



**Reliance Chemical Products Limited**

## **Corporate Sustainability Report 2021**

## About the Report

This is Reliance Chemical Products Limited's (RCPL) Annual Corporate Sustainability/ Social Responsibility Report. This report reflects our accomplishments in fulfilling our economic, environmental and social responsibilities. Hereby, we make the following statement on relevant information:

Reporting company: Reliance Chemical Products Limited (RCPL), Nigeria

Alternative reference: Reliance Chemical Products Limited (RCPL) is also referred to in this report as "RCPL", "the Company", "we" and "us".

Timeframe: From January 1, 2021 to December 31, 2021. Given the continuity and comparability of the disclosed information, part of the information may be taken forward or backward as necessary.

Reporting period: This is an annual report.

Reporting principles: Objective, standardized, honest, transparent and substantive.

Report content: Our accomplishment in fulfilling our economic, environmental and social responsibilities.

Head Office Address: 161A, Rafu Taylor Close, Off Idejo Street, Victoria Island, Lagos, Nigeria

Factory Site: Plot C20/2A Anioma Road, Agbara Industrial Estate, Agbara, Nigeria

Products Manufactured: Surfactants and Sodium Silicates for Home care Industries

Information sources: The Company's official documents, statistical reports and statistics related to the Company's Operational areas. All the information has been reviewed by the Company's management.

Report improvements: In order to showcase our social responsibility performance in a more objective, comprehensive and prioritized manner, this report features some important new issues, such as "energy transition" and "green development".

References: ISO26000 Guidance on Social Responsibility by ISO, Sustainability Reporting Guideline published by the Global Reporting Initiative, United Nations Global Compact (UNGC) and Sustainable Development Goals (SDG's)

Language: The report is published in English Language.

Approved By: Chief Executive Officer (CEO)

## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

28 April 2022

To our stakeholders:

I am pleased to confirm that Reliance Chemical Products Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress/Corporate Sustainability Report for the period of January 2021 to December 2021, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Chris Smith', is positioned above the printed name and title.

Chris Smith  
Chief Executive Officer (CEO)

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Access to the report: You may send email to [reliancechem@outlook.com](mailto:reliancechem@outlook.com) or call +234 8141306961 for a hard copy.

## 1.Topic Index Figures in 2021

### ENVIRONMENTAL PERFORMANCE

KPI	UNIT	Target	Year 2019	Year 2020	Year 2021
Gas Emission SOx, COx, NOx	ppm	200 Max	131	70	30
Total Suspended Particles (TSP)	ppm		5	4	2
Effluent - COD	mg/l	40 Max	72	41	23
Effluent - BOD	mg/l	20 Max	35	17	12
Effluent - AD	mg/l		5	7	8
Effluent - Oil & Grease	mg/l	10 Max	0	0	0
Effluent - pH	No	7 to 9	7	7	7
Effluent - TDS	mg/l		615	450	252
Waste Water/Sewage before treatment	m3		2230	2,874	2,911
Treated & Recycled Effluent	m3		2007	2,587	2,620
Energy Consumption	GJ		22,052	23,989	23,875
Energy Consumption (SS)	Kwhr/MT	40	35	36	38
Energy Consumption (SA)	Kwhr/MT	150	150	146	136
Natural Gas Consumption	MSCF		212,656	219,875	201,592
Steam Consumption	MT		10,837	17,315	16,961
Compressed Air Consumption	m3		1,985,375	1,912,609	1,992,717
Water used-direct production+ auxiliary services	m3		63,421	75,176	76,229
Waste - Hazardous Generated	MT		0.1	0.1	0.1
Waste - Hazardous Disposed	MT		0	0	0
Waste – Non Hazard Generated	MT		120	130	135
Waste - Non Hazard Utilized/Recycled	MT		100	115	118
Waste - Non Hazard Disposed	MT		20	15	25
Waste- Engineering/Other Generated	MT		15	20	40
Waste- Engineering/Other Utilized/Recycled	MT		10	15	31
Waste- Engineering/Other Disposed	MT		5	5	9
Noise Level	dB	80 Max	77	73	74.3
Green House Gases (CH4/N2O/O3- Ozone Depleting Substances)	kg CFC11 equivalent		200	180	160

## SAFETY PERFORMANCE

INDICATORS	TARGET	Year 2019	Year 2020	Year 2021
Lagging Factors				
First Aid Cases (FAC)	0	6	1	1
Medical Treated Cases (MTC)	0	2	1	1
Major Accidents		0	0	0
Restricted Work Case(RWC)	0	0	0	0
Lost Time Accident (LTA)	0	0	1	0
Fatality	0	0	0	0
Cumulative Hours Worked		503280	515968	542656
Accident Frequency Rate (AFR)	<1	0.0	0.2	0.0
Total Recordables Frequency Rate (TRFR)	<2	0.4	0.4	0.2
Lead Factors				
No Of Unsafe Acts Recorded	40	40	28	68
No Of Near Miss Reported	1	5	1	2
Security Incidents Recorded	0	1	3	0
Fire Incidents Recorded	0	0	2	0
Vehicle Incidents Recorded	<1	0	0	0
Property Damage Incidents Recorded	0	0	0	0
LTI-Free Days Worked		364	366	365
Daily Man-Hour		8	8	8
No Of Days Worked		270	278	278
No Of Employees		81	78	79
No Of Contract Staffs		152	154	165
Employee Hours Worked		174960	173472	175696
Contract Employee Hours Worked		328320	342496	366960
Cumulative Hours Worked		503280	515968	542656
Number Of Stop Cards	20	62	70	60
Number Of Hazards Tracked		62	73	29
Number Of Env Incident Tracked		8	3	3
Number Of Quality Incident Tracked		5	3	1
Number Of Security Incident Tracked		1	1	1
No Of Yellow/Red Cards		16	14	18
Tool Box Talk/Pep Talk/Safety Talk		2,889	2950	3383
No Of Trainings and Training Hours		14(640)	31(1330)	29 (2320)
Safety Inspections		9	9	15
No Of Safety Inductions		115	184	323
Safety Awards		6	6	8

### CSR Key Performance Indicators 2021

The table below lists key performance indicators for activities relevant to RCPL's CSR

Indicators		FY 2019	FY 2020	FY 2021
<b>WORKPLACE</b>				
Employee satisfaction	Percentage of employees found RCPL as a place to work( who undergone satisfaction survey )(average)	88%	92%	93%
Voluntary employee attrition	Total voluntary attrition as percentage of ending headcount	0%	0%	0%
Health and safety	Lost Time Accidents	0	1	0
<b>DIVERSITY</b>				
Women	Women as percentage of total global employees	4%	5%	5%
	Women in Technical/Managerial positions or above as percentage of global Technical/Managerial and above employees	3%	3%	3%
Local Content	Local Content of total Nigeria employees	90%	90%	96%

Indicators		FY 2019	FY 2020	FY 2021
<b>SOCIAL IMPACT</b>				
Social investment	Total corporatewide and foundation cash and in-kind contributions	Refer CSR Report	Refer CSR Report	Refer CSR Report
Employee volunteerism	Number of hours volunteered by employees	240	240	260
No Of IT/NYSC Students Trained	No Of IT/NYSC Students Trained in the Company Operations in part of fulfilling Students Career /Education Projects	10	20	22
No of CSR Projects carried out	No of CSR Projects carried out	3	5	3
Social and economic investment	Number of regions where RCPL currently invests or manages programs	Refer CSR Report	Refer CSR Report	Refer CSR Report
Strategic partners	Significant collaborations with corporate partners, non profits, and NGOs	3	3	3

Indicators	FY 2019	FY 2020	FY 2021
Human Rights and Human Resources			
Number of HR Policy Violations Observed, Notified & Identified	0	1	1
Number of Human rights issues identified, reported	0	0	0
Corporate Governance			
Number of Serious Information on Security Incidents	0	0	0
Number of Serious Violations on law, regulations and notices	0	0	0
Number of Cases related to Corruption, Bribery Issues	0	0	0
Number of Cases related to Fraud, Money Laundering, Conflict of Interest, Anti-Competitive Practices/Issues	0	0	0
Corporate ethics helpline office response rate	100%	100%	100%
Percentage of employees undergoing compliance training	100%	100%	100%
Percentage of employees undergoing information security training	100%	100%	100%
Social			
Number of Major Awards Won	1	1	1
Percentage of employees joined with disabilities	1%	1%	0%
Product Safety/Environmental Impact			
Product Safety Issues/No of Cases reported/identified during the product cycle	0	0	0
Product Environmental Issues/No of Cases reported/identified during the product cycle	0	0	0
Suppliers CSR activities			
Suppliers CSR Activities Monitored in %	50%	50%	60%
Integration of social or environmental clauses into supplier contracts, CSR risk analysis	80%	80%	85%



## 2. Corporate Governance

Reliance Chemical Products Limited (RCPL) is a Private Limited Company. According to laws and regulations of the Federal republic of Nigeria, RCPL built and continuously perfected the governance structure with clearly defined rights and responsibilities among the board of directors and senior executives, to ensure that each department carries out its own duties with effective balance, scientific decision-making and coordinated operations. We established the statutory status of the company in the corporate governance structure, strengthened our supervision and accountability system with a focus on system building and fulfillment of responsibilities, and realized clear control objectives, effective integration of resources and optimal efficiency and effectiveness. We also enhanced corporate social responsibility performance and achieved sustainable growth.

### Governance Structure

#### Board of Directors

The Board of Directors consists of three members. The Board has four affiliated committees, the Strategic Development Committee, the Nomination Committee, the Evaluation and Remuneration Committee and the Audit and Risk Management Committee, which are designed to provide advice and recommendations for Board decisions.

In 2021, giving full play to their respective professional advantages, the Board of Directors exercised due care and diligence, playing a positive role in guiding the strategic development of the Company, strengthening the management of appointment of the senior executives, reviewing major issues, and strengthening risk control.

#### Key Work of the Board of Directors in 2021

Formulation of development strategies	Deliberation of major issues	Attention to team building	Enhancement of risk prevention and control
<p>Formulate the Company's annual business development and investment plans, budget plans, as well as the production and operation plans</p> <p>Promote quality improvement and efficiency enhancement for key operations, assign key strategic tasks for driving the development through reform and innovation in key areas</p>	<p>Deliberate and approve major investment projects</p> <p>Deliberate and approve CAPEX/ HSE Improvement Projects, to promote the transformation and upgrading of related operations</p>	<p>Pay attention to the Leadership team, and their guidance and advices</p> <p>Organize board meetings, special committee meetings and centralized investigation and survey to communicate on company development and board building</p>	<p>Deliberate on annual audit report, risk management report, and propose improvement suggestions and suggestions</p> <p>Exert the role of audit and risk management committee,</p> <p>guide relevant departments to enhance their accountability in risk management, and implement major risk response measures</p> <p>Strengthen the risk analysis and response for decision-making for major projects to ensure that the operation objectives are achieved while risks are minimized</p>

### 3. Compliance Management & Communication with Stakeholders

#### Compliance Management

The Company regards legal compliance as a basic guarantee for high-quality development under the new situation. Compliance is of overriding importance. Therefore, we put legal compliance above economic interests, established the strategic position of compliance management, and further defined the responsibility of comprehensive compliance management. At all levels, we continuously intensify compliance demonstration and review in respect of major decisions and major issues, and strengthen the prevention and control of compliance risks, so as to ensure management according to law and legal compliance in our operation. We strictly implement national laws and regulations and government regulatory requirements, and keep strengthening compliance management in key areas. We have therefore basically put in place a compliance management mechanism that gives top priority to prevention and attaches equal importance to punishment and prevention, and a general compliance management pattern featuring division of work, joint management and coordination. The awareness of compliance among our employees is strengthened, and an increasingly intense atmosphere for compliance is being created.

The Company strictly upholds business ethics, credibility and integrity in its operations. We obey international covenants and laws and regulations of the countries where we operate, respect trade controls and fight against corruption, bribery, monopoly, and unfair competition of any form. We deal with our suppliers, contractors, customers, government departments, partners and competitors and other stakeholders in a fair and honest manner. We are committed to business integrity to win respect.



#### Communication with Stakeholders

Stakeholders are the groups or individuals who are able to influence corporate decisions and activities or are subject to influence from corporate decisions and activities, including government, employees, customers and consumers, partners, relevant agencies and communities, etc. Stakeholders' participation in CSR work can help deepen mutual communication, understanding, trust and cooperation, and is beneficial to the Company's development.

We adhere to the principles of honesty, interaction and equality, and actively establish and improve the mechanism of stakeholder participation. We introduce a variety of ways to collect and analyze the expectations and concerns of our stakeholders, enhance our communication with stakeholders, and invite them to participate in decision-making and activities related to our sustainable development. In addition, we learn from international standards and advanced experiences to continuously improve stakeholder participation.

## 4. Corporate Social Responsibility Management

### Corporate Citizenship Philosophy

For a company, fulfilling corporate social responsibility is not only a necessary path to achieve economic, environmental and social sustainability, but also an inevitable choice for its own sustainable development; it is not only an external requirement to adapt to economic and social development trends, but also an internal requirement to enhance its sustainability; it is not only an important way to change its development mode and achieve scientific development, but also a strategic requirement for expanding its internationalized operation.

Upholding the corporate mission of “Caring for Energy, Caring for You”, we aim to achieve the organic unity of economic, environmental and social responsibilities, and strive to become an outstanding global corporate citizen with stronger influence, and a greater charisma to society. We have never relented in our efforts to implement our social responsibilities, adhere to legal operation, be honest and trustworthy, conserve resources and protect the environment, insist on the people-oriented principle and build a harmonious enterprise, in order to make return to society and realize value sharing.

### Management Mechanisms

At RCPL, we take it as a fundamental work to establish and improve the social responsibility management mechanism for advancing responsibility management. Focusing on system establishment, organizational structure and capability building, we have established a set of comparatively complete mechanisms on social responsibility management.

### System Building

We have developed working rules and regulations on economic, environmental and social responsibilities, laying a solid foundation for the fulfillment of social responsibilities. In 2021, we continued our efforts to build and improve social responsibility management systems and promote social responsibility management.

### Organizational Structure

RCPL has established Social Responsibility Management Committee to make major decisions on social responsibility policies and planning. The Committee is composed of heads of the function departments. We hold communication meetings with external professional's to solicit professional advice on social responsibility management and practices, and to provide support for our decision-making.

### Capability Building

We actively carry out research in the field of social responsibility, promote CSR education and training, and boost CSR communication, so as to continue enhancing CSR awareness and the capability for fulfilling responsibilities among all employees

## 5. Public Welfare

### Targeted Poverty Alleviation:





Poverty alleviation is an important topic in sustainable development around the world and also one of our key concerns. We have responded positively to the initiatives of the United Nation's 2030 Agenda for Sustainable Development and to the Nigeria government's policies on poverty alleviation targeted at the improvement of people's livelihood, industrial development, intellectual development and medical care. By combining our business strengths with local resources and market advantages in areas receiving assistance, we have taken targeted measures to help them develop the local economy on their own.

In 2021, we have continued to carry out fixed-point poverty alleviation and aid programs, and implemented multiple projects, including infrastructure, education and training, healthcare, and community development directly benefiting the local community

### Some Targeted Poverty Alleviation & CSR Projects and Achievements in 2019-2021

Project Name	Location	Project Details	Achievements
Building Plants/Expansion	Agbara Industrial Estate, Agbara, Ogun State	Reliance Chemical Products Ltd (RCPL) built surfactant processing plant expansion to realize the localization of detergents raw materials in the region and drive local industrial structure upgrade	We've increased income for 50 impoverished households and created direct/indirect employment opportunities for more than 100 people
Amenities & Financial Aid to Orphanage Home	Badagry, Lagos State	We've have undertaken charitable work In Lady Atinuke Oyindamola Memorial Home for Mentally Retarded Children, Badagry Lagos (Government Approved Home)	Around 25 children have been directly benefited with financial assistance, Monthly Food provision and Furniture and amenities development
Supporting Education, Social progress and development	Agbara Grammar School, Agbara, Ogun State	Constructing six toilets for the students, Flooring and Plastering three classrooms, providing chairs, tables, pens and notebooks for teachers and students, over 500 students participate in health Talk and Donation of furniture's.	We believe that supporting education is important for us to fulfill the commitment to social progress and development. The Company strives to carry out various activities and gives young people equal opportunities for education to help them pursue their goals and boost their personal growth. Specifically, we set up scholarships, offer grant support to students from underprivileged families, improve teaching conditions for impoverished regions and support
Emergency Relief/Pandemic relief	Ogun State, Lagos State	Financial support and Pandemic relief/aid to community	We have supported the community during Covid-19 pandemic thru donating N10 M naira to CA-Covid Care Fund. Assisted the local communities by distributing around 200 families

We encourage employees to participate in volunteer activities to help out people with difficulties so to advocate new trends in social civilization and contribute to the development of cultural civilization. We carried out clean production and environmental protection. RCPL widely applies use of best available technology, efficient and clean energy solutions with waste heat recovery, to carry out the manufacturing activities. We drove industrial development and local employment. The Company combines its own growth with sustainable development of local resources and actively engaged in the development of relevant local industries.

Area	Potential Positive Impact	Potential Negative Impact	How We Mitigate Potential Risks
 Local people	Job Opportunities	Industrial Land acquisition, Relocation Environmental Impact	<p>Before the construction of a project, we conduct assessments of the social and economic impact</p> <p>We prioritize the hiring of local people on the region, conduct skills training for them, arrange them to participate in project construction and increase their income.</p> <p>we strictly follow safety and environmental protection regulations, formulate management systems on environmental protection that involve participation of all stakeholders and closely monitor environmental impact throughout the entire operations. We have implemented a efficient Management systems to minimize the impact of production activities would impose on ecological environment.</p>
 Capacity Building for Local Businesses and Industries	<ul style="list-style-type: none"> <li>- Business Opportunities</li> <li>- Capacity Building</li> <li>- Technology Transfer</li> </ul>	We may neglect local products and services and fail to share advanced technology with the local communities.	<p>By leveraging local social resources, we actively support the development of local enterprises, focus on local sourcing of products and services, and strengthen cooperation with local enterprises in terms of technical services to promote the development of relevant SMEs to support the talent training program of petroleum industry within the host country.</p> <p>We support the personnel training program for the oil industry of the host countries.</p>
 Quality Products in Sustainable Way	<p>Quality Products</p> <p>Best Manufacturing Technologies</p>	We may overlook the actual requirements	<ul style="list-style-type: none"> <li>- We actively support use of Best available technology for the development of quality products in environmentally sustainable manner</li> </ul>
 Social Investment	We conduct early consultation with community members when implementing social investment in order to meet actual needs and bring long-term benefits.	We may overlook the actual demands	Our social investment plan reasonable community investment projects based on the local socio-economic demands

In 2021, there were more than 30 contractors engaged locally by the Company, which has directly driven the local employment of 200. We participate in public welfare undertakings and improve people's livelihood. We've implemented targeted poverty alleviation and guided local contractors to develop SME by fully leveraging on local conditions.

**Volunteer Activities of Employees:** We encourage our employees to serve communities and participate in other volunteer activities

#### Manage Our Impact in Local Communities

We strive to make a positive impact on community development through carrying out responsible operations, which is not only translated into more employment opportunities, more tax contributions, and more business opportunities to local suppliers, but also reducing the environment and social impact of production and operation activities on local communities as well as safeguarding the human rights of community residents.

#### Enhancing Communication with Local Communities

We have set up environmental protection and community relations coordination department to promote cooperation with local governments, NGOs and community representatives. By holding meetings and paying visits, we strengthen communication and coordination and achieve a win-win situation in cooperation. Agbara Industrial Estate is the one of the significant industrial regions in Nigeria and an important industrial development area in Ogun State. As a primary source for the Detergents manufacturing, it has become an important chapter in the history of promoting surfactants and specialty chemicals production development in Nigeria.

#### Local Environmental Protection

We strongly believe in the importance of striking a balance between business development and environmental protection. Therefore, we strictly comply with the laws and international standards on environmental protection in the region in which we operate, protect local ecological environments, and strive to minimize the impact of our operations on the environment

#### Community Welfare

We take an active role to help improve the living conditions of local people, give donations to education, healthcare and other public welfare programs to achieve harmonious and mutual development.

#### Develop Local Economy

We place a strong emphasis on the reliance of local resources and procurement of local products and services and create opportunities for local contractors' service companies to participate in our projects so to boost and promote the development of local SMEs and create more income and employment opportunities for the local communities. Our project actively introduced local contractors and suppliers.

#### Tax Payments According to Law

RCPL strictly complies with the laws and regulations in the region where it operates, makes lawful and transparent tax payments to local governments, and makes due contributions to local economic development. We support and respond to government Tax Policy, and pledge to pay tax according to the law in areas where we operate and create value, in order to strive towards sustainable development and make due contributions to socio-economic development.

#### RCPL Tax Policy

RCPL carries out tax planning in support of its business strategy and in compliance with statutory tax agreements and principles, as well as the tax laws of the region. RCPL pays taxes in compliance with applicable tax laws, its business principles and code of conduct, and adheres to high professional standards to ensure the legitimacy and accuracy of tax payment in a timely manner. RCPL advocates tax transparency, and ensures its tax information disclosures are accurate and fully completed in line with requirements of tax authorities.

#### Protecting Indigenous Rights

Before the construction of a project, we conduct assessments of the social and economic impact, such as the requirements of the indigenous people, human rights, cultural heritage, involuntary resettlement. We try our best to protect all the rights and interests of the indigenous people. We uphold standard operation in land compensation, and make compensation plans by referring to the opinions of the local governments, our partners, and the local villagers. Specifically, compensation is paid before land use, and the compensation information is released timely to ensure operational transparency. Hence making overseas

## 6. Sustainable Energy Supply

Energy Supply & Future Opportunities and Challenges: Continuous growth in energy demand.

The world population is projected to reach more than 9 billion in 2050 by the United Nations' World Population Prospects. Population growth, together with urbanization in developing countries and industrialization, will continue to drive the growth of global energy demand and consumption.

The trend of energy transition: Energy transition is a prominent feature of global energy development. Developing clean and low-carbon energy has become a consensus shared by governments, different industries and the society. Nevertheless, fossil fuels will remain the main source of energy for decades to come, and will continue to dominate the energy market for a long time in the future.

Inevitable transition to clean and low-carbon development. Climate change has become a major issue affecting the destiny of the whole world and all mankind. The Paris Climate Conference has set the goal of limiting global warming below 2°C by the end of the century, and that the future lies in low carbon and low energy intensity development.

The pivotal role of natural gas. Natural gas is the only low-carbon and clean energy in fossil energy. Accessible, affordable and sustainable, it has become the fastest growing fossil energy and is expected to reach 30% in primary energy consumption by 2050.

Equal access to energy: Over 1.2 billion people in the world still does not have access to affordable modern energy, losing the opportunity for equal development. Helping this group of people have equal access to energy is an important part of achieving the Sustainable Development Goals (SDGs) of the United Nations.

The consensus of global cooperation: The energy transition featuring low carbon and carbon-free development calls for all-round international exchanges and cooperation in advanced technology, management concept, and knowledge and experience. A wide range of global energy cooperation will help countries jointly cope with new energy security risks.

We support the UN' s goal of "Ensuring access to affordable, reliable, sustainable and modern energy for all actively respond to the Nigeria government's development policies and intensify our efforts to promote the energy revolution

### Strategic Response

The world is undergoing a profound and rapid energy transition towards a cleaner, more efficient and diversified energy structure.

### Technology and Innovation

Advanced and applicable energy technology enables us to provide more and cleaner energy, and address global issues such as climate change and enhancement of energy utilization efficiency.

Thanks to theoretical innovation and technological breakthroughs, RCPL increases efficiency in the development and utilization of existing resources, explores new areas of energy development, and develops green production technology to provide energy for society in a more responsible way.

### Energy Cooperation

International energy problems can't be solved without cooperation. Upholding the principle of "mutually beneficial cooperation for common development", we give play to our advantages in integrated businesses, capital, technology and managerial expertise, and cooperate with host governments and partners to address local energy challenges, in order to meet local energy demand and maintain regional energy security.



## 7. Responsible Operation

### Safe Operation

We actively promote the building of a long-acting safety system and comprehensively enhance our work safety management. In 2021, the Company maintained a stable improvement in safety performance.

### Management System and Performance Assessment

In 2021, we improved the operating performance of HSE, by conducting more trainings on Health & Safety including Management of Production Safety and Measures for the Supervision and Management of Hazardous Chemicals. We enhanced auditing quality of HSE management system, and put more efforts in rectifying problems found in auditing. We revised the detailed regulations on the assessment of safety performance, and strengthened performance evaluation and accountability system for accidents.

### Hazard Control

We attach equal importance to both prevention and control of hazards, and build a long-acting mechanism for hazard control, so as to ensure all hazards are timely and effectively treated and enhance the fundamental safety of the Company. In 2021, we continued to conduct treatment of pipeline hazards by carrying out targeted safety inspection on key projects.

### Safety Risk Management

We fully strengthened management and control over safety risks in the production process, implemented a dual-prevention mechanism covering risk prevention and control and hazard identification and treatment for production safety, and established a classified risk prevention and control system, so as to eliminate safety risks and potential hazards to prevent accidents. In 2021, we took targeted management and control measures in projects facing different types of risks, and conducted all-factor auditing. We introduced new methods for safety supervision and management and formulated a working mechanism for joint supervision and management involving external 3P Service Providers. We pushed forward the building of a dual-prevention mechanism, and double-checked sources for major risks. In addition, the Company compiled a checklist for management and control responsibility of company-level major safety risks, and formulated and implemented risk prevention and control mechanism with the aim to effectively prevent and control all types of safety risks. prevention and control management model focusing on environmental forecasting, pre-warning and monitoring. We began the environmental risk management at an earlier stage, and established a sound risk management mechanism featuring "management in tiers, prevention and control by levels in order to ensure overall control over environmental risks. In 2021, the Company fully conducted hazard management by levels and classified supervision, and carried out strict management of operation permits. No major environmental accidents were reported and all major pollutants norms were achieved.

### Supply Chain Safety

We included suppliers and contractors into our safety management, and had an all-process management on their access, selection, training, use and evaluation, so as to prevent and reduce accidents caused by suppliers and contractors.

### Supply Chain Safety Management Process

#### Security Risk Management

We take the initiative to evaluate the environmental impact of our management and activities, and make efforts to reduce adverse effects on the environment and climate. By improving the resource utilization efficiency, implementing the Environmental Policy, and promoting energy conservation and emission reduction, we strive to achieve environmentally-friendly and resource-saving operations and vigorously advocate ecological civilization, in order to achieve harmonious development with the environment.



## Strengthening Risk Prevention and Control

We carried out environmental risk identification and assessment, and implemented a risk

## Hazardous Chemicals Management

We exercised full process management on hazardous chemicals covering production, storage and transportation. In 2021, we carried out targeted inspection on progress made in comprehensive safety management of hazardous chemicals in key areas of Plant operation.

## Emergency Management

We make unremitting efforts to improve our emergency management system. In 2021, the improved version emergency management system was launched, enabling the support system for the Company's emergency platform to leapfrog from the stage of platform building to the stage of deep integration and application, and further enhancing our comprehensive emergency response capabilities.

## Security Management

Personnel safety has always been an overriding priority in our operations. We constantly reinforced the operation of social security management system, fully strengthened social security risk prevention and control, and continuously enhanced emergency response capabilities. In 2021, we fully strengthened systematic management, implemented management on a regular basis, and braced ourselves for changes in local security situations in our operations. There were no major incidents in our operations concerning social security.

## Sustainable Use of Resources

We attach great importance to the protection and rational utilization of resources. We strengthen the protection of water, conservation of freshwater and rational use of land, and strive to improve energy and material utilization efficiency to minimize resource consumption.

## Water Resources

We endeavor to improve water utilization efficiency and realize sustainable use of water throughout various links in our production and operation activities. Through strengthening water utilization process management, adopting technologies for water-saving and wastewater treatment and recycling, and integrating water-saving indicators into performance evaluation and other measures, we worked to reduce the use of fresh water.

## Land Resources

On the principle of scientific siting, efficient use, proper protection, and timely restoration and through innovation in land-saving technologies and management models, we made careful and intensive use of land during production, strictly controlled land use growth, made good use of land in various ways.

## Eco-environmental Management in Full Life Cycle throughout the Industry Chain

## Energy

We have been striving to reduce the consumption of fossil fuels and increase energy efficiency by reducing energy intensity. We paid high attention to energy conservation at the source, and carried out energy-saving assessments of newly-built, revamped and expanded projects. We promoted the application of energy-saving technology and equipment to boost the efficiency of heating furnaces and optimize refining and chemical energy systems. We reinforced energy use management in the production process, and conducted monitoring and evaluation of energy and water-intensive devices and equipment.

## Wastes and Pollutants

We strictly monitored and controlled discharges of waste and pollutants in the production process, strengthened waste management, and reduced discharges of pollutants in the air, land and water. We actively promoted collection measures and recycling technologies, and clean operation technologies at our plants, significantly reducing wastes and pollutants. In 2021, the Company realized 90% recycling of harmless HDPE waste bags and 100% clean operation coverage.

## Waste Management

We consistently made breakthroughs in waste water treatment technologies, optimized waste management, and improved the efficiency of resource utilization. Our Effluent Treatment Plant (ETP) used microorganisms in waste water treatment, achieving a higher degradation rate meeting the first-level standard of the national Integrated Wastewater Discharge Standard and the treated mixture meeting the national standards for water quality.

## Climate Change

We respond to the Paris Agreement adopted by the 2015 United Nations Climate Change Conference, embrace the goal of limiting global warming to less than 2 degrees Celsius by the end of this century. To this end, we actively responded to climate change, devoted ourselves to low-carbon development, and shared the practice of greenhouse gas control with industry peers and all sectors of society.

## Carbon Emission Management

We paid close attention to greenhouse gas emissions and included combating climate change in our development plan. In 2021, we improved the running of the information system for greenhouse gas accounting and reporting, coordinated the accounting of greenhouse gas emissions, and completed the greenhouse gas emission inventory for each business area, covering direct and indirect emissions such as fuel combustion emission, production process emission, fugitive emission and greenhouse gas recovery and recycling.

## Products and Service

Following the quality principle of “Integrity and Excellence”, we strengthen the quality management system and improve process quality control to create brand products. In addition, we continue to promote high-quality development for the Company by consistently improving product, project and service quality.

## Quality Control

In 2021, RCPL continued to enhance quality management, focusing on system standards improvement, quality supervision and inspection, and quality culture building.

## Product Management

We provide consumers with products according to legal provisions and industrial standards in a responsible way. While providing products, we put emphasis on the influence on consumers and guarantee product safety. Meanwhile, we actively communicate with customers, publish product safety risk evaluation results and make great efforts to protect customer legal interests.

## Quality Products and Services

### Providing Quality Products

By strengthening technological innovation and promoting product quality upgrading, we provided applicable solutions for our industry as well as safe, reliable, high-quality and environmentally- friendly products for our customers.

### Promoting Service Level

We constantly improve consumer experience and provide consumers with satisfactory and efficient services.

## Supply Chain Management

We actively promote the sustainable development of the industrial chain. Accordingly, we work in a respectful, communicative, honest and cooperative manner to encourage our partners to jointly fulfill our social responsibilities, and provide the society with high-quality products and services.

Following the concept of “law-abidance, openness, competition, merit-based selection, and win-win results, we have built a bidding management system featuring unified management, graded responsibilities and joint supervision, and a management model characterized by separate management and operation, level and category-based management, and professional implementation. We made great efforts to promote the electronic bidding platform to implement the principle of “fairness, justice and openness” and actively promoted transparent bidding and green procurement, in order to realize corporate governance by law and compliance management.

## 8. Employee Development

### Employees' Rights and Interests

Strictly complying with international conventions on labor and human rights, we respect and protect employees' legal rights and interests, and advocate the employment policy based on equality and non-discrimination. We continue to perfect the compensation and benefits system, and improve democratic mechanisms, so as to create a fair and harmonious working environment for employees.

### Employment Policies

RCPL always puts people first and values and safeguards the lawful rights and interests of the employees. We strictly comply with the Labor Law of the Federal Republic of Nigeria, relevant international conventions approved by the Nigeria Government, and relevant local state laws and regulations. We promote the employment policies of equality and non-discrimination, and provide equal opportunities and fair treatment to all employees regardless of nationality, race, gender, religion or cultural background; resolutely prohibit child labor and forced labor; and always aim to promote the employment of women and ethnic minorities. Specifically, we strictly implement the regulations on pregnancy, maternity and parental leave for female employees, and guarantee that the female employees enjoy equal compensation and benefits and career development opportunities.

### Compensation and Incentives

We intensified our efforts to reform the remuneration system, improve policies on medical insurance, and further improve the salary distribution system by linking it closely with performance appraisal results. The remuneration system, highlighting on-the-job contribution of employees, was put in place. Besides, we pay special attention, in terms of income, to employees engaged in technological innovation and those working at grass-roots level and in key positions or in harsh environments in an effort to fulfill the value of each employee.

### Career Development Platform

We believe that the Company's development is underpinned by our employees' growth. We endeavor to inspire employees' creativity and help them fulfill their personal value through staff training, career promotion and an improved incentive mechanism.

### Education and Training

We continuously improve the construction of our training centers and networks, and provide flexible training programs for employees such as knowledge training, professional training, combination of on-the-job training, off-the-job training and spare-time training to deliver diversified and differentiated vocational training and strive to create a learning culture for the growth of both the Company and individuals.

### Democratic Participation

We ensure that our employees play an important role through democratic management, participation and supervision. We have established the welfare committee, put in place a democratic management system through workers' committee and adopted a transparent approach to factory affairs. Specifically, we have further standardized the content, procedures and model of our open system for factory affairs by clarifying rights and obligations, organizational system, and working processes for the workers' congress. By doing so, the Company has improved our enterprise democratic management.

We have established multiple channels to communicate with the employees, continued to implement democratic procedures, and solicited the employees' opinions by holding workers' committee meetings, democratic discussion meetings, and employee representative discussions. Besides, we guarantee the employees' rights to know, participate, manage, vote and supervise, and encourage them to offer advice and suggestions for the enterprise development.

On the basis of promoting all-staff training, we carried out the various training programs for the managerial personnel, technical experts, skilled operators and employees. In 2021, a total of more than 90 employees & contractors received key training sessions organized by HR/HSE Department.

### Career Development

We attach great importance to the career planning of employees and support the career development of employees to realize their value. In 2021, we deepened the reform of technical rank-based career development for technical staff at Production areas, and continued to improve the incentive mechanism to fully unleash the potential of employees in an effort to provide technical personnel with a clear, transparent and stable career path. We implement Operations Management Training Program and Outstanding Young Technician Training Project, so as to open channels for the growth of innovative talented people.

### Rewards and Incentives

We carry out multiple campaigns to select model workers, outstanding workers, technical experts and model managers, encourage employees to participate in international and domestic competitions, and award winners spiritually and materially.

### Local Hiring and Diversity

We embrace a respectful, open and inclusive culture, and are committed to the localization, professionalization and marketization of employees. We constantly improve the employee cultivation mechanism and endeavor to promote employee localization and talent internalization. By the end of 2021, the localization rate of our employees had reached 96%.

### Local Employment

We continuously improve the localization of our workforce, attach great importance to attracting and retaining excellent local talents, enhance the local employee training, and increase the proportion of local employees in important technical and management posts. Our employee localization policy not only enables the local employees to play a more important role in the Company's development, but also helps to build a talent pool for the sustainable development of local chemical industry.

### Physical and Psychological Health

We cherish employees' life and attach great importance to their health. We strive to provide a favorable working environment for the physical and psychological health of our employees, and have established a mental health platform in our clinic and introduced a series of policies and measures to guarantee their physical and psychological health.

### Occupational Health

We attach great importance to staff occupational health protection. In 2021, we revised the occupational health file management system, established standards for the quantitative review and inspection of occupational health in key areas and other workplaces, and strengthened the basic management of occupational health. We trained occupational health management personnel and operations team.

### Respect for Cultural Diversity

We respect the employees' individuality, ability and varied experiences, and cherish their diversified talent. We make all efforts to eliminate the employment and occupational discrimination, create a relaxing and tolerant working environment, and promote the mutual respect and understanding among employees of different nations, areas and cultural backgrounds.

We advocate a good work-life balance and make great efforts to create a healthy and comfortable living environment for our employees. We continuously push forward the market-oriented reforms on service of staff communities and improve the poverty alleviation and aid mechanism, in order to improve the employees' quality of life.

### Employees Assistance

The Company continuously carried out employee help and support activities, focusing on the settlement of life difficulties of the employees, including retirees, employees' family members and family dependents of the deceased. In 2021, we took targeted measures to help the employees in need, especially those in extreme poverty, through a variety of effective campaigns such as "Personnel Financial Loans" and "entrepreneurial support".

## Sustainable Development Goals – Contributions and Positive Impacts

The results show that we are creating societal value and have a positive impact on many SDGs. However, the challenges are made equally clear – for example in the fields of climate protection and occupational safety. We are tackling these challenges in a consistent and transparent manner as outlined above.

- Salaries, social security contributions and taxes contribute to the reduction of poverty
- Health and wellbeing are of central importance in the production and use of RCPL's products
- RCPL supports the continuous qualification and training of its employees and provides education initiatives at its sites.
- RCPL supports development toward resource- and energy-efficient production and sustainable products.
- We see our engagement for ethical business activity and the performance of tax obligations as our contribution to a well-functioning society.
- RCPL's activities create value, growth and employment.
- Social security contributions and taxes help reduce inequality through transfer payments and fund government structures.



## 9. Outlook for 2022

The year 2022 will be marked by a slowdown in global economic recovery, Covid-19 Pandemic- a complicated operating environment, and uncertain international oil price trends. Facing the risks and challenges brought by the external environment, the Company will grasp new strategic opportunities and turn pressure into motivation to accelerate high-quality economic development, and take effective measures to address these risks and challenges through in-depth analysis and full preparations.

Leveraging our advantages in integrated businesses and focusing on manufacturing structural reform, we will be fully engaged in “four key battles” in order to strengthen human resources development, promote transformation and upgrading business, increase Operation efficiency, and improve service capabilities. Moreover, we will consistently enhance our ability to supply low-cost high-quality products.

We will enhance the value of business chains, promote the efficient allocation of resources and the reducing the wastages, and enhance our ability to optimize the allocation of all resources.

We will strengthen accountability investigation for accidents and incidents and strictly assess accountability; establish and improve the coordinated mechanism for contractor supervision and management with importance attached to key areas; and implement integrated QHSE audit and supervision, so as to promote production safety and green development in a down-to-earth manner, and consolidate the foundation for safety and environmental protection in a steadily improving HSE environment.

We will safeguard the legitimate rights and interests of employees according to law, pay close attention to the occupational health of employees, improve the mechanism which synchronizes employees' salary growth with the increase of labor productivity, and continue to implement key talent projects to improve the overall quality of employees. By doing so, the gains of reform and development will benefit all our employees in a fair way, who will in turn enjoy a stronger sense of fulfillment, happiness, and security.

We will earnestly fulfill our social responsibilities, actively devote ourselves to social welfare undertakings, carry out fixed-point poverty alleviation and aid programs, and contribute to Nigeria's fight against poverty. More efforts will be made to strengthen communication and coordination with local government/NGO's, steadily implement relevant strategic partnership agreements and projects, and support and promote local economic and social development.

This year 2022 marks the 62<sup>nd</sup> Independence anniversary of the Federal Republic of Nigeria. It is another important year for Nigeria to build a moderately prosperous society in an all-round way, and also a crucial year for RCPL to comprehensively accomplish the goals of the UN Sustainable Development and UN Global Compact. We will firmly uphold the general principle of seeking progress while maintaining steady development and the general guideline of “consolidating, strengthening, upgrading, and ensuring unimpeded flows”, and follow the overall leadership and the principle of steady development. We will persistently promote high-quality development, and pay more attention to developing main business, enhancing open cooperation, pushing for reform and innovation, and consolidating the foundation of development, and keep blazing new trails in the building of a world-class integrated international chemical manufacturing company, so as to make new contributions to the sustained and sound economic development and the overall social stability of Nigeria.

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