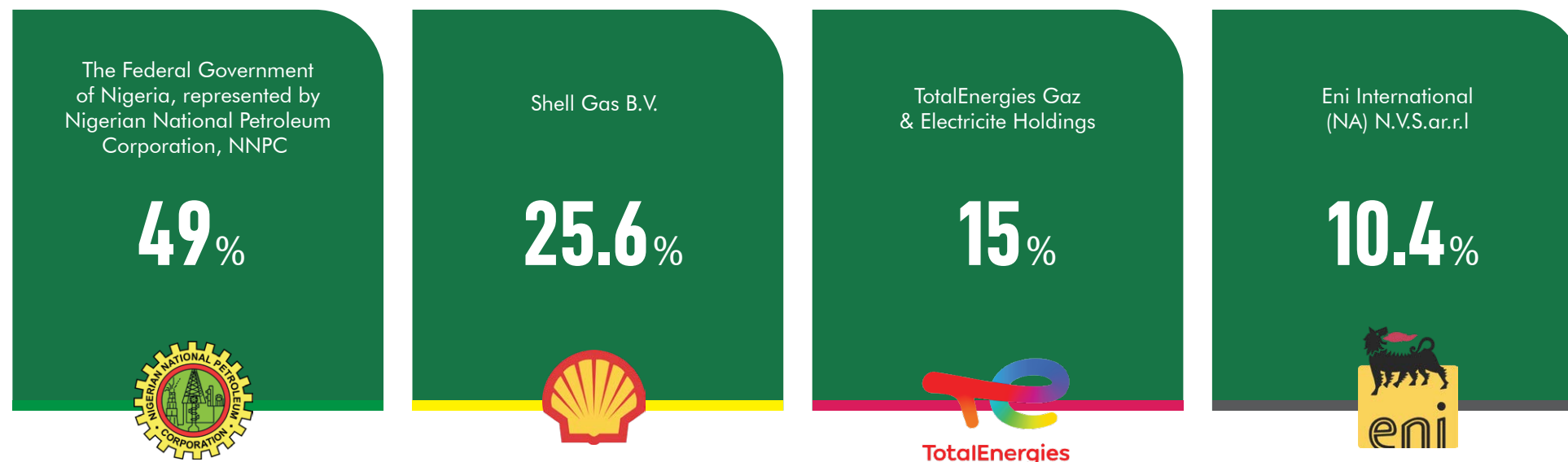
Philip Mshelbila

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



OUR VISION & MISSION

NLNG's Vision

"...a global LNG company helping to build a better Nigeria."

NLNG will 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

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 Core Values



Integrity



Teamwork



Respect



Excellence



Caring

These values underpin all we do and are the foundation of our Business Principles.



Section 1

ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL PERFORMANCE

UNGC PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges

NLNG is committed to ensuring that our environment is protected and preserved for future generations. Taking a precautionary approach to environmental protection across areas where we have a footprint, we have made sure our Environmental Management System is certified to **ISO 14001:2015** standard while also investing consistently and systematically in ecosystem preservation initiatives such as the **Finima Nature Park**.

Activities conducted by NLNG to help protect and preserve the environment by the company include:

Biodiversity Surveys and Monitoring

NLNG maintains the Finima Nature Park (FNP) – an approximately 1000-hectare freshwater swamp forest lying along Nigeria's southern coastal area of Bonny Island,

Rivers State. In 2020 as in previous years, regular biodiversity surveys and biological monitoring were carried out using direct and indirect monitoring techniques. Diverse species of fauna were sighted during these surveys among which were insects, amphibians, reptiles, birds, and mammals.

Introduction of motion sensitive night cameras helped to monitor and track the movement of animals within the park. The presence of antelopes and the civet cat was recorded through this means. Safe rescue and return of animals to the nature park – monitor lizards, snakes and birds were conducted during the year. A steady growing population of indigenous species in the Park was recorded – attributable to limited interference in, and the preservation of, their natural habitat.

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 results submitted to both NLNG management and regulators at stipulated intervals.

To ensure compliance with regulatory requirements and its own HSE policy, NLNG has adopted the principle of minimisation through abatement at source for aqueous effluents that have the potential of causing negative impact on the receiving environment. This includes the handling and disposal of sewage.

Solid Waste Management

NLNG is committed to its policy of no harm to people and the environment and the promotion of sustain-

NLNG maintains the
Finima Nature Park (FNP) –
an approximately

1000
hectare

freshwater swamp forest
lying along Nigeria's southern
coastal area of Bonny Island,
Rivers State"



able development. The company therefore ensures proper management of its waste using the best available technology in collaboration with the Federal and State Ministries of Environment. Our 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 3R philosophy of Reduce, Reuse, Recycle.

Emissions to Air

For emissions to air, the principle adopted is also minimisation through abatement at source.

To monitor our operational footprint, there is continuous ambient air quality monitoring, while stack emissions monitoring is regularly carried out in line with regulatory and industry requirements. As a demonstration of our commitment

to addressing climate change challenges, our Energy Management implemented through our Green House Gas (GHG) and Energy Management Plan is certified to **ISO 50001:2018**.



To ensure compliance with regulatory requirements and its own HSE policy, NLNG has adopted the principle of minimisation through abatement at source for aqueous effluents that have the potential of causing negative impact on the receiving environment. This includes the handling and disposal of sewage”

UNGC PRINCIPLE 8:

Undertake initiatives
to promote greater
environmental responsibility

Finima Nature Park

The Finima Nature Park (FNP) is located within the Finima Community on Bonny Island, Rivers State. Established in 1999 to protect the fragile fauna and flora of Bonny Island from the pressures of growing industrialization and urbanization, the park is estimated to cover an area of 1,000 hectares. The park area provides a critical buffer and protection for indigenous biodiversity while also mitigating impacts of oil and gas activity on the Island.

Presently, the park is managed by a park management consultant – The Nigerian Conservation Foundation (NCF). The nature reserve offsets NLNG's carbon footprint across its operations to about 247,158.78 mega tonnes of carbon dioxide (CO₂). In addition, the park serves as a natural barrier protecting about 250,000 people in Finima and Bonny against flooding damage from ocean surges.

With about 70% of the workforce

from Finima, Finima Nature Park provides direct and indirect employment opportunities for the community. The Finima Nature Park Resource Centre is open to visitors comprising local and international tourists, primary, secondary and tertiary school students, families, researchers, etc. Guided tours are available upon request to individuals, groups or schools. The number of conservation clubs within primary and secondary schools have increased with a drive towards inculcating the culture of biodiversity.

The Green Recovery Initiative

As part of NLNG's drive in helping to build a better Nigeria, a green recovery and biodiversity initiative was carried out where a total of 5,000 fruit-bearing trees were planted on Bonny Island in various communities including Abraham Hart, Abalamabie, Oguede, Finima, Banigo, Greens, Burukiri, Sangama, Polokiri, Georgekiri, Arugbanama, Kuruma, Beresiri, Ishile-ogono, Oloma and Minima

with support from the respective community youth leaders, their volunteers and the nature park rangers.

The tree planting exercise is part of the effort to improve the socioeconomic benefits of Finima Nature Park to the community while helping to combat the effects of global warming. Furthermore, to combat sea erosion and deforestation, a new system of mangrove reforestation was introduced in 2020. Propagules were collected and planted directly at identified degraded parts of the mangrove forest, instead of nurturing them at the nursery and transplanting later to the degraded part.

This process is faster, more cost effective and environmentally friendly. It eliminates additional manhours and resources. 5,000 propagules were planted with more than 90% survival rate and are currently growing well.

The nature reserve offsets
NLNG's carbon footprint
across its operations to about

247,158.78

mega tonnes of carbon
dioxide (CO₂)

Major milestones recorded by the Finima Nature Park and the Green Recovery initiative include:

Host about

20,000

visitors annually, comprising
local and international tourists,
primary, secondary and tertiary
school students, families,
researchers

For more on the Finima Nature Park,
please visit the website
www.finimanaturepark.com

Has helped offset NLNG's carbon footprint across its operations to about 247,158.78 mega-tonnes of carbon dioxide (CO2)

Establishment of conservation clubs in 60 schools with membership base of over 2,000 pupils

FINP was designated an internationally acclaimed centre for Wetland Education making it one of 350 Wetland Centres in the world and the second in Nigeria to become a member of Wetlands Link International

Hosts about 20,000 visitors annually, comprising local and international tourists, primary, secondary and tertiary school students, families, researchers, etc. and this boosts ecotourism in Nigeria

Reforestation - a total of 12,324 seedlings of red mangroves (*Rhizophora mangle*) were planted at degraded area of the Bonny Island seacoast with more than 90% surviving

900 coconut seedlings were planted along the seacoast of Bonny

Trained 353 students from 15 different schools on the reuse of waste plastic bags to produce items such as bags, flower vases, mats etc.

Has served as a natural barrier protecting about 250,000 people in Finima and Bonny against flooding damage from ocean surge

Nomination and recognition of FNP at the Global Energy Award 2020 and a Special mention at Institute of Environmental Management, UK (IEMA) International Awards 2020

Also, the Park has been proposed for recognition as a RAMSAR site i.e. as a Wetland of International Importance while listing as a Rivers State Tourism Site is ongoing

Finima Nature Park is a site for congregation of migratory waterbirds annually

10,000 fruit tree seedlings have been planted across 30 communities in Bonny Local Government Area

Eco-gardens: Gardens were set up in 5 different schools using discarded tyres, to train students on the benefit of recycling to the environment

Sensitizing and creating environmental awareness within the Bonny community - so far 20 groups/institutions inclusive of churches, mosques and social groups have been covered

UNGC PRINCIPLE 9:

Encourage the development and diffusion of environmentally friendly technologies

Domestic LPG Interventions & Usage Growth

NLNG is dedicated to expanding access to energy that is cleaner, more reliable and affordable. We are increasing domestic gas consumption across Nigeria by growing supplies of Liquefied Petroleum Gas (LPG) to the domestic market from 350,000 tons to 450,000 tons by the end of 2021,

opening up access to a cleaner and safer source of energy for cooking away from kerosene, firewood and charcoal.

This will allow many more Nigerians to lead healthier, more enjoyable lifestyles, which are beneficial both for the environment and also for economic growth.

**Milestones recorded in this area include:**

Over a 13-year period i.e. from 2007 to 2020, NLNG has cumulatively supplied over 2 million tonnes of LPG into the domestic market, spurring a steady rise in annual domestic consumption in a market that was below 50,000 tonnes per annum in 2007 to over 1 million tonnes per annum in 2020. This consumption rate made 2020 the first year in the country's history that LPG consumption would hit that threshold, moving from the previous peak of 800,000 tonnes in 2019

Landmark commencement of deliveries of LPG to Stockgap Terminal in Port Harcourt in 2019 as part of deliberate efforts to encourage growth of the sector beyond Lagos and reduce the impact of congestion of the Lagos ports on deliveries

Growth in number of Nigerian companies (off-takers) with whom NLNG has signed Sales and Purchase Agreements (SPAs) for LPG. The number of these off-takers has increased from only 6 at inception of the DLPG Scheme in 2007 to **43** today

NLNG also partnered with a local Nigerian company for the building and charter of its first indigenously owned LPG vessel, the **Alfred Temile**, which was integrated into the fleet in May 2020. This has significantly increased the participation of Nigerian companies in the domestic LPG value chain, further underscoring the company's commitment to Nigerian Content

A woman with dark hair tied back, wearing a blue and white floral dress, is smiling and interacting with a group of students. The students are wearing yellow and blue striped school uniforms and white face masks. They are standing in a line, and the woman is looking down at one of them. The background is slightly blurred, showing more people and a blue bow on a wall.

Section 2

HUMAN RIGHTS AND SOCIAL PERFORMANCE

NLNG consistently conducts its activities in a manner that respects the rights and dignity of all people. The NLNG Statement on Human Rights makes our position clear for all our customers, suppliers, employees and partners.

HUMAN RIGHTS AND SOCIAL PERFORMANCE

UNGC PRINCIPLE 1:

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

The company is deeply committed to providing a dignified and qualitative life experience for everyone that comes in contact with our business and to positively impact the society around us.

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. NLNG strategically conceives and imple-

ments projects at both national and local levels to positively impact the lives of citizens. These activities help to affirm human rights and dignity, and boost the life experience of citizens and improve infrastructure in the communities. They also facilitate development of know-how and build capacity in the sustainable use of resources.

NLNG's CSR programme is built on 4 pillars – the company believes in raising up host communities

through human capacity development which involves **Education** and **Health** initiatives that empower communities to be able to envision their own future and take it in their hands; supported by **Economic Empowerment** and **Infrastructure Development** that ensure a broader, diversified financial base so that the economies of these communities are not solely dependent on oil and gas activities.

Some initiatives and milestones achieved under these pillars are captured below:

4 QUALITY EDUCATION



ENSURING ACCESS TO QUALITY EDUCATION

Scholarship Schemes

NLNG runs three major scholarship programmes targeted at three

levels of education. They are the Post Primary (Secondary) Scholarship Scheme (PPSS), Undergraduate Scholarship Scheme (UGSS)

and Overseas Postgraduate Scholarship Scheme (PGSS).

\$2,697,000

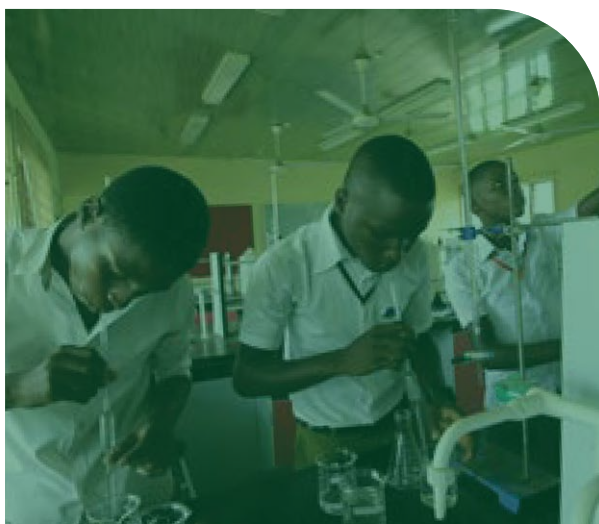
disbursed in awards to beneficiaries of the PPSS since it started in 2012 with **28 beneficiaries**. The number has since grown to 400+ with 60+ new beneficiaries in 2021

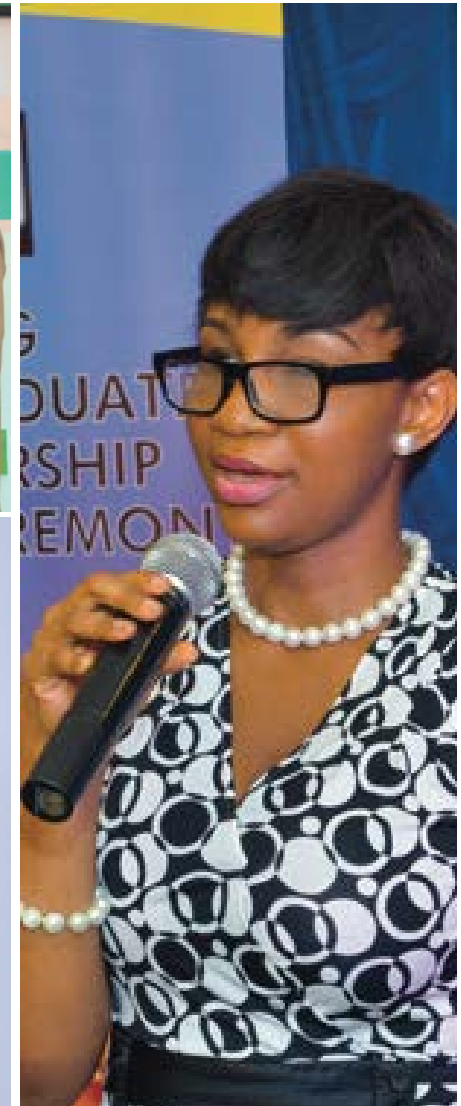
\$2,513,000

disbursed in awards to **3,416 undergraduates** attending various universities in Nigeria as part of the UGSS. The UGSS is NLNG's oldest Scholarship scheme, commencing at start of company operations in 1998

\$4,270,000

disbursed in awards to **78 beneficiaries** on the PGSS since it was launched in October 2012







A total of

2,102

youths trained in different vocational trades and levels at the Bonny Vocational Centre (BVC) since its establishment.

Bonny Vocational Centre (BVC)

NLNG established the Bonny Vocational Centre 16 years ago in 2004 in partnership with Bonny Kingdom to promote the acquisition of vocational and entrepreneurial skills. The centre was designed to develop technically competent and self-reliant youths in the community, thereby, growing the pool of highly competent semi-skilled and skilled workforce on the Island. It is fully funded by NLNG but operates independently with its own Board and management in place, and issues reports on its operations for accountability.

The Centre is a leading City & Guilds of London Institute's training centre offering certification in a range of vocational and related occupational skills such as Building Construction, Business Support, Catering & Hospitality, Fabrication & Welding etc. Indeed, the Centre is ranked among the top ten City & Guilds Approved Centres in the world

Also, an approved Vocational and Innovation Enterprise Institution of the National Board for Technical Education (NBTE)

Total of 2,102 youths trained in different vocational trades and levels at the Bonny Vocational Centre (BVC) since its establishment. Of this number, 694 have successfully completed and graduated with the Level 3 IVQ Advanced Diploma of the City & Guilds of London Institute

BVC has produced excellent students with the highest grades globally in City & Guilds examination with the award of Gold Medal of Excellence



Rivers State Public Schools Renovations Project

Arising from a commitment NLNG made to its host state, the Rivers State Government, in 2015, this initiative involves renovation and refurbishment of facilities at 19 public primary and secondary schools and execution of 1 road project in communities across Rivers State. Some recently commissioned projects under this project are:

“
19
public primary and
secondary renovated
and refurbished



Community Central Primary School, Bonny

NLNG provided this school in its primary host community of Bonny Island with an Administrative block of two rooms with toilets; reconstruction of the school perimeter fence; installation of a school gate and a new security house; a store; an overhead water tank; classroom furniture for the pupils' comfort and construction and furnishing of the school's first-ever Library including male and female toilets, books, bookshelves and ICT equipment

01
road project
in communities across
Rivers State since
2015



Government Secondary School, Ubeta

The company commissioned and handed over a newly built and equipped Library facility and other renovated facilities including an Administrative block, one large staff room, one counselling room, a Laboratory block comprising Biology, Physics and Chemistry sections with Stores, Preparatory rooms, and offices, as well as an Examination Hall with new furniture; also 2 Classroom blocks comprising 12 classrooms with 4 toilets, new furniture and classroom Boards installed. NLNG also reconstructed the school fence, provided a new security house and gate, installed water and power supply, and provided a standard size Football Field for recreational activities

Similar facilities have also been commissioned at the **Government Girls' Secondary School, Finima** and the **Community Secondary School, Rumuji**

In total, 19 Schools and 1 Road Project have been identified within NLNG's host/pipeline/Gas-Transmission-System (GTS) communities for this project. The successful accomplishment of these educational interventions provides an assurance that together, NLNG and the respective communities will continue to partner on a positive sustainable development agenda.





2021 NLNG Science Quiz Competition

The pilot edition of the relaunched NLNG Science Quiz was an inter-school competition open to students of government-owned secondary schools and government-approved private secondary schools on Bonny Island. The objective was to foster interest in science and technology in the minds of young people for the future of the community and the country in general.



Top 4 winning schools
received laboratory
equipment and science
textbooks worth

N4.2million

20 participating
schools with a total
of **248** students

Engaged with the Rivers
State Ministry of Education
and the State Chapter of the
Science Teachers Association
of Nigeria (STAN) for
approval and
observation/third party
validation of results during
the contest

Lucille Education Centre
emerged tops with Faith
Academy Secondary School
coming in 2nd place. Two
schools Bonny National
Grammar School and
Legacy International College
tied for 3rd place

The top 4 winning
schools received
laboratory equipment
and science textbooks
worth a cumulative
N4.2million while top
3 students won laptops,
branded items and
science textbooks

The overall first prize
winning student also
received sponsorship
for a software coding
programme

In a world driven by science
and technology, this initiative
has inspired students from the
Bonny Island communities to
become interested and
proficient in science subjects
from an early stage of their
education





7,400+
enrollees

20+

corporate organizations
on Bonny Island are currently
on the programme which is
managed by health management
organisations (HMOs) with
nationwide coverage

ENSURING GOOD HEALTH & WELL-BEING

Bonny Community Health Insurance Programme (BCHIP)

The Bonny Community Health Insurance Programme is a community-based health insurance initiative that is geared towards providing access to affordable, sustainable, and quality healthcare services without the need for beneficiaries (i.e. residents of Bonny Island) to make out-of-pocket expenses when accessing medical care.

- Nigeria LNG Limited (NLNG) in partnership with the Rivers State Government (Ministry of Health) and Bonny Kingdom.
- Three public health facilities (Bonny Model Primary Health Centre, Finima Health Centre, and Bonny Zonal Hospital) running the programme
- Five private clinics in Bonny (St. Charles Clinics, Channels Clinics, Pan OJ Clinics, Delta Specialist Clinic and St. Peters Clinics) are also healthcare service providers on the programme
- The scheme has a governing board that is representative of the partnership between NLNG, Bonny Kingdom and Rivers State Government. The Board provides required governance for the initiative, leveraging on the experiences of its members
- More than 7,400 enrollees and 20+ corporate organizations on Bonny Island are currently on the programme which is managed by health management organisations (HMOs) with nationwide coverage
- These enrollees are able to access care for a wide range of primary and secondary healthcare needs including general consultation, Maternity and neonatal, child care, emergency care, minor surgeries, reproductive health and family planning, dental etc. for an individual premium of N10,000 per annum
- NLNG has also, since launch of BCHIP in 2019, provided 50% subsidy on premiums for up to 4,000 beneficiaries in order to encourage enrollment on the scheme
- BCHIP continues its journey to fulfilling the mandate of Universal Health Care (UHC) for all on Bonny Island





POVERTY ERADICATION VIA ECONOMIC EMPOWERMENT

Overcoming poverty has been described by Nelson Mandela as an act of justice and a protection of the fundamental human right to dignity and a decent life.

On Bonny Island and in many of NLNG's host communities, the issue of poverty had been quickly identified as a critical intervention point even before commencement of the company's operations. To

address this human crisis and also to forestall youth restiveness arising from poverty, NLNG has instituted a variety of empowerment and capacity development initiatives.

The Youth Empowerment Scheme (YES)

The initiative was launched in 2004 as a sustainable development initiative targeting youths (18-35 years old) within NLNG's host and pipeline communities.

To date, YES has trained and empowered over 1,400 youths to empower them economically as a way of building wealth.

The scheme offers vocational training in Advanced Welding & Fabrication, Catering and Hospitality Management, Automotive works,

Photography & Video Production and Farm Management. Commencing in September 2021, two new vocations - Information and Communications Technology (ICT) and Fashion Design & Cosmetology were included to ensure a wider variety of options of technical skills.

The goal of YES is to build the capabilities of the youths and make them financially independent. Upon completion of training, YES beneficiaries are provided a business start-up kit with equipment and materials they require to set up a small business within their vocational area.

NLNG also facilitates a mentoring/-monitoring programme for a period of 3 months post training to ensure that skills learned are put to use effectively.

The company's consistent implementation of this programme to reduce poverty in its operating area, has led to recognition with NLNG winning the Sustainability Enterprise and Responsibility Awards (SERAs) in 2018 & 2019 as the Best Company in Poverty Alleviation.



Empowered over
1,400
YOUTHS
since launched in
2004



Capacity Building Trainings

In order to strengthen the ability of youth from its primary host community on Bonny Island to take advantage of commercial and leadership opportunities around them, NLNG has over the past year sponsored various groups on capacity building trainings. These sessions are expected to provide the required exposure and skill to generate new innovations and businesses within their communities.

Tourism Business/Tour Guide Training:

In February 2021, NLNG facilitated a Tourism Training for Bonny Youths as a springboard for the Bonny Dubai Vision. The training represented a small first step towards achieving the Bonny Tourism Masterplan which is a major plank for achieving the NLNG Bonny-Dubai Vision.

The vision aims for the Island to become a major International

investment destination by the year 2040. Given the unique history, traditions, culture, biodiversity and geographical location of Bonny Island, all these present a rich potential for tourism which can rapidly expand the economic base of the Island.

The Bonny Tourism Masterplan has the potential to drive the transformation of Bonny into a tourist haven that will attract visitors to the Island from all over the world.

NLNG conceptualized the training in synergy with Goge Africa, a widely recognized African Tourism brand, to train 20 young adults from Bonny Kingdom to furnish them with the rudiments of tourism and how to effectively manage the sector in the Island.

This training has been successful in creating a tribe of motivated young Bonny ambassadors who are beginning to innovate and conceptualize various businesses that will draw tourists to Bonny Island.



The vision aims for the Island to become a major International investment destination by the year 2040.



Fire–Fighting Training:

- 20 youths of Bonny community were proud to acquire new and sophisticated skills in firefighting in October & November 2021
- NLNG sponsored the training programme for the youths in Lagos, in recognition of the need for a crop of dedicated and competent firemen within Bonny Island communities and to man the newly built Bonny Fire Station, which was completed by the Government
- Previous fire incidents in Bonny Kingdom had over time required support of NLNG's fire service to provide support in saving lives and properties. Thus, the proficiency gained by the trainees would help greatly in containing the threat of fire outbreaks on the Island going forward
- As Bonny Kingdom continues to transform into a growing economic hub that houses a dynamic population of investors, job seekers and employees of the vast business concerns in the community, the need for essential safety services will only grow



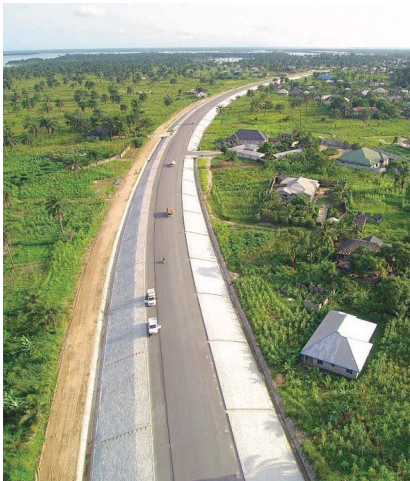
Leadership Training Programme for Bonny and Finima Youth Executives:

To sharpen the leadership acumen of youth executives of the Bonny Youth Federation and Finima Youth Congress, NLNG sponsored a leadership training programme for these critical youth leaders and role models on the Island.

The training aimed to steer the youth executives towards helping the community to become economically self-reliant by championing transformational initiatives that would inspire and energize their membership towards catalysing a new business environment on the Island.

With the growing clamour for youth leadership, the executives were effectively positioned to drive the transition from where the community is now to where it wants to be





RIGHT OF ACCESS TO QUALITY INFRASTRUCTURE AND BASIC AMENITIES

Over the past 21 years since production began at its plant facility on Bonny Island, NLNG has continuously delivered critical infrastructure support and social amenities to its host communities and the nation at large.

Independently and through vehicles such as the Joint Industry Companies (JIC) and the Bonny Utility Company (BUC) on Bonny Island, NLNG has provided consistent and reliable power and water supply, roads, construction and renovation of schools, hospitals, residential houses, electrification and water

reticulation projects etc. On Bonny Island alone, more than \$182m has been spent by the JIC in delivering development projects with NLNG's contribution being 50% of this total.

The Bonny-Bodo Road, a 38km link road between Bonny Island and the rest of mainland Rivers State, is possibly one of the biggest CSR infrastructure projects ever undertaken in Nigeria and is an active partnership between NLNG and the Federal Government of Nigeria. This N120.6 Billion (\$293.75m) road will link Bonny Island to Port Harcourt, the Rivers State capital,

and the rest of Nigeria for the first time in history opening up unprecedented economic access to the Island and its residents.

Across its GTS/pipeline communities, NLNG continues to execute development projects while gradually reaching agreements on a new developmental paradigm with various community clusters.



Bonny-Bodo Road
38KM

N120.6BN

road will link Bonny Island to
Port Harcourt

Over
\$182M

spent so far by the JIC



Water Projects across Communities in Rivers State

On 29th of July 2021, NLNG commissioned and handed over electricity-powered water projects to the people of Elok community and the people of Ighom community, both in Abua/Odual Local Government Area of Rivers State. The projects were designed to ensure that these communities

have access to clean and potable water which is critical human need. In a period of global health crisis due to the Covid-19 pandemic and its impact on healthcare services, poor water supply can lead to spread of community infections that can be fatal, and so NLNG's critical intervention helped secure

the health of the communities.

NLNG also recently completed a significant water reticulation project at its node junction community of Ubeta in Ahoada West LGA, Rivers State.





Global Memorandum of Understanding (GMoU) – redefining our agreements on Community Development

In order to guarantee the sustainable and efficient delivery of sustainable community development into the future, NLNG in 2020 began signing General Memorandum of Understanding (GMoU) agreements with some of its pipeline/GTS communities, and the communities which host its corporate head office in Port Harcourt, Rivers State.

Agreements have been signed with Ogburnu-Abali, Ubeta and Rumuji community clusters while discussions are ongoing for Amadi-Ama, Egi, Ogba, Ekpeye, Kalabari, Abua, Okrika and Emohua community clusters. These agree-

ments are designed to significantly transfer the responsibility of driving sustainable community development from NLNG to the community stakeholders. By signing the GMoU, the communities agree to develop and adopt viable strategies that will guarantee long term sustainability of their development projects.

The GMoU which has a five-year life span and stipulates a governance and implementation framework be in place. The framework enables stakeholders and residents of these NLNG host communities to be in the driver's seat of their own development agenda through a Community Development Foundation that will

include a Board of Trustees, Steering Committees, and Community Trusts.

This GMoU model is a step change in NLNG's relationship with its pipeline/GTS communities and will give the communities leverage over developmental projects enabling them to execute projects unique to their needs that contribute to improving the socio-economic terrain. Besides financing the communities' development goals, NLNG would provide advisory role and mentorship via non-governmental organizations and international development agencies for the implementation of the GMoU.



This GMoU model is a step change in NLNG's relationship with its pipeline/GTS communities and will give the communities leverage over developmental projects enabling them to execute projects unique to their needs that contribute to improving the socio-economic terrain.



UNGC PRINCIPLE 2:

Businesses should make sure that they are not complicit in human rights abuses

HEALTH AND SAFETY PERFORMANCE

In line with a culture of continuous improvement and target maintenance of top quartile HSE performance, NLNG continues to take steps to improve its health and safety performance across the company.

NLNG and Partner CEOs' HSE Leadership Conference

- NLNG held an impactful 4th edition and the very first virtual edition of NLNG and Partner CEOs' HSE Leadership Conference with the theme - "Keeping it Safe: Sustaining our Performance in Challenging Times"
- This very timely event presented an excellent opportunity to deepen the conversation with our business partners on how we can collectively make NLNG an incident and injury free company
- The virtual conference with our partners from all over the world had over 230 invited participants in attendance
- Four NLNG CEO HSE Awards for Excellence in technical and nontechnical categories were won by deserving partner CEOs. The CEOs in attendance all adopted the charter and committed to continue to demonstrate Safety Leadership and Excellence in their organizations

04

NLNG CEO HSE Awards for Excellence in technical and nontechnical categories were won by deserving partner CEOs

Safety Leadership Journey (SLJ) Family Size Units

- The SLJ has been a well-structured programme to effectively calibrate our progress as a company along the HSE culture ladder
- The latest SLJ CARE survey indicated that NLNG moved to the Proactive stage on the culture ladder. This was greatly helped by the creation of Family Size Units across the company
- Under this initiative, everyone in the organization (direct staff, partners, secondees etc.) belonged to a small size unit of 25 people with a common goal of looking out for one another like a typical family and holding each other accountable for the corporate 'Zero Means Zero' HSE mandate



NLNG's Flagship CSR Programme: The Nigeria Prizes for Science, Literature and Literary Criticism

The Nigeria Prize for Science, The Nigeria Prize for Literature and The Nigeria Prize for Literary Criticism, sponsored by NLNG, aim to bring Nigerian scientists, authors and literary critics to public attention and celebrate excellence in scientific breakthroughs and literary accomplishments in Nigeria.

NLNG believes that The Nigeria Prize for Science (worth \$100,000 in prize money) will provide leaders

with answers to crucial issues in development; improve the standards of living and re-energise the scientific community to seek solutions to national problems.

With The Nigeria Prize for Literature (also worth \$100,000 in prize money) and The Nigeria Prize for Literary Criticism, (prize money of N1,000,000) it is expected that the quest for a prestigious prize will improve the quality of writing,

editing, proof-reading, and publishing in the country with far-reaching positive effect on print and broadcast journalism.

Introduced in 2004, the Prizes are awarded annually with winners announced in October to commemorate the first export of LNG cargo by NLNG on October 9, 1999.





Section 3

LABOUR PRINCIPLES AND WAY OF WORKING

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UNGC PRINCIPLE 4:

The elimination of all forms of forced and compulsory labour

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 5:

The effective abolition of child labour

Commitment to Safe, Open and Top-Quartile Work Environment



Part of NLNG's mission is to provide employees "an exciting and fulfilling place to work and the opportunity for staff to develop their potential."

Also, NLNG's commitment to employees is reiterated in our Statement of Business Principles and Ethics: "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."

Thus, the company ensures it continuously reviews its people agenda and conditions of service in line with employee needs, industry and global benchmarks. Some recent milestones include:

- The official approval of the NLNG Statement on Human Rights to clearly communicate and document this essential aspect of NLNG's policy
- Deployment of the Employee Attitude Survey to test the pulse of the entire organization post restructuring Realign-to-Win (RtW) programme in 2019 and the global pandemic and subsequent shutdown/work from home measures in 2020 – a stellar 91% response rate was achieved on the survey
- Embedding and deepening of the Wills Support Scheme for staff
- International exposure for staff on the NLNG Train 7 project: Part of strategy to build Talent robustness through knowledge transfer and to support the talent pipeline
- Weekly Knowledge Sharing Sessions across the company to entrench critical knowledge and support during turbulent times
- Kicked-off the 3 phased approach to NLNG's flexible work strategy:



Phase 1

Improve current flexible work practices to support extended work from home as well as lay the foundation for a longer-term strategy

Phase 2

Adjust current provisions to support phased and safe return to office guided by business continuity and risk management protocols

Phase 3

Use expert support to evaluate organizational flexibility quotient and business objectives to determine long term flexibility options across the enterprise

UNGC PRINCIPLE 5:

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 continues to maintain excellent working relationship with

the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN).

In 2021, biennial negotiations with the Union were successfully executed and concluded with introduction of non-traditional benefit schemes

for company employees in line with the global pandemic and new ways of working. Maternity leave provisions were also expanded.



UNGC PRINCIPLE 6:

The elimination of discrimination
in respect of employment and
occupation

Diversity and Inclusion

Companies with diverse and inclusive teams have been proven to be more agile, more innovative, and more attractive to top talents which leads overall to superior performance over less inclusive and diverse teams. 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

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

Identifying and building 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 2021, following recognition of the extensive implications of bias and the cruciality of mindset change as the foundation for embedding inclusion, NLNG deployed a workshop titled DECIDE: The Neuroscience of

Breaking Bias. It entailed practical discussions on how to continuously label and mitigate biases (in individuals and processes) to ensure more informed and effective decision making for Business success.

More than 50% of NLNG People participated in the DECIDE workshop in 2021 and the workshops will continue in subsequent years along with other modules to build inclusion capability.

Engagements to deepen the D&I conversation to across the organization, tagged 'Dive In', also continued during the year to boost D&I awareness/ knowledge and benchmark with external good practice as well as Open Mic sessions where employees shared day-to-day, practical experiences and improvement plans on breaking biases, inclusive language and microaggressions. More strategies to embed Diversity & Inclusion in all processes are being formulated to ensure continuous tangible demonstration of NLNG commitment to D&I as a business priority.

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NLNG Women's Initiative Network (NWIN)

- NWIN celebrated the 2021 International Women's Day in March virtually across the company's locations highlighting the theme #ChooseToChallenge
- The initiative also facilitated the commissioning of a Mammogram Machine at the NLNG Residential Area (RA) Hospital in Bonny Island on June 12th 2021. The machine, a collaborative project of NWIN with the Medical Department and other teams within the company, is expected to strongly support the health of the female population of NLNG, both staff and spouses.
- NWIN also facilitated The Big Sister Programme to mentor 1,000 school girls on Bonny Island in collaboration with the Women in Management, Business and Public Service (WIMBIZ) – a highly regarded NGO; the NLNG RA Ladies Association; and the Bonny Local Government
- As most NWIN members had been working virtually since the commencement of the COVID-19 pandemic, NWIN commissioned a Return-to-Office Survey to feel the pulse of the women. There were also 2 NWIN Connect Sessions to support virtual connectivity and health for members.
- In aid of members' development, NWIN also facilitated the Corporate Sponsorship of 10 ladies to attend the WIMBIZ Conference virtually – including representatives from the Spouse Associations in Bonny, Port Harcourt and Abuja
- In September 2021, NWIN was also proud to celebrate one of its members, **Dr. Tolulope Ijirona**, who won the Rising Star Award category presented as part of ExxonMobil's LNG Power Play Awards. The Rising Star Award is presented annually to an outstanding female professional, age 35 or younger working within the global LNG industry





Section 4

ANTI – BRIBERY AND CORRUPTION

ANTI-BRIBERY & CORRUPTION

UNGC PRINCIPLE 10:

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

The company is committed to ensuring that its operations are executed in line with the highest legal and ethical standards, and free of bribery and corruption. Clear documents have been established, and remain in place to guide the conduct of the Company and her workforce, including an

Anti-Bribery & Corruption Policy, and a Code of Conduct.

A training on ABC was conducted with the Board of Directors, to ensure appropriate competency awareness at the highest levels of decision making within the organization. Onboarding programs for

newcomers also ensure the Company's principles are appropriately communicated.

Additionally, in 2021, the Company reviewed its internal framework for evaluating counterparties' Integrity Due Diligence risk.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Ethics & Compliance

The company prides itself on pursuing high ethical standards, and carried out enterprise wide engagement sessions that highlighted the required contributions of the workforce in upholding those standards. Numerous awareness campaigns

were initiated, with particular attention paid to the ongoing Train 7 construction project.

A corporate training on Conflicts of Interest was also deployed to all Staff members, and a "Legal &

Compliance Week" activity provided a key reflection point for the organization on relevant E&C issues.

Human Rights

Following internal reviews, the company has established standalone corporate policies on Human Rights and Diversity & Inclusion. While previous documents had captured the company's commitments in

these areas, the elevation of these principles to corporate policies demonstrates the organization's commitment to treating people fairly and with decency.



NLNG will continue to ensure that staff, vendors, suppliers, counterparties and other stakeholders are continuously encouraged to make good faith reports on unethical behaviour/misconduct.

Ethics Line (Whistle-blower platform)

As part of NLNG's commitment to fighting corruption, the NLNG Ethics Line was set up in 2012. The platform 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 reports made via the online resource are not traced either. Whis-

tle-blowers reserve the right to remain completely anonymous, should they choose. They can also receive feedback on blown whistles or track whistle progress through the external party's platform.

NLNG will continue to ensure that staff, vendors, suppliers, counterparties and other stakeholders 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. Reported cases are continuously monitored, investigated and closed out within set targets.

The platform (<https://nigerianlng.ethicspoint.com/>) and hotline (+234(0)7080601363) are prominently featured on NLNG's website and corporate pages as well in every contract documentation with counterparties.

