



SUSTAINABILITY REPORT 2021

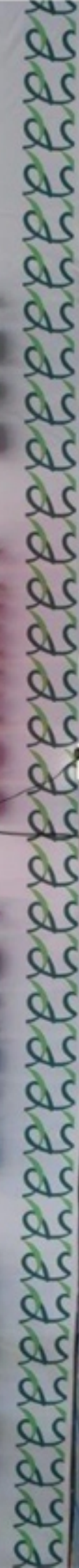
INTEGRATING SUSTAINABILITY

reliable energy, limitless potential





SEPLAT ENERGY SUMMIT 2021



CONTENTS

SECTION ONE

05 INTRODUCTION

- 06 About this Report
- 07 Chairman's Remarks
- 09 Message from the CEO

SECTION TWO

12 OUR COMPANY

- 13 Seplat Energy at a Glance
- 15 Our Business Model
- 18 Our Approach to Sustainability
- 22 5-Pillar Framework
- 24 Operations at a Glance
- 28 Our Approach to Reporting
- 31 Awards and Recognitions

SECTION THREE

33 INTEGRATING SUSTAINABILITY

- 34 Principles of Governance
- 48 Planet
- 59 People
- 66 Prosperity

SECTION FOUR

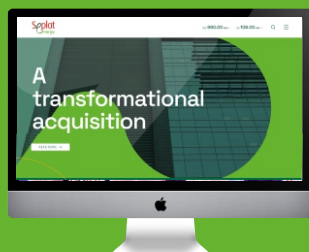
80 OUR PERFORMANCE

- 81 Main Achievements of the 4 Pillars of ESG Reporting
- 86 Performance Data

SECTION FIVE

89 EXPLORING FOR A BETTER WORLD

- 90 The Place of Renewables in Meeting the Net Zero Goal in Nigeria
- 93 Nigeria's Drive in the Race for Net Zero
- 95 Energy Transition in Nigeria



For more information on Seplat Energy Plc and our sustainability performance, visit our website www.seplatenergy.com or send a mail to: externalaffairs@seplatenergy.com

“

Purpose

To deliver sustainable energy solutions for society

”

“

Vision

To transform lives through energy

”

“

Mission

Leading Nigeria's energy transition with accessible, affordable and reliable energy that drives social and economic prosperity

”

Values that Drive Us

Our Core Values





"I would endorse Seplat as the the flagship company for anything concerning energy transition. We have seen what you have put in place. It is really gratifying and very proud for us Nigerians that our own company really can count among any global oil company anywhere in the world."

Chief Timipre Sylva,
Honourable Minister of State,
Ministry of Petroleum Resources

SECTION ONE

INTRODUCTION

About this Report	→ 6
Chairman's Remarks	→ 7
Message from the CEO	→ 9

ABOUT THIS REPORT

Seplat Sustainability Report 2021, Integrating Sustainability, follows the same reporting process we adopted for the last ten editions. It captures the impact we made on society through our performance on environmental, social, and governance (ESG) issues during the year. The report explores our sustainability goals, strategies, challenges, progress and achievements within the sustainable development space. Our previous reports are available on www.seplatenergy.com

For us, sustainability reporting helps us to drive our march towards the achievement of the United Nations Sustainable Development Goals (UN-SDGs). We have remained consistent in providing details of the impact of our operations on multiple stakeholder groups in line with internationally-acclaimed sustainability reporting.

Material Topics

We adopt a content selection process that identifies the material environmental, social, and governance topics that are most important to our stakeholders and our business. Through internal and external stakeholder engagements, we clearly understand and prioritize these issues for complete and transparent reporting. In line with Global Reporting Initiative (GRI) reporting guidelines, we focus on the topics that reflect significant ESG impacts and provide relevant information for the evaluation of our sustainability performance by readers of our reports. We have discussed our approach to sustainability reporting, details of our content selection process, our performance data and other key issues.

Reporting Frameworks and Guidelines

The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and consistent with

the established standards and reporting frameworks of the International Petroleum Industry Environmental Conservation Association (IPIECA), and the American Petroleum Institute (API). In addition, the report is guided by the United Nations Global Compact (UNGC) and its ten principles, covering human rights, labour issues, environment, anti-corruption, and others which Seplat supports. On 13th December 2021, Seplat became a participant of UNGC. The Company's statement of participation is contained on page 19 of this report while the relevant table is in the appendix section.

This report is aligned with other reporting frameworks such as the Nigerian Exchange Group Sustainability Disclosure Guidelines (NGX-SDGs), UN-SDGs, and London Stock Exchange Group Environmental, Social, and Governance Reporting practices (LSEG-ESG). In this edition, we have given more consideration to the framework of the Financial Reporting Council of Nigeria Code of Corporate Governance (FRCN-CCG).

This report is also aligned with the Stakeholder Capitalism Metrics, a core set of common ESG metrics and disclosures on non-financial factors canvassed by the World Economic Forum (WEF) and its International Business Council (IBC). We have presented the sections on Integrating Sustainability and Our Performance based on IBC's 4 pillars of Principles of Governance, Planet, People, and Prosperity, which are aligned with the essential elements of the SDGs.

The report has the GRI, IPIECA, and NGX index tables on Appendix III and can be found in the web version.

For additional information and to provide comments, please visit our website - www.seplatenergy.com

CHAIRMAN'S REMARKS



Dr. A.B.C. Orjiako

Building on a Strong Foundation

I am delighted to welcome you to the 11th edition of Seplat's Sustainability Report 2021, Integrating Sustainability. It has been a pleasure giving my remarks in this publication for eleven consecutive years in my capacity as Chairman of the Board of Directors. For me, the public disclosure of our ESG performance annually since inception gives expression to our resolve and commitment as a Board from the outset, to transparently and consistently disclose the impact of our operations, both on financial and non-financial parameters.

Our belief in and focus on sustainability have contributed immensely to the achievements we have made and the strong foundation we have laid as the leading indigenous independent energy company in Nigeria given our short history. As usual, sustainability reporting provides us a good platform to evaluate our ESG performance and ensure we are on track in making meaningful contributions towards the achievement of

our business aspirations and the Sustainable Development Goals (SDGs).

As we work with a renewed mission to lead Nigeria's energy transition with accessible, affordable, and reliable energy that drives social and economic prosperity, we remain committed to giving due priority to the issue of sustainability in all our operations.

Safety

Seplat's emphasis on personal and process safety in all our operations, and our work approach of 'Safety first' and 'Zero tolerance for accidents and incidents' yielded impressive safety records in 2021. We recorded zero fatalities among our employees for eight consecutive years as well as zero LTI and zero LTIF. We remain committed to promoting a strong safety culture among our workforce aimed at preventing harm to our workforce and communities where we operate. We will continue to support a safe work environment for our workers, and further embed our 'Zero accident and Zero incident' culture across the Company.

A Greater Impetus to Take Advantage of Opportunities

We repositioned, refocused, and rebranded the Company in 2021 with a redefined purpose, new vision, mission, and core values to reflect the essence of Seplat as an energy solutions provider. Today, Seplat Energy is better poised to take advantage of existing and emerging opportunities in Africa's largest economy. With the vast gas resources in Nigeria, a huge supply gap in the power sector, and a growing population, we see an exciting future for the Company in exploiting these opportunities to drive Nigeria's energy transition and help steer the country towards sustainable development.

Addressing the Climate Change Challenge

Concerns about the impact of climate change are growing globally among governments, businesses, other institutions and individuals. The adverse effects evident in rising temperatures, drought, floods,

deforestation, heat waves, among others, are affecting almost every nation. As a result, the need to work assiduously to reduce greenhouse gas emissions (GHGs) and pursue the Paris Agreement of net-zero carbon emissions, has become more urgent. Seplat appreciates the enormity of the challenge and the need to act now. That is why we rigorously pursue investments in greenhouse gas emissions reduction technologies that will accelerate our decarbonisation effort and drive Nigeria's energy transition. We have committed ourselves to complete flare out by 2024, six years ahead of the regulatory target.

The new technologies are already being deployed to facilitate accurate measurements of our emissions, and ensure continuous improvements in our environmental care. The forthcoming commissioning of our ANOH Gas Processing Plant and the Sapele Gas Plant will help monetize the erstwhile flared gas, and significantly reduce our direct emissions of greenhouse gases.

Sustainability Governance

The successes we have recorded from inception on financial and non-financial issues are a testament to the quality of our corporate governance structure and approach to the oversight of our ESG imperatives. Our Board, which comprises versatile and highly experienced members, plays a key role in formulating the broad sustainability policies and strategies for the Company, setting long-term targets, approving management plans and evaluating results. Our Board Sustainability Committee provides direct oversight of the Company's sustainability commitments.

Improving Access to Affordable Clean Energy

We made good progress on our investment in ANOH, which we are developing in partnership with the Nigerian National Petroleum Corporation (NNPC). The project will be commissioned in 2023. Together with the delivery of the new Sapele gas plant, Seplat is poised to significantly increase gas supply to the power generation companies. This promises greater

access to power for homes, businesses, and public institutions. It will also further reduce our carbon footprint and encourage our flare out in 2024.

A Final Note

In this report, we provide you with a few examples that demonstrate how we are driven by our vision, mission and core values, the progress we have made in our management of ESG issues, and the successes so far recorded in our sustainability journey.

I am satisfied with the achievements of the entire Board during my tenure as Board Chairman. The past twelve years at Seplat Energy have been exhilarating for me. I am proud that the Board, Management and entire Staff of Seplat recorded several enviable milestones and exceptional successes. These include the acquisition of eight oil and gas assets, expansion of the Oben gas plant, development of ANOH and Sapele gas plants, the dual listing on both the Nigerian and London Stock Exchanges – a first by a Nigerian company, and the building of a strong brand.

I am leaving the Board of Directors with a sense of fulfilment in not only co-founding Seplat but steering it to an enviable position.

On behalf of the entire Board of Directors, I thank you for your sustained interest in Seplat and for being a partner in our march towards a better and more sustainable future. Feel free to read future editions of this report to follow Seplat's progress in driving Nigeria's energy transition and in contributing to the achievement of the Sustainable Development Goals.

Dr. A.B.C. Orjiako,
Chairman, Board of Directors

MESSAGE FROM THE CEO



Roger Brown

Delivering a More Sustainable Society

It is my pleasure to introduce Seplat's Sustainability Report 2021, our 11th edition, which discloses our environmental, social, and governance (ESG) performance and the progress we made on our sustainability journey during the year.

In 2021 we continued our response in supporting the government and society in combating the COVID-19 pandemic, which caused severe challenges to society and businesses. We encouraged our employees and contractors to stay healthy and safe by maintaining those protocols that helped us effectively combat the virus the previous year when it hit the world very hard. Besides collaborating with the government, Seplat sustained supply of gas to power generation companies to deliver power to society especially healthcare providers, the real sector, and homes. I am pleased that despite the challenges of the pandemic, the Company has continued to record impressive growth as we march towards a healthier and more sustainable future.

More Commitments

I am happy to inform you that on 13th December 2021, Seplat became a participant of the United Nations Global Compact, the world's largest corporate citizenship initiative. This reaffirms our commitment to continue our adherence to the ten principles of the Compact, making them part of our strategy and work culture towards the achievement of the Sustainable Development Goals. The Company's statement of participation is contained in this report.

Repositioning for Greater Impact

The year was a pivotal one for Seplat. Driven by our new vision to transform lives through energy, we identified the critical need for energy transition in Nigeria and the outstanding role we have to play to drive sustainable development as the leading indigenous independent energy provider. As a result, we took steps to reposition the Company, rebranded and redefined our purpose and mission, and refocused the business as an energy solutions provider. In addition, we evolved a three-pillar strategy of optimizing our upstream oil and gas operations; developing our gas assets and increasing our gas processing capacity; and investing in gas-to-power and renewable energy - our new energy pillar.

In July, we launched our new corporate name of Seplat Energy Plc, supported with new branding to reflect our new vision, mission, and brand essence. Today, we are better positioned to drive the right energy transition that is suitable for Nigeria and offers great opportunities for our business, investors, employees, and the nation at large. With the commissioning of our major gas processing plant, ANOH, in 2023, and developing a new energy business, the benefits of our new proposition will soon be more evident.

Leading the Race towards a Net Zero Future in Nigeria

Nigeria is a signatory to the Paris Agreement with the goal of limiting the average global temperature to 1.5 degrees Celsius by 2050. To achieve this key global sustainability agenda, businesses must aim at

operating at net-zero emissions by that year. Seplat's new mission is to lead Nigeria's energy transition with accessible, affordable, and reliable energy that drives social and economic prosperity. We are delighted that our strategic investments in the gas business will accelerate the energy transition in Nigeria and lead the race towards net zero emissions.

Our ANOH Gas Processing Plant will create a multiplier effect – boost the gas-to-power programme bringing cleaner energy to the fastest growing population in the world, displace the use of diesel and petrol generators with their high carbon emission intensity, and provide LPG, substituting firewood for cooking, thus reducing deforestation. It will also free up consumer disposable income that could be deployed to economic alternatives, among others. In addition, with the anticipated increased output of 75 MMscfd gas from the Sapele Gas Plant, Seplat is committed to flare out by 2024, drive significant reductions in Scope 1 emissions, and underpin Nigeria in meeting its obligations in emissions reduction.

Environmental Management

As I promised in our last report, in 2021 we commissioned a greenhouse gas emissions tracker to calculate our emissions in all our operations. This new emissions reduction technology will help us to more effectively manage our carbon footprint. I am pleased to report that the calculator has facilitated good guidance on our measurements, monitoring, and disclosure of our greenhouse gas emissions.

Furthermore, we acquired a licence for the Worldwide Generation G17 Eco-Company Tracker, which is designed to help all stakeholders in the investment chain comply with sustainability regulations. It will also help in mapping, monitoring, measuring, managing and marketing of sustainability performance - end to end, on one interoperable workspace. The licence will underpin Seplat's effort in digital monitoring, reporting, verification of our sustainability performance, delivery of the Sustainable Development Goals and GHG reduction targets.

During the year, we made good progress in a number of environmental stewardship key performance indicators. We reduced oil spills from 7 in 2020 to 4 in 2021, thanks to a more effective surveillance of pipelines. Going forward, we will work to achieve zero spills or keep them to the barest minimum.

Progress on our Sustainability Journey

I am committed to taking further our track record of transparent and complete disclosure of our performance in the management of ESG issues at all levels of our operation. So far, our focus on sustainability has aided the achievement of our business goals, impact on stakeholders, response to the challenges of climate change, and the building of our brand.

We remain committed to progressively improving our environmental, social and governance performance in all our operations while we stay focused on our drive towards achieving net-zero emissions. With the new thrust of our business model underpinned by prudent human resource and financial management, aided by the recent investments we have made on emission-reduction technologies, we expect to record significant improvements on our key performance indicators in the coming years. As we make progress in our sustainability journey, we will keep you informed through future editions of this report.

Roger Brown,
CEO, Seplat Energy



“I would like to declare that the Ministry of Environment will partner with Seplat and Seplat will be a flagship energy company in our fight against climate change because they understand all the issues.”

Sharon Ikeazor,
Honourable Minister of State for Environment

SECTION TWO

OUR COMPANY

Seplat at a Glance	→ 13
Our Business Model	→ 15
Our Approach to Sustainability	→ 18
5-Pillar Framework	→ 22
Operations at a Glance	→ 24
Our Approach to Reporting	→ 28
Awards and Recognitions	→ 31

SEPLAT ENERGY AT A GLANCE

Who We Are

Seplat Energy Plc is a leading Nigerian independent energy company listed on both the premium board of the Nigerian Exchange Group and the main board of the London Stock Exchange with a strategic focus on the Niger Delta of Nigeria.

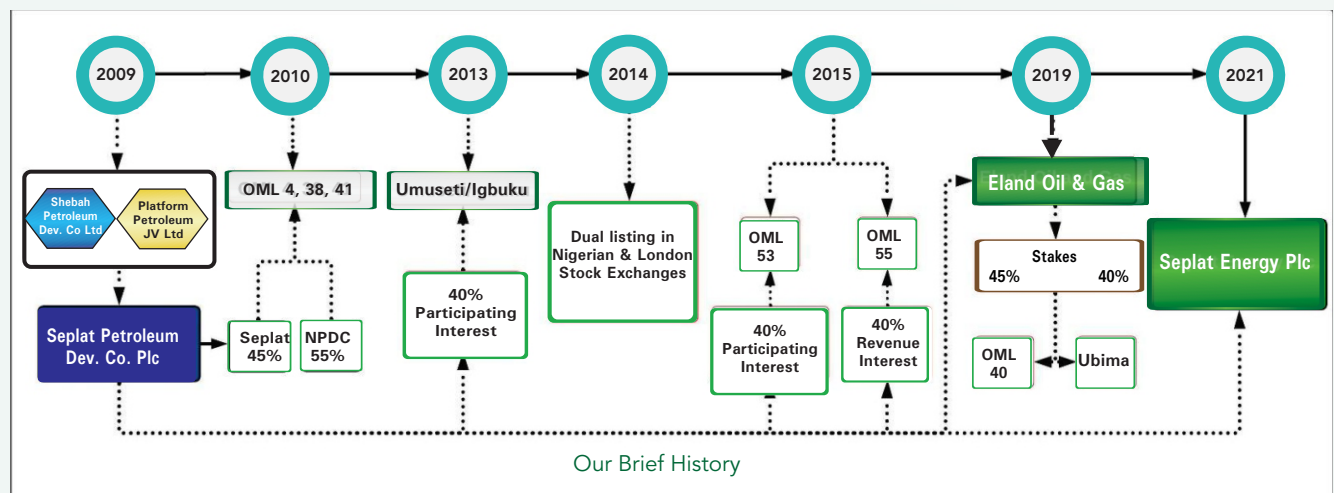
Seplat Energy was formed in June 2009 as Seplat Petroleum Development Company Plc through the partnership of Shebah Petroleum Development Company Limited and Platform Petroleum Joint Ventures Limited to specifically pursue upstream oil and gas opportunities in Nigeria and in particular, opportunities arising from divestment of incumbent Major IOC's portfolios.

In July 2010, the Company acquired a 45 percent participating interest in and was appointed operator of a portfolio of three onshore producing oil and gas blocks in the Niger Delta (OMLs 4, 38, and 41) which

participating interest in the Umuseti/Igbuku marginal fields within OPL 283 and in February 2015 acquired a 40% participating interest in OML 53 and a revenue interest in OML 55.

In December 2019, Seplat Energy completed the acquisition of Eland Oil and Gas, an AIM-listed independent oil and gas company focused on production, development, and exploration in Nigeria. Eland has a 45% equity stake in OML 40 and 40% stake in a second licence, Ubima.

In 2021, Seplat repositioned and rebranded with a new purpose, vision, mission and core values to reflect the new brand essence and heighten the momentum towards delivering on our sustainability imperatives. During the transition launch event, the Company received a Federal Minister's endorsement as the flagship company in Nigeria for anything concerning energy transition.



include numerous producing fields and future development opportunities. Through the implementation of a focused re-development work programme and extensive drilling campaigns, Seplat Energy subsequently grew oil production from 14,000bopd to a peak rate of over 84,000bopd and almost doubled its remaining reserves as at the end of 2015. In June 2013, the Company acquired a 40%

What We Do

Our goal is to help meet the energy needs of society in an economically, socially, and environmentally responsible manner, while our ambition is to continue to deliver superior shareholder value through the expansion of economic opportunities for our stakeholders.

We are strongly committed to a high standard of corporate governance with stringent policies and processes that guide the entire company. We have built strong relationships with our key local communities, promoting trust and confidence amongst our various stakeholders, ultimately resulting in a stable operating environment that facilitates the creation of shared value.

Scope of Operations

Our portfolio comprises direct interests in seven blocks in the Niger Delta area, four of which Seplat operates, and one further revenue interest. Since acquiring our first blocks in 2010, we have consistently grown oil production capacity, primarily through the drilling of new oil wells and employing advanced and proven technologies to increase production in mature fields. Production is mainly from fields located in OMLs 4, 38, 40, 41, 53, 55, OPL 283, and Ubima.

Alongside its oil business, the Group has also successfully started to develop and monetise the substantial gas reserves that exist in its blocks. In 2015, Seplat Energy installed and commissioned a new 150MMscfd gas processing facility at its Oben hub, taking gross processing capacity from 150MMscfd to 300MMscfd. In Q4 2017, Seplat commissioned an additional 225MMscfd gas processing plant, bringing total gas processing capacity to 525MMscfd.

Seplat Energy has also embarked on a new project to replace its existing 60MMscfd gas processing plant in Sapele with a new 75MMscfd gas processing plant which will further raise its total gas processing capacity to 540MMscfd.

In January 2017, the Group incorporated a new subsidiary, ANOH Gas Processing Company (AGPC) Limited, a midstream gas company committed to the processing of gas from OML 53 for distribution to the local market. In August 2018, the Group entered into a

shareholder agreement with the Nigerian Gas Processing and Transportation Company (NGPTC) to subscribe for equal ownership of AGPC.

Seplat Energy is one of the leading suppliers of natural gas to the domestic market and is helping to address a major obstacle facing the Nigerian economy today – access to reliable, affordable power. As Nigeria's leading indigenous energy company, Seplat Energy is committed to delivering a positive impact through its operations.

Seplat Energy remains committed to its mission of leading Nigeria's energy transition with accessible, affordable and reliable energy that drives social and economic prosperity.

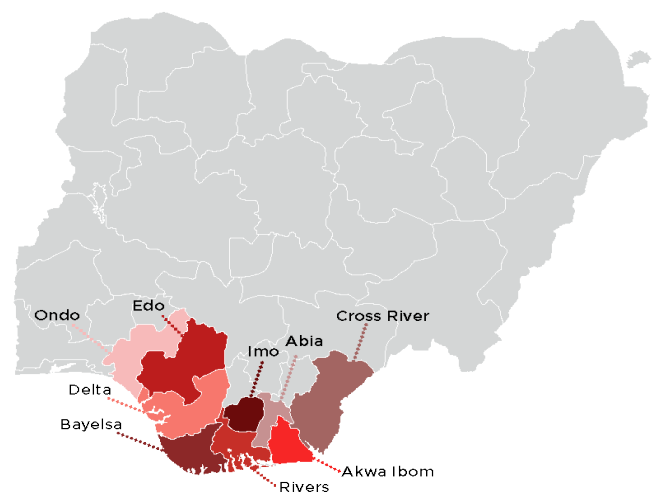
Where We Operate

Western Assets

OMLs 4, 38 and 41

Eastern Assets

OMLs 40, 53, 55, OPL 283 and Ubima



OUR BUSINESS MODEL

The rationale for our business model is to create sustainable superior value for our various stakeholder groups in a socially, economically, and environmentally responsible manner. We continually work to deploy innovative approaches to deliver our value proposition to provide solutions to society's energy needs to drive sustainable development. And we are well guided through well-established business processes and procedures and alignment to global ESG standards. The Company remains conscious of the dual challenges of promoting human and industrial progress, and responding to our obligations to contribute towards addressing the growing threat of climate change.

We appreciate the growing need for clean and affordable energy, especially for millions of Nigerians without access to electricity. As a result, we are making strategic investments to drive energy transition in Nigeria. This drive has expanded our gas business aimed at improving power generation through increasing gas supplies to the domestic market and replacing the use of diesel and gasoline generators for power generation.

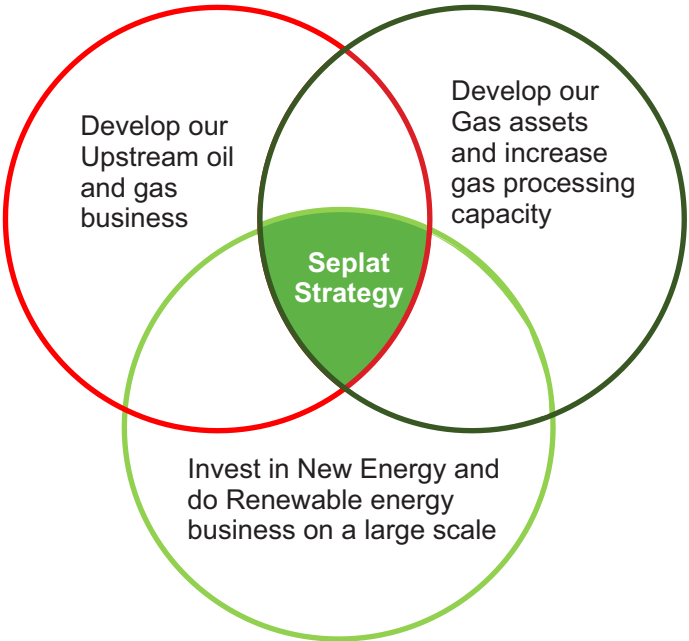
Seplat's shared value philosophy finds good expression in the implementation of our business

model through meeting stakeholder expectations. Our business model is driven by a strategy that leverages our core strengths, expertise, and robust application of technology in our quest to meet our sustainability aspirations.

Seplat operates a three-prong strategy: to develop our upstream oil and gas business; develop our gas assets and increase gas processing capacity; and invest in New Energy and do renewable energy business at a large scale.

Our value drivers – the factors that create and maintain value for the Company and thus enable the achievement of its business objectives - include a clear focus on our growth strategy, the high priority on people's safety, health and wellbeing, emphasis on a high level of corporate governance and pursuit of continuous improvements in our key performance indicators (KPIs). Also, we implement high-impact corporate social responsibility (CSR) initiatives designed to deliver optimal benefits to our host communities and guarantee our freedom to operate.

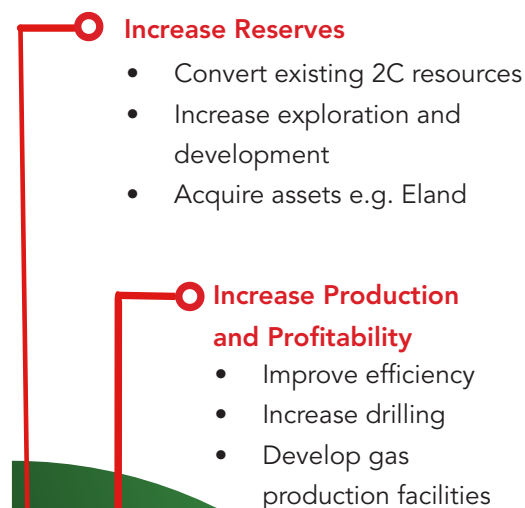
Our business model is underpinned by integrating sustainability across all our operations.



Our Three-Pronged Strategy

Value-Creation Strategy

A multi-faceted approach to developing the business



Diversify Export Routes and Sales

- Add new liquids export routes e.g. AEP
- Increase gas processing capability e.g. ANOH
- Develop new markets/products e.g. Solar, LNG

Drivers of Future Value Creation and Delivery

Short -Term Value Drivers (0-2 years)

1. New gas wells expected to increase gas production in 2022 (75 MMscfd gross)
2. Increase in production from Eland's OML40/Ubima fields, with exports not dependent on Seplat's existing export routes
3. De-risk production from OML 53 asset with Waltersmith refinery
4. Greater and more reliable output expected from OMLs 4, 38, and 41 as Amukpe-Escravos pipeline assures more secure flow, reduces losses through shut-ins and vandalism
5. Potential for dedicated export route to support OML 40 and OML 4, 38, 41, reducing handling costs and reconciliation losses
6. ANOH expected to boost potential income from gas from 2023, further decoupling value from oil price volatility; expansion potential beyond 300MMscfd to serve increasing demand

Long -Term Value Drivers (2+ years)

1. Significant opportunity from the displacement of diesel generators as the government prioritises gas-fired electricity, and new energy opportunities in renewables
2. Opportunity to increase the scale of oil and gas businesses through M&A as IOCs divest their Nigerian assets

Nigeria's Energy Transition Journey

- Increase energy access to achieve universal coverage and drive social and economic development.
- Achieve a 'Just Transition' using Nigeria's gas resources to replace imported diesel, reducing economic burden, improving GDP, and reversing FX drain.
- Increase use of renewables to exploit abundant sunlight, wind, and hydro resources.
- Reduce greenhouse gas emissions to meet the goals of the Paris Agreement, and reduce particulate pollution from diesel and biomass.
- Transition cooking from firewood to gas, preserving the natural environment and reducing deforestation.

Our Energy Transition Priorities

- Achieve sustainable long-term growth by providing the optimal energy mix for Nigeria.
- Be a national energy champion and partner of choice to support Nigeria's energy transition.
- Drive social and economic development through direct and indirect efforts
- Prepare for a lower-carbon world requiring different products and skills.
- Achieve significant reduction in corporate emissions.

DELIVER ENERGY TRANSITION

UPSTREAM	DOWNSTREAM	NEW ENERGY
Develop our Upstream business by selectively expanding our asset base, optimizing the gas/oil mix, increasing production, reducing costs and carbon intensity, and increasing revenue assurance by diversifying routes to market.	Development of Nigeria's gas resources to accelerate the replacement of diesel and biomass and support economic growth through the supply of reliable, low-cost energy. Gas-to-power provides baseload electricity to support renewables	Achieve a world-class capability in renewable energies, through the development or acquisition of new skillsets that open up new and profitable markets.



OUR APPROACH TO SUSTAINABILITY

Commitment to a More Sustainable World

Unarguably, the greatest challenge facing the world today is the threat of climate change, which presents various risks to society and businesses. Next is the challenge posed by the COVID-19 pandemic, which has changed life on earth and the way people do business. Other challenges facing the global community are complex, multidimensional, and increasing in the face of a growing population and dynamic geopolitical developments.

With only 9 years to the achievement of the SDGs, it is obvious that these challenges might affect the chances of realising the targets. We are aware that energy, which is the heart of our business, plays a fundamental role in the achievement of socio-economic progress impacting homes, food security, health systems, safety, education, functional enterprises, governments and nations around the world.

In line with our business proposition, Seplat's approach to sustainability is underpinned by our core values of safety, integrity, partnership, ambition, and agility. Our commitment to sustainability is delivered by a workforce that operates with integrity and a good understanding of our collective role to work with transparency and accountability.

We are committed to a wide range of key performance indicators (KPIs), which help us in making continuous improvements in reducing our carbon footprint and in reviewing our strategies to help build a better world. Our workforce ensures that we meet the set KPIs in an efficient, honest, and transparent way at all times. In the process, we also engage other trusted partners in our quest to create a better future for our stakeholders and society.

SEPLAT ENERGY'S UN GLOBAL COMPACT STATEMENT

We are delighted to announce that Seplat Energy Plc became a participant of the United Nations Global Compact (UNGC), the world's largest corporate citizenship initiative, on 13 December 2021.

Statement

As a company, we have always been guided by the universal standards enshrined in the Ten Principles of the UNGC in the areas of human rights, labour, environment, and anti-corruption. By becoming an official UNGC participant, we have reaffirmed our commitment to making these fundamental principles part of our strategy, culture, and day-to-day operations, as well as to advancing the broader aspirations of the UN Sustainable Development Goals.

A key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP). We plan to submit Seplat's inaugural COP to UNGC well ahead of our deadline in December 2022. In accordance with best practice, our COP will include a statement signed by our CEO

expressing continued support for the UNGC together with a description of practical actions we have taken to implement the Ten Principles, and a qualitative and quantitative assessment of outcomes.

In the interim, we are pleased to provide readers of our Sustainability Report with the relevant table in Appendix I summarising how our way of doing business is already aligning with the UNGC principles. The table includes references to the relevant topics in the new GRI Oil and Gas Sector Standard and to other sections of the Sustainability Report where more detail about our work in each of the four areas covered by the UNGC can be found.

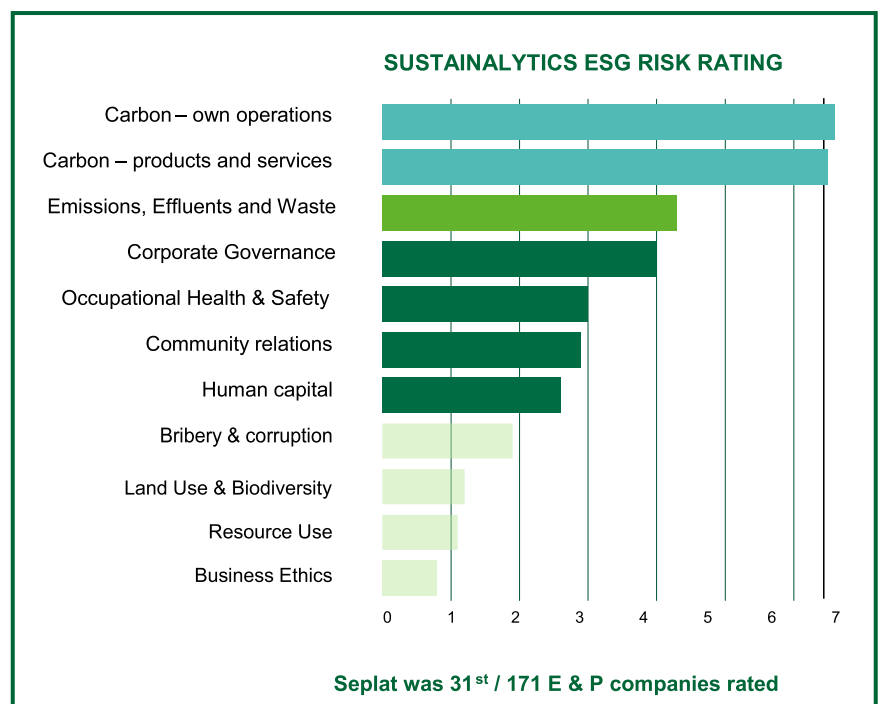
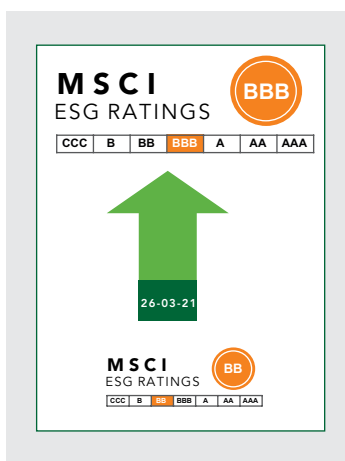
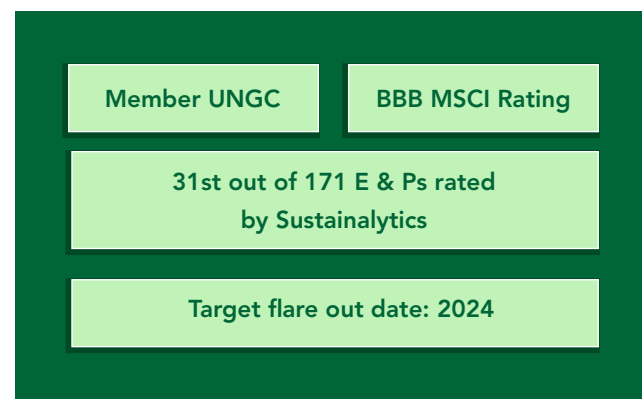
Improving ESG Ratings

Seplat pursues excellence in all its ESG key performance indicators. The Company remains committed to a steady progress in reducing ESG risk, enhancing performance and reporting. We value transparent and credible external ratings of our ESG performance. To us, our ESG ratings by independent rating institutions demonstrate our level of understanding of our potential risks and opportunities, and how we manage them; the effectiveness of our sustainability strategy, and a reflection of our level of operational excellence particularly in the overarching context of sustainable development. We subscribe to some reputable international ESG rating agencies like MSCI, which rated us as a triple Bs (BBB) company in 2021, while Sustainalytics rated us 31st out of 171 rated E and P companies during the year. With these results, we will be better guided in making continuous improvements in our environmental performance and other sustainability metrics.

To improve on the current ratings, we are currently establishing a baseline for 200+ ESG Metrics, using historical and current data. The baseline will guide us in

determining our short and long-term ESG targets, which we intend to achieve through existing and new ESG initiatives. These include Net-Zero, Scope 1 and Scope 2 emissions reduction targets, biodiversity plan, and more alignments of our disclosures with TCFD framework.

We are focused on achieving continuous improvements in our environmental performance in a way that will reflect steady reductions in our GHG emissions, optimise the use of resources, minimise the effects of climate change and preserve the environment. We are working towards the elimination of gas flaring by 2024. Our drive to significantly reduce our carbon footprint is underpinned by the high level of investments we have so far made in the commercialization of gas.



Stakeholder Inclusiveness

Seplat Energy is strongly committed to an inclusive approach to sustainability and this is aided by our proactive stakeholder engagement management and processes. This engagement approach entails clear identification of our stakeholder groups, their needs and expectations, deployment of regular positive dialogue with them and the building of mutual trust and respect. Our stakeholder engagement is underpinned by regular and effective communication to facilitate dialogue and the sharing of information. This approach facilitates understanding and guides how best our proactive interventions with high-value programmes can help provide solutions to identified needs and promote improved living conditions for concerned stakeholders.

We align our practices with the UN Universal Declaration of Human Rights, the United Nations Global Compact (UNGC), the World Business Council for Sustainable Development (WBCSD) Vision 2050 and other external codes and protocols.

Board Oversight

The Board of Directors has oversight of all sustainability issues in the Company. It sets the sustainability goals and approves policies and strategies and its oversight covers all sustainability issues including evaluating performance. The Board is supported by the Sustainability Committee in direct oversight of implementation and monitoring of sustainability-related activities of the Company. For more information on our sustainability governance, see page 37

New Sustainability Initiatives

The Company carried out a first stress test of the resilience of our portfolio to climate change risks in January 2021 which affirmed that our business is resilient to a low-carbon energy transition, and we plan to carry out a second stress test in 2022 using at least two future climate scenarios, including the IEA's Net Zero Emissions by 2050 Scenario in line with the TCFD recommendations.

In addition, under the supervision of the Board Risk Management, Sustainability, & Energy Transition committees, climate change risk has been captured as a high profile risk in our Enterprise Risk register and we have provided US\$34.43m, 16.35% of our total CAPEX budget, for decarbonisation and emissions reduction projects in 2022. Our new policies and statements on biodiversity, human rights, and other key areas are currently being developed and will be introduced in 2022.

The Company's New Energy Group has come up with new strategies to drive Seplat's energy transition agenda including our upstream oil and gas business, midstream gas business, and opportunities for the adoption of renewable energy both in our own operations and as a future business line for the Company. The anticipated deliverables are as follows:

Environment

- Commit to more global standards and transparently report our progress
- Achieve significant reductions in emissions
- Establish comprehensive ESG baseline to guide policies and targets for reduction
- Commence and progress reporting of Scope 1-2 carbon emissions
- Progress reporting in alignment with TCFD framework
- Develop policies for biodiversity and water

Social

- Make a positive impact on local communities through improved access to energy
- Increase community employment and content
- Continue to engage local contractors and suppliers where relevant
- Continue to encourage initiatives that promote entrepreneurship among the youth and women

5-PILLAR FRAMEWORK FOR DELIVERING SHARED VALUE

In line with our purpose of impacting life through energy, our sustainability management is designed to significantly contribute towards the realisation of human progress and the protection of the environment. Our approach focuses on a 5-pillar framework for delivering solutions to identified challenges that align with our chosen areas of intervention. We are active in some aspects of 13 out of the 17 SDGs. The five groups of areas of our social investments include health and safety, education, youth and women empowerment, environmental stewardship, and community/infrastructure development. More information on the 5-pillar framework for delivering shared value are on page 23.

Supporting More Sustainable Communities

The results of the evaluation of the impact of our previous corporate social investments in our host communities showed that our adoption of the 5-pillar framework has addressed some of the core needs of these stakeholders and improved their quality of life. The Company's healthcare programmes have provided free access to medical services and solutions to erstwhile health challenges. This has resulted in a significant reduction in the number of people with eye diseases' and a decline in the levels of maternal and infant mortality.

A good number of youths in rural communities who may have taken to criminality due to the inability of their

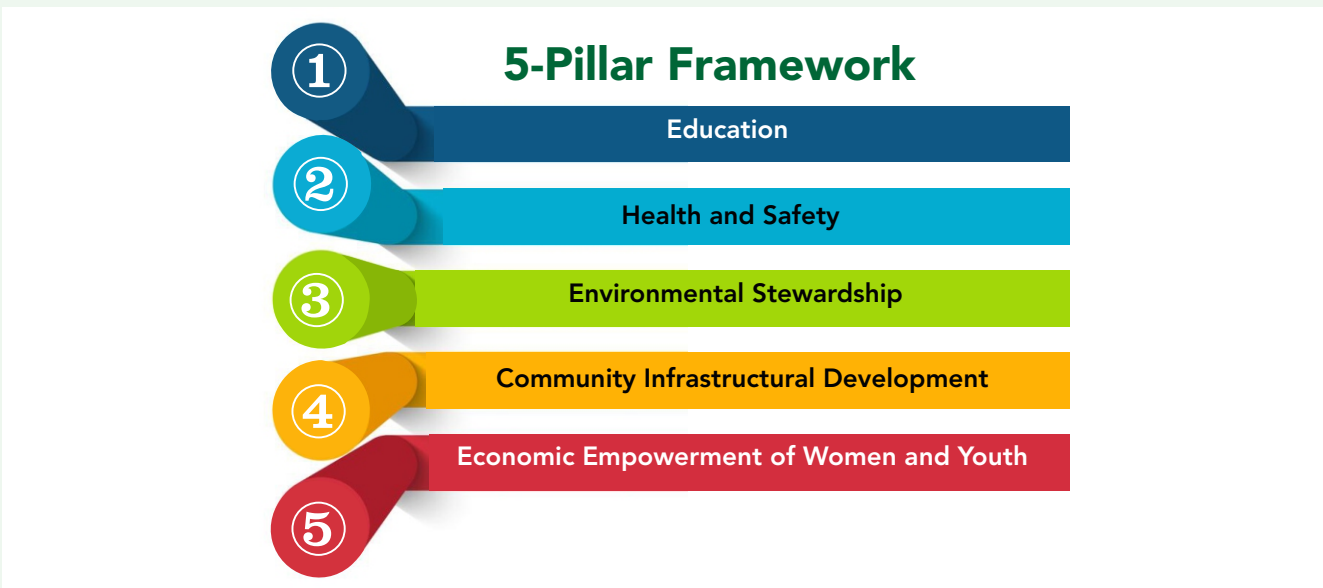
parents to fund their education, have been supported to go to school through our scholarship awards.

One of the greatest areas of impact was the provision of various infrastructure such as potable water, market stalls for commercial activities among community women, rural electrification, roads, civic centre halls, classroom blocks, and others. These facilities have supported social life, entrepreneurial activities and helped in reducing rural-urban migrations among community dwellers.

Our emphasis on encouraging skill acquisition among unemployed youth has helped to improve security in our host communities by keeping youth away from crime and instead deploy their time and energy on creative ventures.

The continuous engagement of our CSR and community relations teams with stakeholders in our host communities have helped in creating more awareness among them on the negative impact of environmental degradation caused by oil spillage on social life, health and agriculture. This awareness has facilitated the decline in the incidence of oil spills caused by sabotage and pipeline vandalism.

It is anticipated that as we continue our engagement with stakeholders and make more social investments in line with our 5-pillar framework, more improvements in their living conditions will be recorded in the near future.



Highlights of Delivering Shared Value

	2021 Performance	2010-2021 Performance
	Health and Safety <p>Eye Can See 301 surgeries performed 2,800 reading glasses distributed 6,032 patients treated \$1.06 million invested on health</p> <p>Safe Motherhood 0 impact</p> <p>Safety Fatalities 0</p>	Health and Safety <p>Eye Can See 3,765 surgeries performed 38,555 reading glasses distributed 86,617 patients treated \$4.28 million invested on health</p> <p>Safe Motherhood 27,583 mothers impacted 11,300 children impacted</p> <p>Safety Fatalities - Employees: 0, Contractors:12</p>
	Education <ul style="list-style-type: none"> • \$0.6 million Invested • 3,905 students impacted with PEARL Quiz • 120 scholarships awarded • 214 teachers impacted with STEP • 6 education inspectors impacted with STEP 	Education <ul style="list-style-type: none"> • US\$3.47 million Invested • 49,045 students impacted with PEARL Quiz • 3,535 scholarships awarded • 314 teachers impacted with STEP • 49 education inspectors impacted with STEP
	Economic Empowerment <ul style="list-style-type: none"> • \$1.99 million Invested on empowerment • 70 youths trained on various skills • 15 youths impacted through C4C • Built/renovated market stalls for women • Engaged community vendors 	Economic Empowerment <ul style="list-style-type: none"> • US\$5.05 million Invested on empowerment • 840 youths trained on various skills • 30 youths impacted through C4C • Built/renovated market stalls for women • Engaged community vendors
	Community Infrastructure Development <ul style="list-style-type: none"> • \$7.4 million invested • 51 projects completed • 9 projects ongoing 	Community Infrastructure Development <ul style="list-style-type: none"> • US\$19.64 million invested • Over 500 projects completed • 9 projects ongoing
	Environmental Stewardship <ul style="list-style-type: none"> • \$0.14 million invested • Conducted EIAs in 6 fields • Conducted 13 PCIs with NOSDRA 	Environmental Stewardship <ul style="list-style-type: none"> • US\$0.41 million invested • Oils spills reduced from 11 average to 4 per year • Reduced flaring and GHG emissions by over 60% on a volume of production basis

OPERATIONS AT A GLANCE

Production/HSE		
	Working Interest Production	47,693 boepd
	Working Interest Gas Production	107.9 Mmscfd
	Total Working Interest 2P Reserves	457.1 Mmboe
	Working Interest 2P Gas Reserves	237.8 Mmboe
	Volume of gas sold	39.4 Bscf
	Volume of oil and condensate produced	29,091 bopd
	Volume of oil lifted	8.8 Mmbbls
	Fatalities	0
	Lost -Time Injury Frequency	0

Financials		Amount US\$ 'M
	Revenue	733.2
	Value Added	442.7
	Capital Expenditure	137
	Gross Profit	285.2
	Operating Profit	250.7
	Profit After Tax	117.2
	Dividend Paid	73.4
	Retained Earnings	1,185
	Social Investment	11.19

Social Investments (2021)		US\$ 'M
1	Education	0.6
2	Healthcare	1.06
3	Economic Empowerment	1.99
4	Infrastructure Development	7.4
5	Environmental Stewardship	0.14
	Total	11.19

Social Investments (2010 - 2021)		US\$ 'M
1	Education	3.47
2	Healthcare	4.28
3	Economic Empowerment	5.05
4	Infrastructure Development	19.64
5	Environmental Stewardship	0.41
	Total	32.85

Table 1: Operations at a Glance

Targets and Results

FOCUS AREA	2021 Target	2020 vs 2021 Results			2022 Target
HEALTH & SAFETY	Achieve zero fatalities.				Achieve zero fatalities.
	Achieve Lost Time Injury (LTI) of Zero.	LTI	2020 0	2021 0	Achieve Lost Time Injury of Zero.
	Achieve 100% monitoring of employees vital signs and check infectious diseases.	% of Employees Monitored	2020 NA	2021 NA	Achieve 100% vital signs and infectious diseases monitoring for all employees.
ENVIRONMENT	Our aspiration is zero spills. Volume of oil spilled through own operations should not exceed 0.6 bbl.	Spills through own operations	2020 9.1	2021 8.6	Achieve zero spills
	Our aspiration is zero spills. Volume of oil spilled through sabotage should not exceed 0.1 exceed 0.6 bbl.	Spills through sabotage	2020 3.7	2021 0.7	Achieve zero spills
GREENHOUSE GAS EMISSION	Record significant reduction in flared gas to a maximum of 8,379 Mmscf.	Volume of gas flared (Mmscf)	2020 6,648.6	2021 12,779.8	Achieve continuous reductions to achieve flare out in 2024
	Commission ANOH gas plant Q3 2021 to aid emission reduction	Commissioning planned for H1 2023			Commission Worldwide Generation G17 Eco Company Tracker to enhance monitoring and measurement of our sustainability performance
	Commission GHG Emissions Tracker to improve data collection and reporting	GHG Emissions Tracker commissioned			Establish baseline for setting GHG emission targets
OUR PEOPLE	Sustain employee awareness of the availability of the Employee Assistance Program (EAP) provides counselling	EAP service sustained in 2021 with positive impact on employee wellbeing and productivity			NA
	Establish development of a progression process for managers, complete with structured assessments of competencies	Percentage of Employees trained	2020 NA	2021 100	NA
	Achieve 100% training & reinforcement of corporate governance policies	Independent committee inaugurated and counsel given to the Company where necessary in 2020.			NA
STAKEHOLDER ENGAGEMENT	Extend the Eye Can See programme to more community beneficiaries	Number of beneficiaries	2020 0 (Due to COVID-19)	2021 9,133	Extend the Eye Can See programme to more communities.
	Extend the Safe Motherhood programme to more beneficiaries	Number of beneficiaries	2020 0 (Due to COVID-19)	2021 0	Extend the Safe Motherhood programme to more communities
	Sustain the Skills Acquisition Programme for youths to promote	Number of beneficiaries	2020 316	2021 70	Sustain the Skills Acquisition Programme and extend to more youth and women
	Sustain the new initiative to impact teachers, Seplat Teachers Empowerment Programme (STEP)	Teachers Chief Inspectors of Education	2020 100 43	2021 214 6	Impact 150 teachers through STEP
	Sustain the youth empowerment programme, Youth Entrepreneurship Fellowship Programme, in collaboration with Conversation for Change (C4C)	Number of beneficiaries	2020 15	2021 15	Impact 15 youths through Youth Entrepreneurship Fellowship Programme

Seplat and the Sustainable Development Goals



How We Align



Goal 1: No Poverty

- Seplat raises entrepreneurs among stakeholder communities through our Skills Acquisition and Youth Entrepreneurship Fellowship Programme making them financially independent
- Socio-economic empowerment of women and youth through our Skills Acquisition schemes making them employers of labour.



Goal 2: Zero Hunger

- Creation of direct employment opportunities for our staff and contractors
- Creation of indirect employment through our contractors and business partners
- Support to the education sector to provide labour to the economy
- Empowerment of women and youth through our Skills Acquisition schemes that enable revenue generation.



Goal 3: Good Health and Well-Being

- Provision of free medical support to our employees and their families
- Provision of free eye care services including surgery for community members through the Eye Can See programme
- Provision of free medical advice and materials for pregnant community women through our Safe Motherhood programme
- Support to the government for treatment of COVID-19 patients
- Provision of palliatives to communities to mitigate challenges of the COVID-19 pandemic



Goal 4: Quality Education

- Scholarship awards to community children at the secondary school level
- Scholarship awards for tertiary institution students in Nigerian universities
- Promotion of academic excellence among secondary school students in Delta and Edo States via our PEARLS Quiz programme
- Support to secondary school teachers in Delta and Edo States through the Seplat Teachers Empowerment Programme (STEP)
- Collaboration with the Sapele Okpe Community in Delta State to boost the quality of education with the commissioning of the National Open University of Nigeria (NOUN), Sapele Teaching Centre.



Goal 5: Gender Equality

- Provision of employment and support of a work environment without discrimination on gender, race, religion, physical ability or HIV status
- Seplat Women's Awesome Network advances initiatives and policies to empower women to realize their potentials, and assume board and senior management positions.



Goal 6: Clean Water and Sanitation

- Provision of potable water boreholes for host communities
- Awareness creation among pregnant women to promote good personal and community hygiene practices via our Safe Motherhood Programme



Goal 7: Affordable and Clean Energy

- Huge investments to increase gas production to support Nigeria's gas-to-power programme.
- Seplat has facilitated the use of gas for electricity generation which is more environmentally friendly than diesel.
- We supply a third of the gas needed to provide electricity in Nigeria.



Goal 9: Industry, Innovation and Infrastructure

- Support and promote the use of local content so far quality is not compromised
- Invest in infrastructure development within our host communities
- Commissioned projects include roads, water boreholes, rural electrification, town halls, market stalls and others.



Goal 8: Decent Work and Economic Growth

- Creating employment opportunities for local people
- Use of local contractors to supply company's needed resources
- Youth and women empowerment programmes through our Skills Acquisition scheme is producing micro, small and medium enterprises, which are generating their own revenue
- Seplat collaborates with Conversations for Change (C4C), a non-profit agency, to raise young entrepreneurs aged 15-40 years to participate more effectively in all relevant areas of development.



Goal 11: Sustainable Cities and Communities

- We partner with communities to provide infrastructure for improved community life through the allocation of quarterly Project Development Funds to communities



Goal 13: Climate Action

- Seplat supports the Climate Action through massive investment into gas infrastructure to reduce greenhouse gas emissions
- We are working to stop gas flare and ensure low-carbon future operations.



Goal 16: Peace, Justice and Strong Institutions

- Peace building and conflict resolutions among host communities
- Training of community development committee members on conflict management and settling of boundary disputes



Goal 17: Partnership for the Goals

- Collaboration with other operators and industry associations on climate change and other SDGs
- Partnership with government, educational institutions and communities on relevant aspects of the Goals.

OUR APPROACH TO REPORTING

Seplat Energy has since inception used our sustainability reports to publicly disclose our performance in our journey towards meeting the long-term goal of creating a better and more prosperous world for current and future generations. Our reporting focuses on environmental, social and governance (ESG) issues that matter most to our stakeholders. Our reports provide details of the impact we made among our various stakeholder groups for each reporting year, and our outlook for the future.

Report Scope

Our report covers issues that are considered material by the Company and our stakeholders, that is those that impact them most and influence their assessment of Seplat and their decisions regarding the Company. The scope also captures identified ESG challenges and activities implemented towards providing needed solutions and creating value. In defining the content of our reports, we strictly follow GRI's recommended reporting principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. We also take due consideration of the TCFD's recommendations of the four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, metrics and targets.

The reports provide stakeholders a good overview of how we evaluate and mitigate risks and drive continuous improvements in our key performance indicators, which have a direct impact on sustainability. Our reporting approach includes a process that defines and prioritizes topics collected from stakeholders through continuing dialogue, internal and external validations and periodic reviews of issues considered material topics and their boundaries.

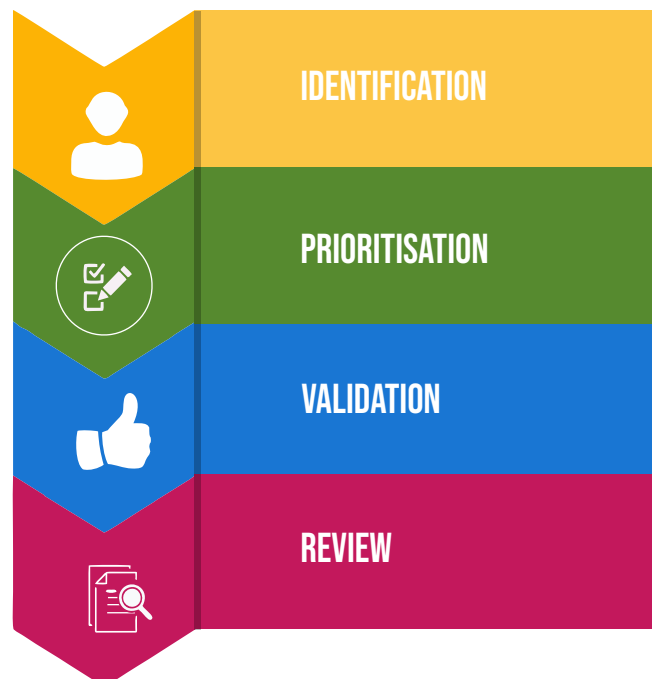
Materiality

Seplat's annual sustainability reports make full disclosure of material aspects that reveal the impact of

our operations on sustainable development as confirmed through stakeholder feedback. We follow a systematic process in identifying and selecting topics for inclusion in the report. In deciding on the issue of materiality, we give due consideration to the nature and scope of our activities and their impact on stakeholders.

Also, material topics we selected were those considered important for reflecting the Company's ESG impacts, highly relevant to our business goals and especially those with the potential to present risks to our operations.

Our content selection followed a four-step process shown in the diagram below:



As part of our content selection process, we review our non-financial materiality matrix annually to ensure that the topics remain relevant to our critical stakeholders and our business. Topics that are not included within the materiality matrix are those not considered relevant for our non-financial disclosures.

Our Approach to Reporting c'tnd

During this reporting cycle, among the major issues considered material are job creation and poverty alleviation, which are needed to address the growing number of unemployed youths within the economy.

The issue of environmental pollution due to incidences of oil spills, which featured strongly after Seplat took over from the former operator, was still material but not

so prominent during the 2021 materiality review. Other issues include concerns about the environment and climate change. With the lingering challenge of the COVID-19 pandemic, healthcare was highlighted as a material issue.

Below is the list of material topics included in the 2021 report, not necessarily arranged according to ranking.



Our Materiality Matrix

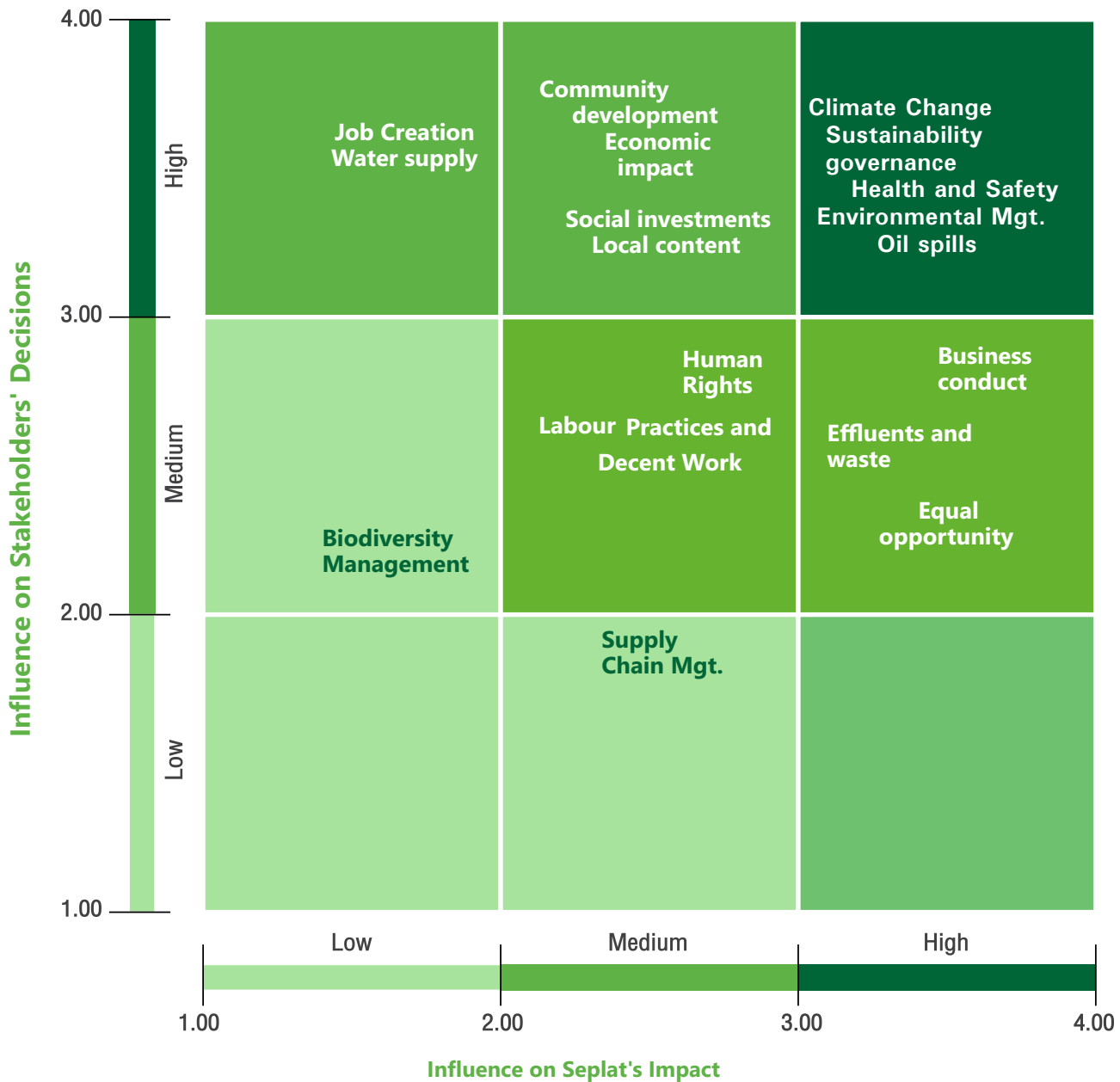


Figure 1: Identified ESG Material Aspects and Boundaries

Reporting Standards

In the last 11 years of our sustainability reporting, we have reported against those standards and guidelines we considered very relevant and helpful in providing balanced, comprehensive and credible disclosure of most KPIs. These include local and international drivers of sustainability.

The frameworks and guidelines we align our reports with are highlighted on page 6 of this report.

Readers who have questions or comments should contact the CSR Manager through externalaffairs@seplatenergy.com

AWARDS AND RECOGNITIONS

In 2021 Seplat won various awards and recognitions from different institutions, both public and private, which were a testament to the positive impact the Company made on various stakeholder groups. While working to deliver on our sustainability priorities, we made a difference in society while focusing on the planet, people and prosperity. A few of the awards are highlighted below:

Nigerian Investor Value Award

The Company was awarded the Most Profitable Company of the Year 2022 (Oil & Gas: Exploration and Production) at the Nigerian Investor Value Award (NIVA) organised by BusinessDay Media Limited in conjunction with the Nigerian Exchange Group Plc. The award was in recognition of Seplat recording the highest percentage growth in profits year-on-year and demonstrating that the Company's profit margins were sustainable.

Also, for leading the Board of Directors to set a strong corporate governance culture, the Company Chairman, Dr. A.B.C. Orjiako, was awarded the Board Chairman of the Year.

Global Award for Outstanding Performance

At the Energy & Corporate Africa Leadership Award Night/Dinner held at the Hilton Post Oak, Houston, Texas, United States of America, Seplat received an award as the Largest Indigenous Domestic Supplier of Gas in Nigeria. This was in recognition of the Company's outstanding performance in the indigenous segment of the Oil and Gas: Exploration & Production sector. At the same event, Dr. A.B.C. Orjiako, Chairman, Board of Directors, Seplat Energy, was recognised and awarded the Top Indigenous Entrepreneur of the Year in the Energy Sector in Nigeria.

Africa Safety Award for Excellence

Seplat emerged winner in the Africa Safety Award for Excellence (AfriSAFE) 2021. The Company won the top prize in the Merit Award category for its outstanding performance in Health, Safety, and Environment (HSE).

The award was in recognition of the Company's prioritization of the safety of all workers and the protection of the operating environment.

MEMBERSHIP OF ASSOCIATIONS

Consistent with the Company's ethos, during 2021, Seplat remained an active and very visible member of various oil and gas industry groups. The Company maintained a strong presence and voice in the industry and participated in all relevant seminars, conferences, summits, workshops and meetings organised by the industry. Also, our Chief Executive Officer and some senior managers played active roles in making contributions towards the growth of the industry. Our membership of such industry groups gave Seplat the opportunity to influence decisions that affect the industry and support recommendations to the government.



The industry associations and professional bodies where we featured actively in 2021 were as follows:

- Oil Producers Trade Sector;
- Institute of Safety Professionals of Nigeria;
- Society of Petroleum Engineers;
- Clean Nigeria Associates;
- The Nigerian Environmental Society;
- The Nigerian Association of Petroleum Explorationists;
- Lagos Chamber of Commerce and Industry;
- Nigerian Gas Association;
- World Economic Summit.



// We've seen that the work that Seplat is doing is recognized by the marketplace. In spite of the challenges of COVID-19, we've seen the run-up in their share price. We've seen the uptake in their debt when it was issued. All of those things indicate the market voting with its Naira or Dollars, and voting "Yes" for the activities that they are undertaking. //

Mr. Oscar Onyema,
GMD / CEO,
Nigerian Exchange Group Plc

SECTION THREE

INTEGRATING SUSTAINABILITY

Principles of Governance	→ 34
Planet	→ 48
People	→ 59
Prosperity	→ 66



PRINCIPLES OF GOVERNANCE

Our purpose is to deliver sustainable energy solutions for society in a sustainable and profitable way; to do so requires good governance anchored on high standards of accountability, transparency and stewardship. To achieve the targets of the Sustainable Development Goals, society needs to work together.

Governance	→ 35
An Integrated Approach	→ 38
Risk Management	→ 39
Ethics and Integrity	→ 41
Stakeholder Engagement	→ 43

GOVERNANCE



Madame Nathalie Delapalme

Working Together

I am pleased to issue my first statement on Seplat's annual Sustainability Report in my capacity as the Chairperson of the Board Sustainability Committee. I am also delighted that our Company emerged as a stronger, and refocused company in 2021 after the unprecedented impact of COVID-19 on society and businesses the previous year. One of the lessons the global community learned from the impact of the pandemic and the responses to combat the virus, was that people and nations need to work together if we are to achieve the targets of the Sustainable Development Goals (SDGs).

Seplat's approach to the management of our environmental, social, and governance (ESG) imperatives is well embedded company-wide as we integrate sustainability practices into every aspect of our operations while sustainability defines the way we do business. It facilitates our investment decisions, risk management, stakeholder engagement approach,

and guides our management policies and practices. It also influences the building of long-lasting partnerships that help us create and deliver shared value.

Seplat Energy, encouraged by the impressive results it recorded as the leading indigenous independent energy company in Nigeria, has set ambitious targets in operational, financial, and non-financial parameters. The Company has demonstrated courage and a clear focus on providing leadership in Nigeria's energy transition. It has also continued to lay strong emphasis on partnership with critical stakeholders, which has exemplified Seplat's commitment to integrating sustainability in all its business practices. Engaging partners and building understanding, trust, and confidence with them have supported the Company in working seamlessly without interruptions to our operations since inception. The results include minimized risks and enhanced operational efficiency and profitability.

Our respect and engagement of partners are vital components of our stakeholder engagement approach and embrace every stakeholder group – investors, employees, community people, governments, the society, and support the achievement of our sustainability aspirations.

Stakeholder Challenges

Businesses continue to face various challenges at the local community, state, and national levels. For us at Seplat, operating in the prolific Niger Delta region presents us with the needs of better environmental care, poverty alleviation, employment opportunities for the rising youth population, and support to the health and education sectors, among others. Impressively, working together with Community Development Committees (CDCs) who represent thousands of local community households has facilitated meeting some of the common core needs of these communities. Our engagements with the CDCs have been guided by the Global Memorandum of Understanding (GMOU) signed with the communities and reviewed periodically. With mutually agreed social investments, Seplat has impacted these communities positively over the years.

At the state and national levels, Seplat has continued to identify with relevant governments through payment of taxes and royalties, and support of the education, health, and infrastructure sectors of the economy. Our engagements with these governments are well guided by our commitment and involvement in 13 out of the 17 SDGs. The steps already taken by the Company in leading the energy transition in Nigeria and other sustainability-related aspects are well acknowledged by several state and national leaders through their endorsements.

Combating the Threat of Climate Change

Perhaps for the first time in human history, the world is facing an existential threat caused by the growing challenge of climate change. Unless urgent action is taken, the world may not achieve the target of limiting global temperature rise to 1.5 degrees Celsius by 2050. This will alter life on earth from what it is today. A report published by the World Economic Forum shows that as of January 2022, 92 countries had committed to net zero carbon emission targets, but only eight of them aim to reach the target by 2050 and had implemented a nationwide carbon pricing scheme. Nigeria is not one of them. There is, therefore, the need for us to act.

Addressing the challenges of climate change cannot be achieved by only one country or organisation. Governments, businesses, society and individuals need to work together to combat the threat. Already, Seplat has decisively taken a bold step to lead Nigeria's energy transition as an early mover. This is also a major step towards Nigeria achieving the net zero carbon emissions target. Now it is imperative to secure a buy-in internally among employees, and externally among other stakeholders, to adopt a more responsive approach to sustainability for our collective survival. Legislators and governments need to formulate supportive policies, corporate organisations must change their game towards more sustainable business practices, farmers need to stop the tradition of bush burning, families need to embrace affordable clean energy and discourage deforestation through felling of trees for cooking, and society at large must

change its lifestyle and consumption patterns, all in an effort to preserve the planet.

Sustainability Oversight

The current challenges facing the global community especially for the Nigerian market call for the private sector to do more in the sustainable development context. For us at Seplat, against the backdrop of the ambitious goals we have set for ourselves, we have strengthened our corporate governance oversight to facilitate the achievement of our sustainability imperatives. We will continue to support a seamless and effective implementation of the Company's business model and delivery of our ESG obligations.

Strengthening Best Practices

To strengthen our ESG practices and align them more with international best practices, during 2021, we engaged a consultant to drive capacity building of relevant employees and evaluate our documentations, processes, procedures and practices to ensure their alignment with ISO 26000 Social Relationship guidelines. We are also aligning our operations and disclosures more with such reporting frameworks as the Task Force on Climate-Related Financial Disclosures in addition to other frameworks to which we are already aligned.

Through our financial and non-financial results, we have demonstrated that sustainability has become a major source of competitive advantage for our Company as it distinguishes us and reinforces our leadership position. Spurred by our vision to transform lives through energy, the Company remains committed to making more impact on its various stakeholders at various levels. The Board will continue to provide closer oversight of the management and delivery of our sustainability imperatives, and motivate every implementing actor among our workforce and external stakeholders to work together to achieve our aspirations to build a better future.

Madame Nathalie Delapalme

Chairperson, Board Sustainability Committee

Pearls Quiz



Sustainability Governance

The cornerstone of Seplat's business model is our commitment to a high standard of corporate governance anchored on integrity, transparency and accountability. Our governance structure reflects our strategic decision to integrate sustainability into our business model and the overarching concept of sustainable development is one to which the Board of Directors (BoD) holds strongly. Our BoD comprises a blend of experts from diverse fields with both local and international business backgrounds and members have strong credentials on issues of sustainable development. With the high quality of governance Seplat has built a world-class company listed in the Premium Board of the Nigerian Exchange Group and the Main Board of the London Stock Exchange.

Our BoD is responsible for oversight and establishing sustainability goals and policies for the Company. The Board is supported by the Sustainability Committee in direct oversight of implementation and monitoring of sustainability-related activities. The committee is one of the seven standing committees of the Board, and some of their responsibilities are to provide guidance to the executive management team in evolving and implementing strategies and action plans as well as evaluating the Company's sustainability performance periodically. The committee also visits host communities periodically and assists the executive management in addressing major concerns of local communities when necessary.

With growing emphasis on the management of ESG activities, in 2020, we created a new function, Research & Sustainability, in the External Affairs and Sustainability Department to focus mainly on ESG issues.

Faced with the global challenge of the COVID-19 pandemic, the Sustainability Committee met virtually 4 times in 2021 and ensured the alignment of our CSR and community relations practices with the corporate business strategy. The Director, External Affairs and Sustainability, who coordinates all CSR and sustainability issues, attends the committee meetings.

The Board aligns our corporate governance structures and practices with regulatory provisions of both Nigeria and the United Kingdom in view of our dual listing in the stock exchanges in these two markets. The provisions include but not limited to, the Companies and Allied Matters Act ('CAMA'), the Financial Reporting Council of Nigeria ("FRCN")'s Nigerian Code of Corporate Governance, 2018 ("NCCG"), the Securities & Exchange Commission ('SEC') Code of Corporate Governance for Public Companies in Nigeria (the 'Nigerian Code'), the Nigerian Exchange ('NGX') Rulebook, the United Kingdom ("UK") Corporate Governance Code, 2018 (the 'UK Code'), UK Listing Rules ('LRs') and the Market Abuse Regulations, 2016 ('MAR').

AN INTEGRATED APPROACH

As part of our management system, we encourage a top-down and company-wide approach to a 'sustainability mindset' and practice. Starting from the BoD to the latest office assistant that joined Seplat, we work to demonstrate awareness and appreciation of the implications of our actions or inactions on the overarching issue of sustainable development.



Through training programmes including induction of new employees and contractors' personnel, each employee is encouraged to consider the ESG impact of their actions or inactions on sustainable value creation. Before committing resources into projects and mobilizing to relevant project sites, we conduct ESG impact assessments to determine how best to optimize the positive outcomes of our activities and mitigate possible negative outcomes. Such assessments help to identify possible opportunities and risks and how to handle them from the sustainability perspective.

Creating Awareness and Building Understanding

As part of efforts to integrate every function in the Company on the achievement of our SDG ambitions, we are working to ensure that sustainability awareness is embedded company-wide. The global challenges of climate change, energy transition and the quest to meet the SDGs by 2030 are kept on the front burner to drive our collective commitment.

The nature of life in the oil and gas-rich Niger Delta where we operate and the rising level of awareness and sophistication among stakeholders there demand continuous engagement with them to appreciate our essence, values, and our mutual roles in contributing towards sustainability.

Driving Operational Excellence

We stepped up efforts to motivate productivity among the workforce in the face of new projects and investments being embarked upon by Seplat. Encouraging and deploying a company-wide 'sustainability mindset' is a good driver of operational excellence. It creates a desire for cost leadership, more efficient allocation of scarce resources, quality delivery, and improving living conditions. It also encourages our drive towards profitable growth and the protection of the planet through continuous improvements in our environmental management.

Engaging Stakeholders on Sustainability

In addition, through the implementation of our signature CSR programmes, we have a platform to share information among beneficiaries from local communities and make them feel the Company's contribution to the development of their communities and providing opportunities for a better life. Also, through our supply chain management, we engage our business partners and elicit their buy-in and alignment to relevant ESG-related practices within their internal operations.

RISK MANAGEMENT

The dynamic nature of the business environment locally and internationally with frequent socio-economic and geopolitical changes demand an effective and continuous risk management policy and system. Seplat integrates risk management as an enduring part of our business activities. We carry out periodic risk assessment reviews and develop plans to manage the identified risks.

Through our effective risk management system we work to promptly identify actual and potential risks that may impede the achievement of our business goals and evolve measures that can be implemented to mitigate them. Owing to the constantly changing business environment in the oil and gas industry in Nigeria evident in oil price volatility, militancy, pipeline vandalism, insecurity, foreign exchange availability and rate changes, among others, there is need for a continuous watch on risk management. This enables the BoD to take prompt risk-informed decisions when necessary to ensure that the delivery of our business strategy remains on course.

Our Risk Management System

Seplat's risk management system is based on guidelines provided in ISO 31000, the international standard for risk management. It is built on a top-down and bottom-up approach. The system provides the Board the platform to quickly determine the right risk appetite necessary to achieve the Company's goals while the business units are well guided to identify and mitigate risks at their own levels.

Due to the constantly evolving operating and business environment of the oil and gas industry, we regularly update our risk management processes to ensure that the Company is fully equipped to deal with emerging risks.

The Risk Management and HSE Committee supports the Board in direct oversight of the risk management function of the Company. Part of its responsibilities is to

ensure that the Company deploys an appropriate risk management system to navigate the changing risks and opportunities faced by the Company. The various risk exposures related to the COVID-19 pandemic on society and businesses globally are regularly well analysed and managed by the Committee. The outcome has been a steady improvement in our key performance indicators.

The portfolio of Seplat's significant risks consists of 19 risks classified into external, financial and strategic risks. The following table shows only the main risks with ESG impacts, their descriptions and possible mitigation actions.



RISK TYPE	DESCRIPTION	MITIGATION
HSE	Oil and gas activities carry significant levels of HSE risks if not properly managed. Higher activity levels demand stronger focus on preventing major environmental, health or safety incidents.	Deployment of an HSE Management System in line with best practices. Monitoring and disclosure of HSE performance scorecards at management and Board levels. Independent review of HSE system to drive improvements. Continual focus on HSE training and initiatives on incidence prevention.
Niger Delta stability and security	The Company operates in a region where security incidents such as kidnapping, vandalism and criminal attacks on oil and gas installations can occur.	Continuous security monitoring and intelligence work. Quick mechanism for security advice to staff and movement restriction for high alert situations. Active participation in industry pressure groups to find lasting solutions.
Failure to manage stakeholder relationships	Failure to manage stakeholders can result in business disruptions. The Company prioritises the effective management of relationships with all stakeholder groups.	Successful operation of the GMoU agreement with host communities. Periodic engagement and feedback forums. Tailored CSR programmes and community development initiatives. Organisational focus and clear strategy to deliver shareholder value. Good corporate governance, transparency and proactive dealings with regulators and JV partners.
Geo-political risk	Nigeria has at times in its history faced political uncertainties and threats such as terrorism.	Scenarios and response options plan set. Crisis management team in place for high alert political periods. Business continuity plans in place in light of current geo-political situation.
Oil price volatility	A history of oil price volatility influenced by external factors	Hedging is our sustained price risk management tool. Price sensitization on project economics and cost discipline for capital projects sanctioning. Aggressive focus on cost reduction
Information security risk	Potential cyber-attacks and information technology security breaches could result in loss or compromise of sensitive proprietary information, communication and IT business continuity disruption across operations.	We monitor and regularly upgrade the Company's IT and security systems. The Company has a clearly defined employee user policy and control of access rights. Our information security framework and infrastructure have been externally reviewed in line with the ISO 27001 requirements.
Bribery and corruption risk	Bribery and corruption present a risk throughout the global oil and gas industry and represent an ongoing risk to any oil and gas company	Extensive training on anti-bribery and corruption. Embedding corporate governance principles with key focus on highly susceptible areas. Processes exist to guide dealings with public officials.
Availability of capital	The oil and gas industry is highly capital intensive. Significant amounts of capital are required to continue development activities and fund M&As. Non-funding of cash calls by JV partners impacts activities and liquidity.	Working on different funding arrangements with JV partners. Board review and approval of financial strategy and debt portfolio management with strong banking relationships
Foreign exchange	The Company is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.	The Company has options to manage its foreign exchange exposure including financial hedge instruments such as forward exchange contracts.

ETHICS AND INTEGRITY

Ethical Business Conduct

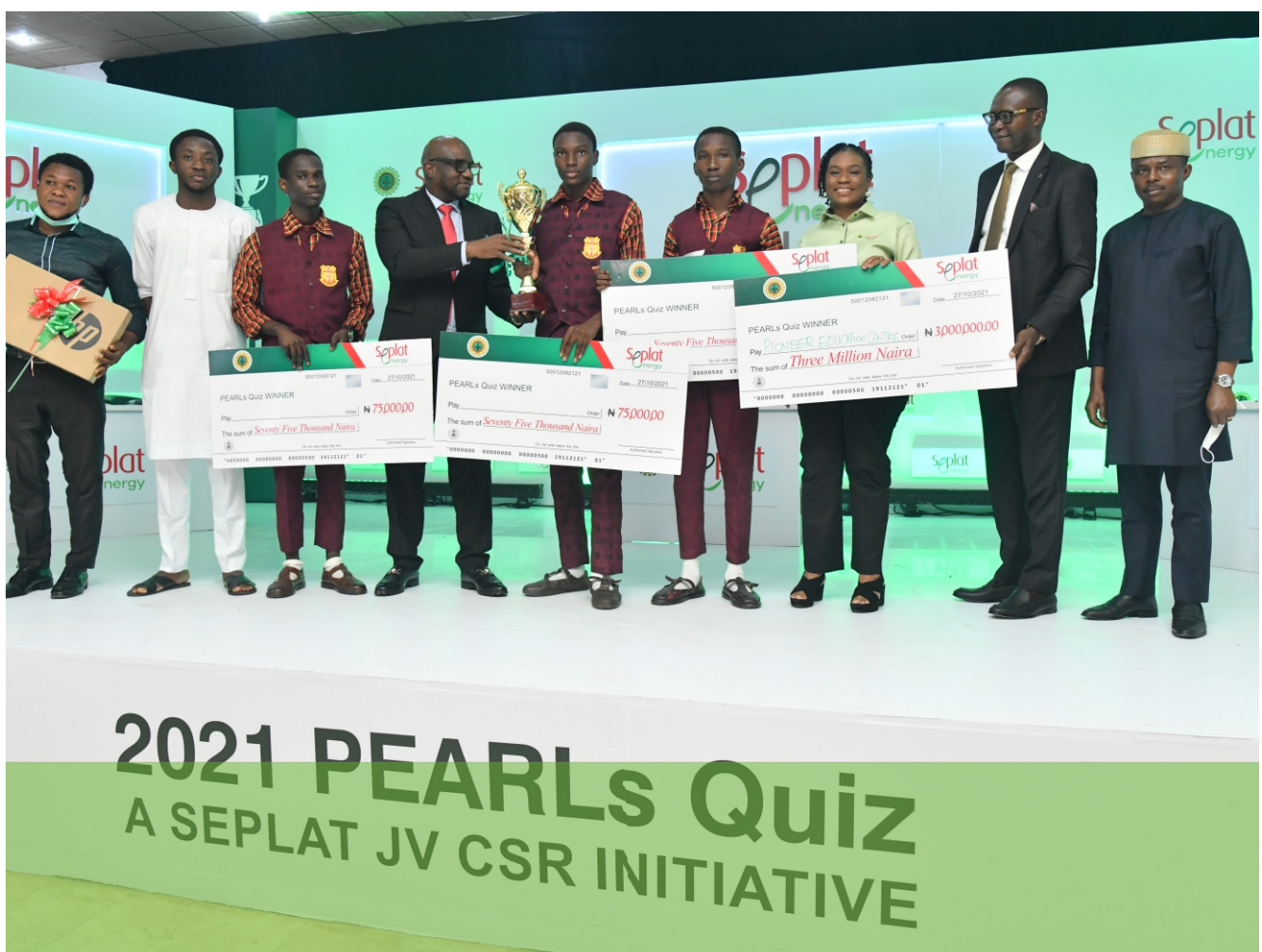
Our business practices are aligned with our core values, established code of conduct, policies and procedures. We lay emphasis on company-wide compliance with every aspect of ethical conduct and integrity in the workplace. Special focus is given to the issues of corruption, bribery and supply chain procurement procedures, among others. Seplat's work environment supports a highly ethical culture and all our employees are required to fully comply with our guidelines and codes of ethical behaviour in the workplace. These guidelines provide the motivation for employees when they need to make the right ethical decisions while at work.

To avoid ambiguities and confusion about the appropriate business conduct when faced with challenging situations, all employees receive periodic training on our Code of Business Conduct. Seplat offers other supportive resources such as the intranet

and online platforms which provide clear guidelines on ethical business conduct.

The annual Corporate Governance Online Recertification Course is mandatory for all employees and is deployed to further embed adherence to the corporate governance ethos of the Company. The programme focuses on eleven (11) major ethical areas including Anti-Bribery and Corruption, Anti-Fraud, Code of Business Conduct, Conflict of Interest, Corporate Governance, Gift & Hospitality, Insider Information, Related Party Transactions, Risk Management, Share Dealings, and Whistleblowing.

The Company launched a Third-Party Compliance Policy, which reinforces Seplat's commitment to conducting its business honestly and ethically and sets out the expected standards of behaviour from third parties who deal with or on behalf of the Company.



Code of Business Conduct

Seplat has a Code of Business Conduct (CoBC), which outlines the ethical framework under which the Company conducts its business – with the highest standards of ethics, accountability and transparency. The CoBC is a contract between the Company and its employees, contract staff and business partners to conduct business with the highest ethical standards.

Supporting Advocacy on Business Ethics

Seplat has continued to contribute to and advocate on regulations (State and Federal) that impact the oil and gas industry. These advocacy initiatives were achieved through active collaboration with industry advocacy groups such as the Oil Producers Trade Sector (OPTS) and Independent Petroleum Producers Group (IPPG). The Company also participated in multistakeholder engagements on regulations and initiatives, including the Petroleum Industry Act and others.

Speak Up: Our Whistleblowing Programme

To reflect our strong commitment to ethical business conduct, Seplat has zero tolerance for corruption, bribery, theft, conflict of interest and such other unethical conduct. Our Speak Up is a whistle-blowing programme designed to promote transparency, accountability and a level-playing environment for our employees, contractors and other business partners. It is part of the Company's whistle-blowing policy. The implementation of the policy entails a dedicated whistle-blowing hotline for employees and other stakeholders to confidentially report unlawful and unethical conduct involving the Company, its directors or employees.

The Company's whistle-blowing system comprises an internal and an external channel, which are operated concurrently. The internal whistle-blowing channel is managed by the Company's Business Integrity Unit, reporting directly to the CEO, while the external channel is managed by KPMG.

Employees and partners are encouraged to avoid any action or behaviour, which is unethical, illegal or likely to impact negatively on our reputation and brand equity. The Business Integrity Unit and KPMG ensure that all reports are kept confidential and thoroughly investigated and resolved while confirmed cases receive appropriate disciplinary measures.



STAKEHOLDER ENGAGEMENT



Dr. Chioma Nwachuku

Making a Difference in Society

The purpose of business has since gone beyond making profit and creating wealth, to also contributing towards a more sustainable society and environment. The increasing level of knowledge and sophistication of consumers and other stakeholders, amidst growing socio-economic uncertainties, result in heightened expectations from governments and businesses. In the face of rising population, youth unemployment, growing demand for scarce resources, and the threat of climate change, today's business organisations are under increasing pressure to deliver more towards societal survival and progress. Part of the current phenomenon among investors and other stakeholders is their growing interest in the ESG performance of businesses and to what extent they contribute towards sustainable development.

As a result of the above, any company that wants to enjoy enduring public goodwill and patronage must factor in good social relationship and sustainability policies into the formulation of its business model at the foundational stages. Our experience at Seplat Energy since inception has shown that this is the right approach to sustainable licence to operate, and the building of a strong brand. General experience shows that things do not just happen. Doing little things right

can make a difference. Right intentions precede right actions, and right actions precede right results. And well selected and managed inputs result in expected outcomes.

Societal Challenges

The challenges facing society especially in a developing economy like Nigeria and many others in Sub-Saharan Africa, are multidimensional, complex and sometimes pervasive. For example, Nigeria's population is the fastest growing in the world and the country is expected to be the fourth most populated nation in the world by 2040. The macroeconomic indicators are currently not strong enough to support the growth trend. The result is that currently many are living below the poverty line. In addition, the government alone is unable to provide most of the basic needs of society such as healthcare, quality education, electricity and good roads, among others. Furthermore, unemployment and illiteracy are fanning the embers of criminality and insecurity. Above all, the threat of climate change presents great challenges to sustainable development.

Need for Quality Education

One of the greatest tools for combating the above challenges is to have a well-educated and informed population that will drive national development. A well-educated population will be better equipped to make the right decisions and choices that can help confront societal challenges rather than exacerbate them. Education creates the pool that provides the workforce for various sectors of the economy. It also helps in keeping the youth away from criminality and other unhelpful lifestyles.

It is essentially for the above reasons that Seplat included support to the education sector as one of its focus areas for social investment interventions from the outset. We aligned ourselves with Goal 4 of the SDGs, which is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We introduced the PEARLs Quiz competition among secondary schools to improve reading habits and scholarship among students. We also awarded

scholarships to students in both secondary schools and universities. Furthermore, we introduced the Seplat Teachers Empowerment Programme to offer teachers special training on modern teaching methods for the Sciences, Technology, Engineering, Arts, and Mathematics. At the end of 2021, Seplat's education support initiatives had impacted over 35,000 individuals and some of the beneficiaries have since graduated and secured sustainable jobs in the economy.

Healthcare Delivery and Wellbeing

Through lending support to the health sector, many corporate organisations can collaborate with governments at the local, state and federal levels to provide selected free healthcare services to vulnerable members of the society and save numerous lives in the process. With the growing challenges facing society, the need for support to people with no access to affordable healthcare is likely to rise over the years. In response, Seplat has sustained its signature healthcare programmes in eye care and mother care, reducing cases of eye diseases and maternal deaths in the process. We believe that when more businesses help address health challenges, the positive impact on society will be remarkable and facilitate the achievement of Goal 3 of the SDGs, which is to ensure healthy lives and promote wellbeing for all at all ages.

Need for Economic Empowerment

One of the major challenges facing low-income people especially in rural communities is poverty and the consequent pressure on women and youth can be severe. Business organisations can also make a big difference in this area especially among their host communities.

During Seplat's early stakeholder engagement with host communities, we identified the need to introduce initiatives for skills and economic empowerment targeted at unemployed women and youth. Beneficiaries who were nominated by their communities were trained extensively on various skills such as tailoring, fashion designing, welding, carpentry, painting, computing, vehicle mechanic,

among others. At the end of their training programmes, they were given starter packs and some seed capital as grant to enable them start their own businesses. Today, we have impacted over 15000 beneficiaries, many of whom are now employers of labour and mentors to many apprentices.

Infrastructure Development

In most of our areas of operations, we embraced host communities with a huge infrastructure deficit evident in poor roads, limited or no access to potable water, affordable healthcare, electricity and others. Working in collaboration with the Community Development Committees representing the people, we identified the major needs of each community for which they desired our intervention. As a result of our commitment to making significant positive impact in the communities where we operate, through our interventions, we have sponsored and established many community development infrastructure that have improved the living conditions of the people. In many cases, the provision of critical infrastructure has positively impacted commercial activities in the communities.

Commitment to Sustainable Development

The above case studies are few of the many ways in which Seplat, with a vision to transform lives through energy, is making a difference in society. The Company has made a real impact on multiple groups through various programmes on education, health, economic empowerment, employing local talents, and engaging local suppliers and contractors. Through these social investments, we have enhanced the living conditions of many communities while many stakeholders have been encouraged to run their own micro and medium scale enterprises for revenue generation and creating jobs for others. As Seplat expands its operational footprint in Nigeria, we will remain committed to making further social investments that will progressively transform the lives of millions of stakeholders in our quest to contribute towards meeting the Sustainable Development Goals.

Dr. Chioma Nwachuku,
Director, External Affairs and Sustainability

Stakeholder Engagement

Seplat's operations impact a wide range of stakeholders. The Company implements a proactive stakeholder engagement management process, which identifies the various stakeholder groups that we engage. We listen to understand their concerns, needs and expectations, evaluate the best approach to make positive impact on them. We also deploy dialogue to build partnership and trust for the achievement of our mutual long-term interests. Through such engagements we are able to appreciate and prioritize the relevant material issues that form the basis of engagement and pursuance of our sustainability aspirations.

Our CSR/Sustainability unit (situated in the Lagos headquarters), and Community Relations unit (domiciled in the operational base offices) collaborate in the coordination of all stakeholder engagement issues for maximum impact.

Stakeholder Engagement Framework

Seplat Energy deploys a Stakeholder Engagement Framework that facilitates identification of both positive and negative impacts of our operations on stakeholders and how best to weave creative and sustainable solutions to satisfy the needs of the groups.



Figure 2: Stakeholder Engagement Framework

Basis for Engagement

The identification of our stakeholders, understanding their concerns and providing solutions in a manner that effectively responds to meeting our collective sustainability challenges in an increasingly complex global community are the basis for engaging with them. In addition, we leverage our deep understanding of the local issues that most of our stakeholders face, which form the basis of their needs and expectations from Seplat. We implement a

proactive model of stakeholder engagement management, which has continued to strengthen relationships and partnerships with our stakeholders. Our stakeholder engagement approach has facilitated the sustenance of our social licence to operate and pre-empted disruptions in our operations within the Niger Delta since inception.

Our stakeholder engagement mechanism clearly identifies and defines the various stakeholder groups and their needs and expectations while we map out the

best strategies to engage them through positive dialogue. The existing Global Memorandum of Understanding (GMOU) with our host communities has continued to provide a reliable, credible and mutually acceptable platform and support for engaging our various stakeholders especially at the local community levels.

With the expansion of our assets portfolio and the consequent entrance of new communities, we have continued to deploy high-value CSR programmes to proffer solutions to identified needs of local communities.

We regularly engage both internal and external stakeholders to inform them of our goals, plans and performance to elicit their understanding and buy-in. We use input from a variety of stakeholder groups to strengthen our approach in meeting stakeholder expectations.

The Research and Sustainability unit, which Seplat established in 2020 worked during this reporting year to coordinate and drive part of our information gathering system, regularly monitor stakeholder groups to identify their views on our ongoing intervention programmes.



Figure 3: Seplat Stakeholder Matrix

Stakeholders	Nature of Engagement	Impact/Value
Employees	<ul style="list-style-type: none"> Physical meetings Virtual meetings Webcasts Employee networks Seplat rebranding events 	<ul style="list-style-type: none"> Over 511 employees
Investors/ Shareholders	<ul style="list-style-type: none"> Virtual meetings Annual General Meeting E-mails Seplat Capital Market Day event Seplat Energy Summit 	<ul style="list-style-type: none"> US\$73.4 million dividend paid
Host Communities	<ul style="list-style-type: none"> Open Forum, Town halls Scheduled and ad-hoc meetings Workshops Secured Freedom to Operate (FTO) activities Quarterly fund allocation meetings CSR programme activation events Briefing sessions on Seplat relaunch Seplat meeting with Community Development Committee members 	<ul style="list-style-type: none"> 300 participants 3 meetings 251 meetings 119 FTOs 4 meetings N350 million allocated each quarter
Customers	<ul style="list-style-type: none"> Virtual meetings Face-to-face meetings E-mails 	<ul style="list-style-type: none"> Continued patronage Better mutual understanding Improvement of service delivery
Partners	<ul style="list-style-type: none"> Vendors forums Industry membership events Virtual meetings 	<ul style="list-style-type: none"> Stronger partnership with business partners Buy-in of vendors on our cost leadership drive
Government/ Regulators	<ul style="list-style-type: none"> Facility/inspection visits 	<ul style="list-style-type: none"> Enhanced collaboration Stricter adherence to regulatory provisions
NGOs	<ul style="list-style-type: none"> Virtual meetings Fact finding visits 	<ul style="list-style-type: none"> Enhanced understanding

Strengthening Partnerships

Seplat recognises that to address the complex social, economic and environmental challenges facing our modern society, no single institution can work in isolation. As a result, we are focused on collaborating with a wide range of actors to improve the chances of achieving the Sustainable Development Goals. We encourage various forms of collaborations, partnerships, and networking between and among businesses. Partnership is one of Seplat's core values and one that helps define our essence and approach to business. The Company is committed to building and strengthening partnerships with various stakeholder groups.

Our relationships and engagements with these partners help provide us with invaluable insights into business opportunities and risks, and stakeholder concerns and expectations. Such insights also help clearly define the best approaches to proffer satisfactory solutions that ultimately make the right impact and improve our footprint on our sustainability journey.

Periodically, we conduct surveys to evaluate the impact of our sustainability-related activities, gauge the perception and opinion of relevant stakeholder groups to clearly identify our areas of success and where we need to improve our partnerships to enhance our sustainability performance.



PLANET

We consistently adopt a responsible and responsive approach that demonstrates our commitment to the global ambition to protect the planet from degradation. We consider our contributing in addressing the threat of climate change as priority in building a sustainable world.

Environment	→ 49
Oil Spills	→ 52
Water	→ 53
Biodiversity Protection	→ 54
Seplat Energy Summit	→ 56
Energy Consumption	→ 58
Waste Management	→ 58

ENVIRONMENT



We recognise that our oil and gas business depends on, and can impact the natural environment in diverse ways. As a result, we consistently adopt a responsible approach to managing our dependence on and consumption of natural resources, as well as the impact that we make on the environment. The Niger Delta where we operate is an environmentally sensitive area due to historical issues of degradation of the ecosystem. For us, handling issues of environmental management with care, transparency and accountability is part of our operational DNA.

Environmental Stewardship

To ensure the sustainability of our business and the society, Seplat is committed to working to protect our planet for the present and future generations through minimizing our environmental impact. We align our operations to local and international environmental standards, processes and procedures on the use of natural resources, measuring and controlling our emissions and waste in all our operations.

In line with our tradition of transparency in business, which guides us in meeting regulatory standards and obligations, we consistently monitor and report our performance on environmental KPIs. For such disclosures, we report both positive and negative impacts of our operations. In addition, we periodically conduct environmental impact assessments and environmental evaluation studies, which are verified and approved by the relevant regulatory agencies, and guide our future operations.

As a demonstration of our commitment to continuous improvement in our environmental performance, in 2021, we invested in a new emissions reduction technology, GHG Emissions Tracker, which will help us to calculate our greenhouse gas emissions in all our operations. The tracker will also facilitate improved management of our carbon footprint including measurements, monitoring, and public reporting of our GHG emissions.

During the year also, Seplat acquired a licence for the Worldwide Generation G17 Eco Company Tracker, which is designed to help all stakeholders in the investment chain comply with sustainability regulations. When fully commissioned in 2022, it will help in mapping, monitoring, measuring, managing our sustainability performance - end to end, on one interoperable workspace. The licence will underpin Seplat's effort in digital monitoring, reporting and verification of our sustainability performance.

Major Environmental Protection Activities

In 2021 we sustained our Environmental Compliance Monitoring Programme in all field locations to ensure environmentally safe and sound operations and compliance with all regulatory requirements. Despite the impact of the COVID-19 pandemic, we successfully progressed Environmental Impact studies in six fields – Ovhor, Oben, Amukpe, Jisike, Ogume and Owu. We also conducted a NORM (Naturally Occurring Radioactive Materials) Baseline Survey. Also, we successfully hosted the regulatory inspection visits by NOSDRA (held annually) and FMEnv Environmental Compliance Monitoring and inspection.

The Company conducted IMO Level 1 Training for First Responders (CNA Class A Spill Response) and NEBOSH Environmental Management training for personnel.

In line with regulatory requirements, we sustained our membership of Clean Nigeria Associated Limited (CNA), a co-operative of oil-producing companies in Nigeria for the purpose of mutual assistance and pooling resources for control of Tier 2 spills.

Reducing Greenhouse Gas Emissions

We recognise that a stable climate is imperative for human existence and socio-economic progress. Seplat is committed to joining the rest of global E&P operators and institutions to mitigate runaway climate change and so address the existential threat it poses to human life on the planet. The Company is working to adopt TCFD-aligned reporting on governance and risk

management as an E&P operator. During the reporting year, we established and deployed a verifiable process for GHG emissions quantification to facilitate our monitoring of the effectiveness of the ongoing flare out projects. This will support our drive towards committing to setting a science-based target in line with the goal of net-zero by 2050.

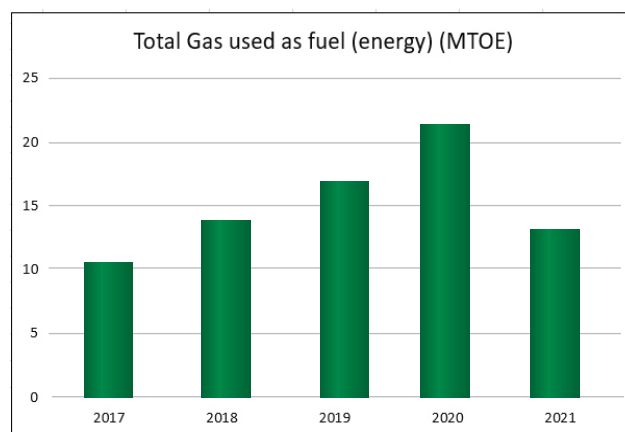


Figure 4: Total Gas Used as Fuel (energy) (MTOE)

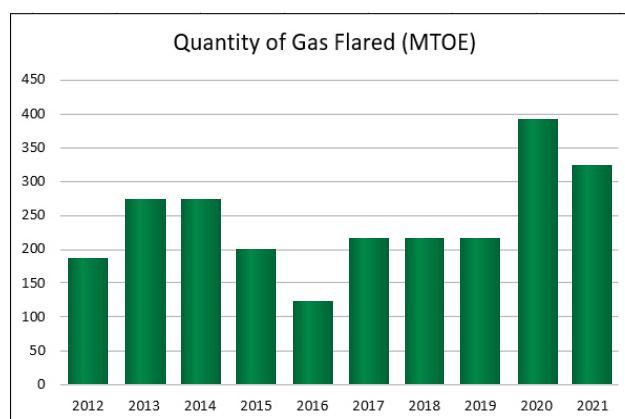


Figure 5: Quantity of Gas Flared (MTOE) (2012 - 2021)

Environmental Monitoring and Evaluation

We remain focused on our commitment to environmental protection and sustainability. This is achieved partly through our identification and evaluation of the impacts of our activities on the environment.

Based on the need to pre-empt issues of poor air quality among host community members in our area of operation, we intensified our monitoring of the quality of air from our operations in all our facilities. Summary of the trend of aqueous effluents and underground water as well as air quality monitoring carried out in 2021 in our facilities are presented in figures 6 and 7, respectively.

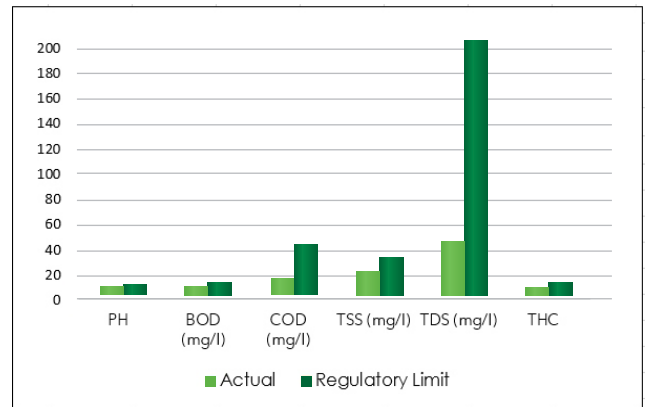


Figure 6: Summary of Aqueous Effluent Analysis in 2021

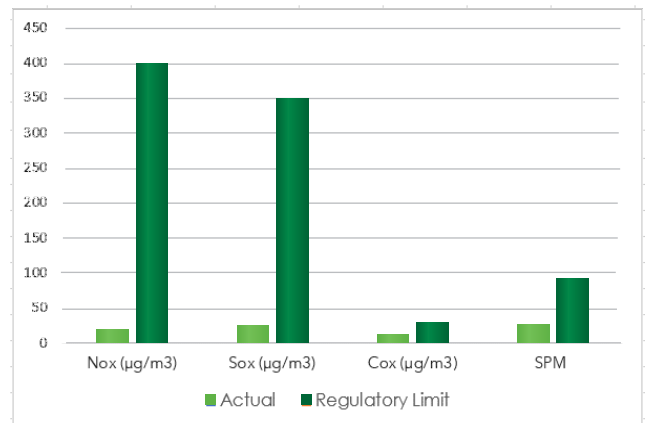


Figure 7: Summary of Air Quality Analysis in 2021



OIL SPILLS

Our proactive stakeholder engagement management and implementation of social investment programmes such as skill acquisition for unemployed youths have helped in keeping some previously restive unemployed youths away from pipeline vandalism.

Also, increase in the awareness of local community people on the dangers of environmental degradation, and our sustained surveillance on major pipelines and oil facilities have contributed in stemming oil spills due to sabotage. However, during the year we recorded 4 incidences of oil spills, of which 3 were due to equipment failure and operational leaks, while 1 was due to sabotage. The spills resulted in the loss of approximately 9.3 bbls of oil lower than the 12.8 bbls recorded the previous year. Figure 8 to 10 show the trend in number and volume of oil spills within our operational fields.

Total Oil Spills

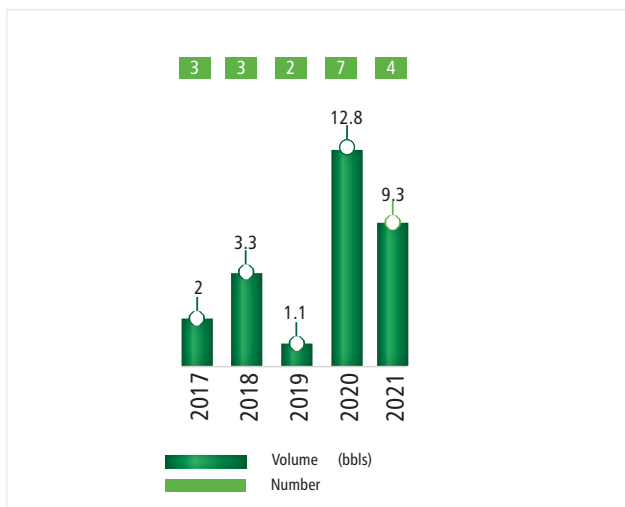


Figure 8: Trend of Total Number and Volume of Oil Spills

Operational Oil Spills

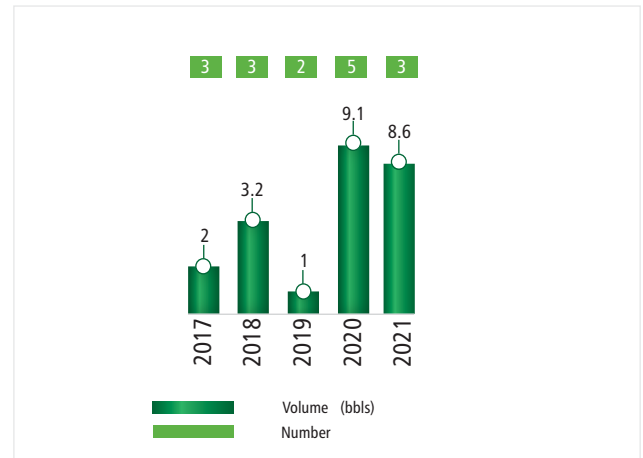


Figure 9: Trend of Number and Volume of Oil Spills due to Own Operations

Spills Due To Sabotage

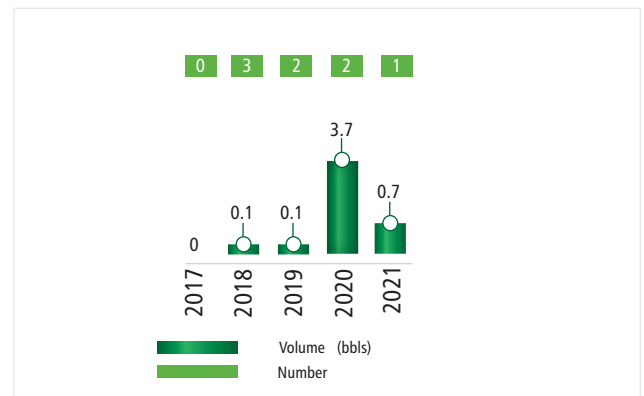


Figure 10: Trend of Number and Volume of Oil Spills due to Sabotage



WATER

We withdraw water mainly during production operations and also for domestic purposes. The dominant portion of the water produced in drilling operations is later treated and re-injected for further drilling. Conscious that water is scarce in many parts of the world, especially in water-stressed areas, we promote responsible and effective use of this resource. Figure 11 shows the volume of water consumed during our operations.

We operate an efficient water management system through improved Liquid Transfer Facility (LTF). Water injected was 73.75% of water produced compared to 57.36% injected the previous year. The total water discharged during the year was 7.06 MMbbls. The

water was treated to less than 5ppm oil in water/total suspended solids and re-injected into disposal wells with no adverse impact on the environment.

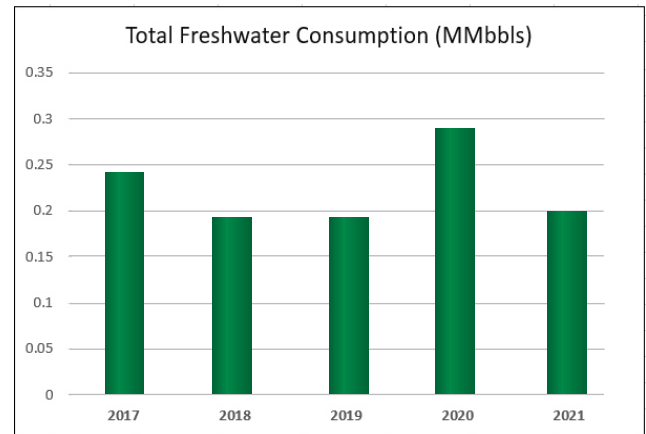


Figure 11: Total Volume of Freshwater Consumed (Mmbbls)



BIODIVERSITY PROTECTION

Seplat operates mainly at onshore and shallow water sites within the Niger Delta region where our activities have the potential to affect different ecological systems with impact on human, animal and floral habitat and living conditions. In managing our drilling and production operations, utilisation of natural resources and accessing pipeline networks, roads and vegetation in host communities, we ensure that we take care to preserve biodiversity. We assess the possible risks of influencing instability in the biodiversity and identify potential mitigation measures to adopt before we commence on any project.

We place priority on preventive mitigation measures to ensure that we maintain the original state of the ecosystem and where there are unavoidable distortions, we promptly deploy remedial steps to restore biodiversity.

None of our oil and gas development activities is located within the boundaries of Natural Sites included in the UNESCO World Heritage List. However, we

ensure that our operations take due consideration of reserved areas, valued traditional locations, and forests.

One of the causes of distortions in biodiversity is the incidence of oil spills, which can affect sources of water, aquatic life, farmlands, other vegetations and roads. Extreme care is, therefore, taken each time there are such occurrences, to embark upon thorough cleaning and other remediation exercises. When our operations affect the soil or vegetation for instance through oil spills or land excavations, we work to restore natural habitats and the ecosystems to their original state. This is done through soil replacement, planting of new vegetation or engaging communities in adopting desirable approaches to protect the physical environment around them.

In 2021, we successfully conducted 13 Post Clean Up Inspections (PCIs) of spill-impacted sites with National Oil Spill Detection and Response Agency (NOSDRA) for closeout/certification.

SEPLAT *Save* our Environment Champions

Seplat Save Our Environment Competition

Our Company introduced the Seplat Save Our Environment Competition during the year. The competition was open to individuals, teams and institutions that have shown exemplary progress and results with tangible concepts, programmes,

products, or services towards environmental protection. Participants were expected to show details of their environmentally sustainable activities and demonstrate their contributions to any of the 17 SDGs. The winning entries were announced at the 2021 Seplat Energy Summit.



Seplat Tree 4 Life Programme

Our Company unveiled plans at the 2021 Seplat Energy Summit to launch Seplat Tree 4 Life programme as a major sustainability initiative to promote biodiversity. The programme will complement the efforts of Nigeria to support the UN Decade for Ecosystem Restoration, and the activities of global environmentalists towards preventing, and reversing the degradation of tree ecosystems.

The Seplat Tree 4 Life programme will promote the planting of trees to replace and surpass the number of felled trees due to Seplat's operation, enable the Company to achieve carbon offset from its operations naturally, as well as facilitate the sucking up of greenhouse gasses and fight climate change. It will also

boost food security and alleviate poverty through the empowerment of local communities to plant economic trees to provide food, fight hunger and generate revenue without destroying the environment.

The Company will implement the Tree 4 Life programme through a two-prong approach: Advocating for Tree Planting and Protection, which will involve public enlightenment campaigns on the importance of tree planting and their responsibility for its success to support the SDGs. The second approach is the Afforestation /Restoration Programmes, which is anchored on Seplat's commitment to plant 1million trees annually with at least 75 percent as economic trees. The programme will be introduced in 2022.

SEPLAT ENERGY SUMMIT

Our Company hosted the second Seplat Energy Summit in 2021 with the theme, "Global Trends in Energy Transition: The African Perspective." The thrust of the summit was to provide the platform for panellists and other critical actors in Africa's energy sector to evaluate options for tackling Africa's energy deficit and robustly discuss concepts on energy transition, which Seplat is committed to driving. The summit covered issues on energy transition, climate change, advocacy and policy, funding of renewables, and the march towards net zero emissions.

Prof. Yemi Osinbajo, Nigeria's Vice-president, who was represented by the Minister of Environment, Sharon Ikeazor, expressed government's readiness to partner with Seplat, describing the Company as the flagship on issues of energy transition in Nigeria. He said that the transition is laudable as the Company has put the right leg forward and with others, will assist the country to meet its net-zero emissions plans by 2050 through the COP26 Energy Transition Council process.

Ms. Damilola Ogunbiyi, the CEO & Special Representative of the UN Secretary-General for Sustainable Energy, made a presentation on "Balancing Sustainability Revolution with Energy Poverty- Lessons from around the World," and noted that African countries must realise the opportunities inherent in transitioning to cleaner energy to improve energy access for the continent's growth.

The summit recognized the place of gas as a transition fuel and the need for Nigeria and other African countries with vast resources of oil and gas to pursue a just energy transition programme that takes account of their need to still depend on hydrocarbons for revenue generation while progressively investing in renewables.

At the first panel session during the summit, Mike Sangster, CEO of TotalEnergies Nigeria, raised concerns about the capital cost of renewable energy which he claimed was much higher than the capital cost of traditional energy although the recurrent cost of renewable energy was cheaper.

The summit also discussed the possible sources of funds from the capital market for investment into renewables. In addition, private firms can embrace bonds as a veritable funding means towards raising capital for the energy transition. On the issue of funding, Miguel Azevedo, Citigroup's head of investment banking for the Middle East and Africa, said the gospel of renewable energy will force the development and creation of a democratised system for Nigeria's energy sector.

The panel moderator for one of the sessions, Ms. Arumna Oteh, a former Vice President of the World Bank, former Director-General of the Securities and Exchange Commission (SEC), and a non-executive director at Seplat, said that energy transition is a challenge for everyone and enjoined all to key into Seplat's drive for clean energy. She also noted that there were global funding means including a N40tr energy access fund globally for countries driving climate change to leverage on.

At the summit, Seplat disclosed its commitment to playing a key role in its partnership with the Nigerian government to achieve the nation's energy transition plan with respect to universal access to energy, zero carbon emissions, and industrialization.



Seplat also made a commitment to ensure that over 2.8 million metric tonnes of carbon and other emissions are reduced through flare out by 2024. Also, the Company promised to launch its Tree 4 Life programme by Q1 2022 as a major sustainability initiative to absorb carbon emissions with multiple benefits for society and the environment.

The Company leveraged the summit to unveil its new logo reinforcing its transition from an E and P operator to an energy solutions provider. The Chairman of Seplat Energy, Dr. A.B.C. Orjiako, noted that transitioning to an energy company aligns with global trends in energy transition where there is proactive planning for a world where fossil fuels will start to decline in the global energy mix. It also aligns with the Company's renewed focus on the entire energy value chain with an emphasis on cleaner and more sustainable forms of energy to power Nigeria.

Mr. Roger Brown, Seplat Energy CEO, informed the audience that the name change reflects the Company's belief that the greatest opportunity ahead was to



supply the right mix of energy for Nigeria's young and rapidly growing population.

The summit was attended by ministers, governors, members of the National Assembly, royal fathers of Seplat Energy's host communities, leaders of public and private institutions, investors, and heads of shareholders groups.



ENERGY CONSUMPTION

Direct and indirect use of energy, though inevitable for creating prosperity, is a sure way of depleting natural resources and influencing GHG emissions. At Seplat, our performance in the use of energy is part of the indices for defining operational excellence. We encourage thinking sustainably in the context of energy consumption across the supply chain. We use mainly electrical energy for most of our operations. Our goal is to reduce GHG emissions in production processes by increasing energy efficiency.

Currently, we are working to improve the capture of energy consumption in real time as a way to monitor and control the use of energy in our various functions. The Company will work to deploy appropriate technology to capture total direct energy consumption within the organisation, total indirect energy consumption within the offices, as well as energy consumption outside of the business (transportation, domestic etc).

WASTE MANAGEMENT

We continue to take extreme care in managing and disposing our wastes. This year we have sustained our disclosure of waste generation and management. We have reported the total weight of hazardous and non-hazardous waste generated in our operations. During the reporting cycle, we generated 127.05 metric tonnes of non-hazardous waste against 3076 metric tonnes generated in 2020.

Also, we generated 98.61 metric tonnes of contaminated/hazardous waste, which was 13 percent lower than the 114 metric tonnes generated in 2020. Part of our non-hazardous waste was disposed through conversion to compost, which will support agriculture, while the balance was recycled. In line with the principle of the circular economy, we will work to increase the amount of waste recovered and reused in operations. Through investments in appropriate technology, we plan a significant reduction in hazardous waste generated in 2025 relative to 2011 when we started full operation. Figures 12 and 13 show the profile of our wastes.

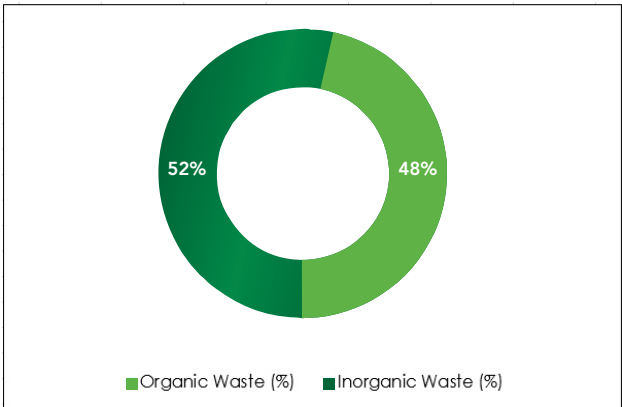


Figure 12: Breakdown of Organic and Inorganic Waste Generated

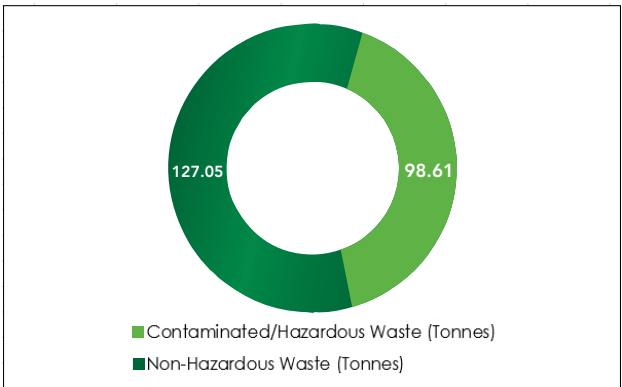


Figure 13: Hazardous/Non-Hazardous Waste Generated in 2020 (tonnes)



PEOPLE

Anchored on our shared value philosophy, we are committed to contributing to the global ambition to ensure that all human beings can fulfill their potential in dignity and equality, in a safe and healthy environment.

Safety	→ 60
Health	→ 62
Engaging Our People	→ 63
Skills For the Future	→ 64
Human Rights	→ 65



SAFETY

Safety remains a premium and an enduring value at Seplat, among our employees, contractors' personnel, business partners, members of our immediate host communities and visitors to our facilities. It is the topmost priority of the Company. We are strongly committed to our golden rule of safety first, zero accidents and zero incidents. The Company promotes a safety culture among our workforce company-wide.

Our Safety Leadership initiative goal of the Seplat Business Improvement Programme (SBIP) was designed to set standards of safe behaviour in the entire organisation and motivate all staff and contractors to strive for minimal risk-exposure; and to systematically establish a sustainable culture of safety among the workforce.

Great emphasis is laid on process and personal safety and we take necessary steps to provide a safe working environment to prevent all forms of accidents and harm to our people. Through regular training and the provision of safeguards and critical information at hazard points, we continue to remind workers of their personal roles in ensuring safety at all times.

Our Safety Performance

Our safety procedures and practices are well aligned and supported with our HSE management systems, which are applied across the organisation. While we train new managers and staff on our HSE policies, procedures and processes; we retrain longstanding staff on special areas on safety such as accident prevention, fire fighting and use of Stop Work Permit.

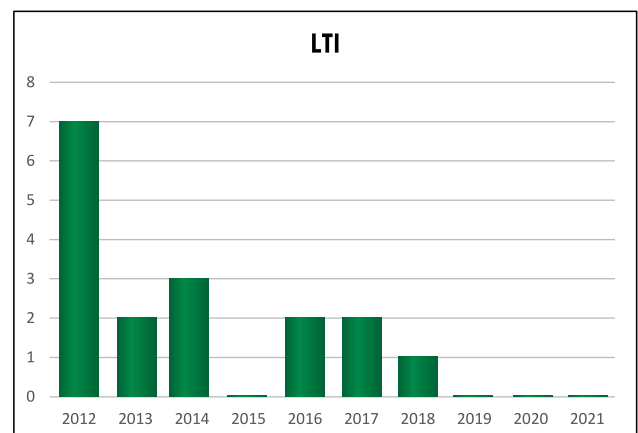


Figure 14: Lost Time Injury (LTI) (2012-2021)

Seplat recorded zero Lost Time Injury (LTI) and zero Lost Time Injury Frequency (LTIF) in all our production. During the reporting cycle, we recorded zero employee fatalities for the ninth consecutive year. Figures 14 and 15 show our performance on LTI, LTIF, and Fatalities.

Accident Prevention

We sustained the implementation of our operational safety framework in all facilities during the year. In line with our efforts to keep accidents and incidents at zero levels, the use of Permit to Work was also emphasised in all locations. Going forward, we will continue to strengthen our HSE management and maintain effective supervision of activities among contractors and drivers to eliminate accidents in our workplace.

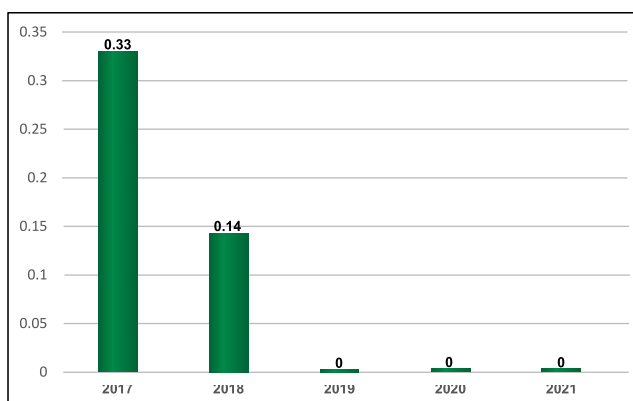


Figure 15: 5-Year Lost Time Injury Frequency (LTIF) Trend



Figure 16: Trend of Total Fatalities



Figure 17: Trend of Employee Fatalities

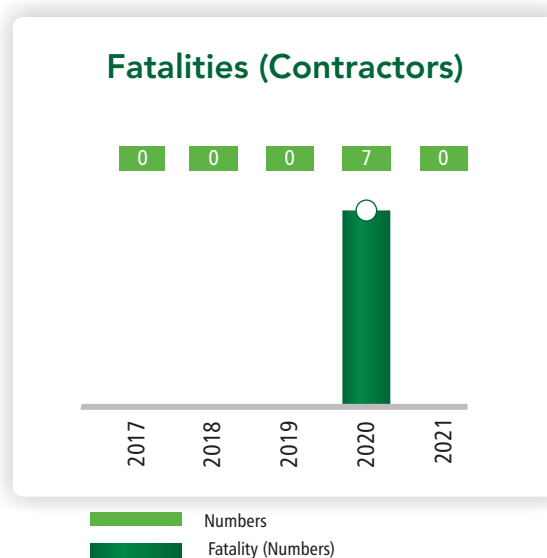


Figure 18: Trend of Contractors Fatalities

HEALTH

Apart from safety, Seplat also prioritizes the health, mental, and social wellbeing of all the people in our value chain. We are committed to providing for the health and wellbeing of our employees and their families while we uphold their rights to adequate physical and mental wellbeing. We have a robust and effective health management policy that is designed to engage top-rate Health Management Organisations (HMOs) who offer excellent healthcare services to all our employees and families as well as contractors' personnel.

During the year, we continued to provide comprehensive health services and access to all employees. We provided 24-hour clinical coverage in all our areas of operation with standby ambulances for emergencies. In addition, employees and guests were encouraged to be more proactive towards a healthy lifestyle via health campaigns and provision of biometric monitoring equipment in all facilities. Virtual personal fitness programmes were provided for personnel who were remotely working while fitness gyms were provided in our field logistic bases.

Issues that impact on occupational health of our workforce are taken as a priority while we continuously lay great emphasis on preventive measures in our healthcare management approach. We encourage all our employees to maintain excellent health and wellbeing through promotion of good work-life balance, regular exercise and periodic monitoring of their vital signs and health status. Based on the periodic health checks that are conducted company-wide, we are able to promptly identify possible health risks that employees might face in their work situations.

Promoting Occupational Health

Our approach to healthcare management is based on the belief that only a healthy workforce can deliver the expected high level of productivity that matches our growth projections. We encourage the workforce to be aware and to take care of their physical wellbeing without neglecting their psychological health and wellness. To achieve this, employees are offered a wide range of options in choosing their preferred HMOs.

Our employees and their family members have continuous access to our HMOs while our on-premises clinic facilities cater to the immediate occupational health needs of employees and contractors.

Response to the COVID-19 Pandemic

We continued to support efforts to stem the spread of COVID-19 pandemic and building awareness of the virus among our workforce and their families. We also encouraged strict adherence to the protocols to prevent the spread of the virus in the workplace.

Stemming the Spread of the COVID-19 Pandemic

- Sustained all measures to protect our personnel and operations from the spread of the virus
- Launched a Vaccine campaign
- Infrared thermometers, hand sanitizers and face masks were deployed at all operating locations for distribution and use.
- Engaged the services of NCDC-approved laboratories and hospitals for provision of PCR testing and clinical services for positive cases.
- To promote operations continuity, base offices leadership sustained the coordination of PCR testing /isolation in a manner consistent with the overall Seplat strategy and ensured unhindered operational activities at field locations.



ENGAGING OUR PEOPLE

Human Resource Management

Seplat Energy provides a work environment that promotes human dignity, equality, fairness, human rights, and provides the right skills for the present and future generations. Our labour policies and human resource practices are aligned with the Sustainable Development Goals, which put people first and seeks to ensure "that all human beings can fulfil their potential in dignity and equality and in a healthy environment." Our approach to labour management is also aligned with international labour laws and protocols such as the International Labour Organisation Charters.

To further consolidate the Company's commitment to embedding strict corporate governance (Anti-Bribery & Corruption Policy, Code of Conduct, Whistle Blowing etc.) practices, the online Corporate Governance Re-certification formed a part of the 2021 scorecard for all employees.

We work to engage and develop our workforce, ensure that they possess the capacity to deliver on their tasks across the value chain while adequate compensations are given for their performance. We are driven by the fact that people are our greatest asset and that they are responsible for ensuring that our sustainability aspirations are realised. They contribute both financial and non-financial value that are critical for our business performance, the desired competitive advantage, and help to mitigate risks. In addition, they work to build and nurture relationships as well as sustain our social licence to operate. Figure 19 shows the age distribution of our employees.

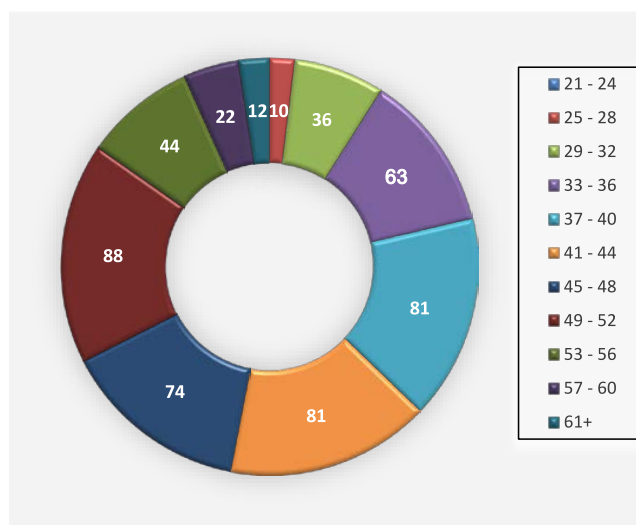
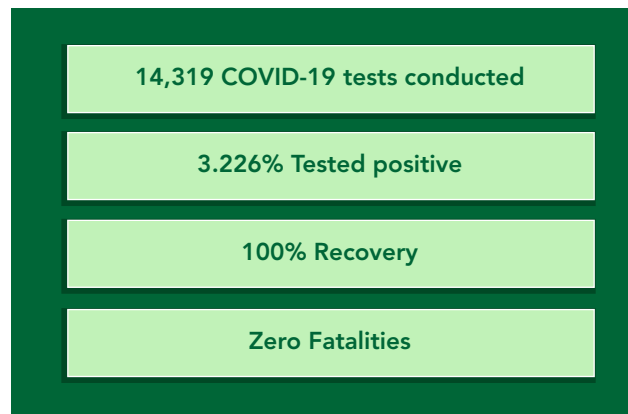


Figure 19: Age Distribution of Regular Employees

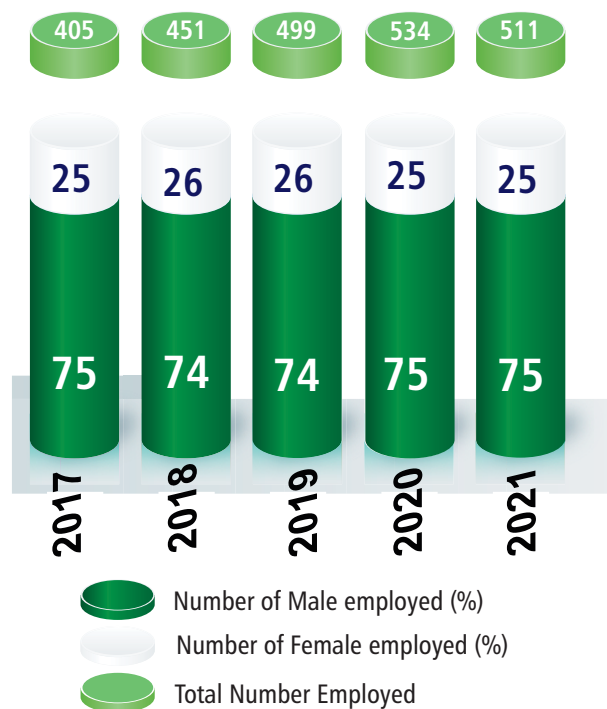


Figure 20: Percentage of men and women employed in 2021

SKILLS FOR THE FUTURE: EMPLOYEE DEVELOPMENT

We invest in training, education and skills improvement of our employees to address the skills gap challenge, optimize human resource management and help attract and nurture the best talents. These have a positive impact on employee motivation and enhanced productivity. To fully realise our commercial goals and our sustainability aspirations, we support a culture of continuous learning to develop the right skills amongst employees at all levels within the Company.

We continued the implementation of a robust people development plan including, learning & development, coaching, and experiential learning. We standardized our Competency Framework, revamped our Learning Management System, and partnered with selected universities to expand learning opportunities for our employees.

Employee Assistance Programme

We strengthened our Employee Assistance Programme (EAP) in our continued commitment to employee welfare and wellbeing especially as there were major disruptions to operations and family lives due to the COVID-19 pandemic. The programme is designed to identify, prevent and resolve organisational and employee issues in order to improve job performance by promoting psychological, emotional and physical wellbeing of employees, dependants and the work environment.

The Employee Assistance Programme provides counselling services for both our employees and their dependents, catering to their general wellbeing.



HUMAN RIGHTS

Respect for the rights of individuals, communities and other groups are well embedded in our business approach and conduct. We can only create premium shared and sustainable value on an enduring basis if we are able to build and maintain partnerships, which are underpinned by giving due respect to people with integrity. We believe that sustainable relationships among employees and between our employees and third parties must be built on showing respect to all people without discrimination.

Respecting Human Rights

As a responsible business organisation, we respect the rights of our workers including their right to exercise freedom of association and collective bargaining. Our governance structure supports these human rights and promotes decent conditions at work. We believe that freedom of association and collective bargaining are the basis for all human rights in the workplace. They create the platform for agreements between the management and employees on acceptable wage, decent and equal opportunities, and other work conditions.

Seplat endorses international agreements and protocols including the United Nations Guiding Principles on Business and Human Rights, and we are committed to respecting the rights of stakeholders in all our operations and business conduct.

Our employees receive periodic training and knowledge-sharing on human rights issues, which help them to avoid possible risks of human rights abuses and violations in the workplace. Such training is also designed to help employees understand the importance of respecting the fundamental rights of individuals in their work environment.

We understand and respect the different backgrounds and cultures of people, which influence their perception and the way they relate with others including institutions. This understanding drives our commitment to respecting people's rights and influences the way we do business and relate with people. We promote a culture of openness, mutual

respect and harmony among employees, which are imperative for building teamwork and excellent interpersonal relationships for optimal productivity.

Our operations are guided by adherence to relevant international standards and protocols such as the United Nations Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, International Covenant on Economic, Social, and Cultural Rights, as well as Convention on the Elimination of all forms of Discrimination Against Women, International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, among others.

We have a Modern Slavery Statement which is pursuant to Section 54 of the Modern Slavery Act 2015. This statement is designed as a safeguard to prevent us from being exposed to the risk of instances of modern slavery and human trafficking. We also align our activities to the Voluntary Principles on Security and Human Rights, which provides guidelines to exploration and production companies on human rights risk assessments regarding safety of people and assets. Relevant aspects of the principles are highlighted to contractors, vendors, suppliers and other service providers during our annual Vendors Forums.

Diversity and Equality

Seplat promotes diversity and equal opportunities in the workplace. As an equal opportunity company, our human resource management approach focuses on providing equitable opportunities to employees in recruitment and the workforce, in relation to gender, race, age, ethnicity, and physical ability; and creating an environment where all employees feel valued and respected and receive fair compensation and benefits for their involvement in value creation.



PROSPERITY

We are responsive to our obligation of creating prosperity for our stakeholders through our investments and operations, to support the aspiration for all human beings to enjoy prosperous and fulfilling lives, and to drive sustainable social and economic development without losing focus on our responsibility to the planet.

Promoting Economic Impact	→ 67
Value Generated and Distributed	→ 68
Employment and Wealth Generation	→ 69
Managing Risk due to Climate Change	→ 69
Supply Chain Management	→ 70
Local Content Development	→ 71
Community and Social Vitality	→ 72



PROMOTING ECONOMIC IMPACT

Seplat plays a critical role in helping to drive social and economic development through the energy we provide. Our exploration and production activities provide the energy solutions that support social life and drive economic activities and development. We earn foreign exchange through the crude oil we export to foreign buyers while 100 percent of our gas production is supplied to the domestic market and is used mainly by our power generation clients.

The oil and gas we produce provide energy to improve living conditions in homes and drive the national economy through facilitating transportation, domestic and industrial lighting and heating as well as running of social services. Through the engagement of a wide range of contractors, vendors and other business partners we make both direct and indirect economic impact on their income generation capacity. Local contractors and vendors in our host communities are not left out.

The taxes and royalties we pay support the government in providing healthcare, education, transportation and other social services needed to develop the society. In addition, we generate premium value for our investors, employees, business partners, and the communities where we do business. For the communities where we operate, part of our social investments is directed at providing for the huge deficit of basic infrastructure and services from the government. With population growth and the need for energy to drive social and economic development, the role of Seplat will remain vital in the short-term and long-term.

Seplat's business activities during 2021 both in the areas of oil drilling and production, and gas production expanded social and economic impacts on our various stakeholders resulting in direct, indirect and induced impact as shown below:

DIRECT EFFECTS	INDIRECT EFFECTS	INDUCED EFFECTS
Impact made directly by our activities on the value chain	Impact made by the activities of local suppliers	Impact made at the socio-economic level
<ul style="list-style-type: none"> Purchases of goods and services Wages to employees Taxes paid 	<ul style="list-style-type: none"> Purchases of goods and services by the supply chain Salaries to employees of the supply chain Taxes paid by suppliers 	Effect of domestic consumption and expenditure from the employees of Seplat and suppliers on the economy

VALUE GENERATED AND DISTRIBUTED

Direct economic value generated during the reporting period came through sales of crude oil to international buyers and sustained supplies of gas to the local market. The high level of economic activities involving drilling campaigns, construction work at the ANOH gas plant and new Sapele gas plant, provided direct economic impact to contractors and other third parties

engaged in the projects.

The breakdown of the Statement of Value Added, which is a reflection of the direct economic value generated and distributed are captured on Tables 2 and 3. Some other financial indicators are shown on page 86 of this report: Performance data.

Statement of Value Added

DESCRIPTION	2021 (US\$'000)	2020 (US\$'000)
Revenue	733,188	530,467
Other income	20,118	83,864
Finance income	314	1,671
Cost of goods and other services: Local	(186,526)	(284,712)
Cost of goods and other services: Foreign	(124,350)	(189,808)
Valued added	442,744	141,482

Table 2: Statement of Value Added

Applied as follows:

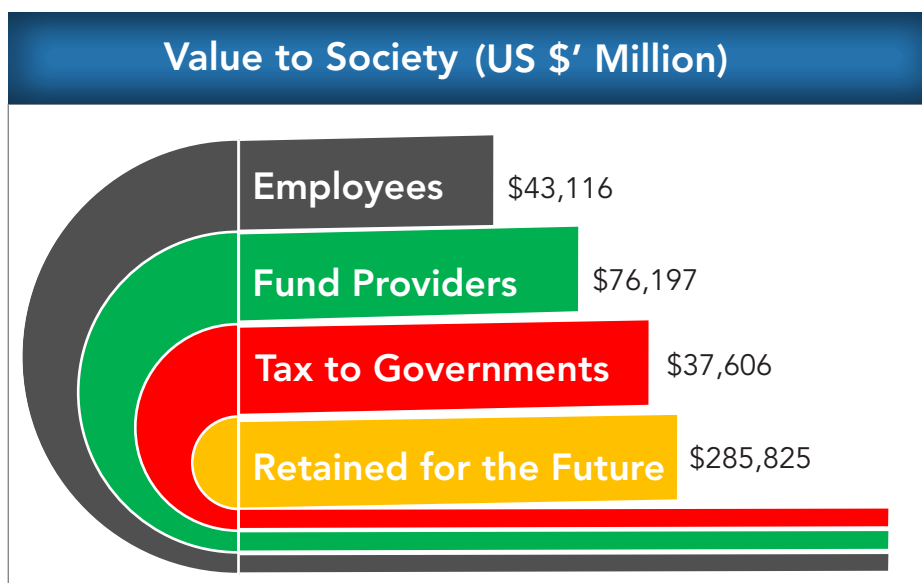


Table 3: Direct Economic Value Distribution

EMPLOYMENT GENERATION AND WEALTH CREATION

Since we commenced operation, the need for employment opportunities and wealth creation in our host communities has remained a dominant materiality issue during our content selections processes. This is obviously due to the pervasive challenge of growing youth unemployment and poverty. In response, Seplat has consistently supported and invested in initiatives that promote job creation such as our Skills

Acquisition Programme. Besides our involvement in employment generation, economic empowerment and other CSR initiatives targeted at host communities, we remain committed to creating significant economic value for our investors, employees, and the larger society.

MANAGING RISK DUE TO CLIMATE CHANGE

Nigeria continues to witness high temperatures, ocean surges, flooding, erosions, and migration of citizens from the Lake Chad region due to the drying up of the Lake; and desertification, which are all effects of climate change. Although the level of GHG emissions in Nigeria and the current impact of climate change are among the lowest in the world, Seplat will continue to demonstrate leadership in responding appropriately to reduce our environmental footprint as a way to preempt the adverse effect of the unwanted phenomenon of climate change.

Seplat is keeping issues of possible risks of future effects of climate change to life on our planet and on economic systems among those top on the agenda of our research and development efforts. Against the threat of climate change, in line with our responsible and responsive approach to core sustainability issues, we took a strategic step to carry out a first stress test of the resilience of our portfolio in January 2021. The test affirmed the resilience of our business to a low-carbon energy transition scenario. We plan to carry out a second stress test in 2022 using at least two future climate scenarios, including the IEA's Net Zero Emissions by 2050 Scenario.

With the oversight of some Board committees, climate change risk has been captured as a high profile risk in our Enterprise Risk register and we have provided approximately US\$34.43m, 16.35% of our total CAPEX budget, for decarbonisation and emissions reduction projects in 2022.

Driving Economic Development

In Nigeria as in many countries of the world, the micro, small and medium enterprise (MSMEs) segment of the economy is the main driver of economic growth as it employs a dominant part of the national labour force. With the inability of the government and the real sector to create adequate employment opportunities for many young graduates, this sector of the economy is experiencing phenomenal growth in number and value.

In the near future, the demand for energy to satisfy the social and business demands of this sector will be substantial. As a result, Seplat's growing investments especially in gas production will help provide energy to this group, which will facilitate job creation, drive economic development and generate revenue for families, communities and the government.

The commissioning of ANOH and the Sapele gas plants with the anticipated improvement in power supply, will be of particular benefits to this category of business enterprises. Availability of energy to the private sector will result in a multiplier effect with significant impact on the national economy: manufacturers, agribusiness operators, banks, telecommunication companies and other operators in the organised private sector, who currently generate a large share of their own power requirements, will deliver more value to the economy.

SUPPLY CHAIN MANAGEMENT

Our Company deploys a robust supply chain management system and logistic backup across the supply chain to ensure cost-effective and timely supplies of all the goods and services required in our growing operations. Due to the volatile oil price environment and rising costs occasioned by the coronavirus pandemic, we evolved strategies on smarter cost estimation, benchmarking, contracting and negotiation skills, prompt delivery schedules and efficiency in managing a vast number of local and international suppliers.

We executed delivery of contracts and materials for various business activities including the alternative export route, gas flare capture, gas processing installations at ANOH and Sapele gas plants, the LPG project, and others.

Our supply chain management and contracting approach has facilitated the growth of local vendors and contractors in Nigeria. As a matter of policy, a deliberate effort is made to encourage and develop contractors and vendors from local communities who have the competences to deliver relevant projects. This has helped in enhancing the revenue generation capabilities of local vendors and their potential to impact their various communities. In 2021, local community vendors and contractors were awarded contracts valued at over N733 million, which were satisfactorily executed.

Sustainable Procurement Policy

Seplat through the Supply Chain Department worked to create and increase awareness and understanding of suppliers on their ESG performance imperatives to ensure that their activities align with ours in supporting sustainable development. We developed the Sustainable Procurement Policy and Vendor Code of Conduct.

The policy aims at establishing the procedures for the sustainable procurement of goods and services for our operations. It will apply to all goods and services supplied by all vendors as well as their own vendors or sub-vendors. Going forward, our technical evaluation

criteria will include credentials around: Environmental, Social and Governance (Ethical) considerations.

The awareness of the ESG performance imperatives was created during the 2021 Vendors' forum with the theme "The Next Normal: Sustainability, Digital Transformation and Energy Transition." Different sections of the event focused on the ESG performance imperatives. The Sustainable Procurement policy, its implementation, the roles of vendors in sustainability, and benefits were explained in detail to the vendors present at the event.

Vendors Forum

Through our annual organisation of vendors forums we engage our vendors, with a good representation of suppliers from our host communities, and update them on issues bordering on Seplat processes and systems and how they affect the vendors. It is an opportunity for Seplat's top management to meet with our vendors who are strategic partners in the achievement of our business goals. The forums offer the Company the opportunity to obtain feedback from the vendors on our vendor management processes. We organised the 2021 version of the annual vendors forum which was attended by over 1000 local vendors.

Creating Opportunities for Local Suppliers

We have taken deliberate and strategic steps since inception to support the development of skills of local contractors and suppliers who have built capacities and expanded their supply scope to the extent that they can work for other operators including international oil firms. In some bids that involve local contractors including women, a deliberate effort is made to award contracts to local bidders even if their bids are within 10% margin higher than the average external bids. This is a way to encourage the local contractors so far quality is not compromised.

LOCAL CONTENT DEVELOPMENT



Seplat is committed to full compliance with the Nigerian Oil and Gas Industry Content Development Act, which seeks to increase the deployment of local materials and resources in the nation's oil and gas sector. The Act reflects the total value added or created in the Nigerian economy through a deliberate utilisation of Nigerian human and material resources for the provision of goods and services in the oil and gas industry, which can be measured in monetary terms. The goal of the Act is to stimulate service providers to invest in new infrastructure or expand existing facilities in order to increase market share for Nigerians, create local competition, improve product quality, enhance operational efficiency and drive costs down in the medium to long terms.

The local content policy since its establishment has played a key role in the advancement of the Nigerian Oil and Gas Industry, giving first consideration to Nigerian independent operators and creating a platform for Nigerian firms to make significant contributions towards the growth of the Nigerian economy.

During 2021, we established the Community Vendor Contracting and Procurement Policy (CVCPP), which is designed to consciously create access to contracting and procurement opportunities for host community vendors. To create optimal awareness among local communities, we engaged in a sensitization Supply Chain Management roadshow event to the communities. We used the opportunity to organise training sessions for local vendors on company tools used for tender responses.

We also created a closer relationship between the Community Relations team and the Vendor Management team towards meeting community vendor requests promptly. So far, we have demonstrated a strong commitment to developing local content. This is reflected in the use of local materials and resources in production, and in the value added brought by Seplat to the socio-economic activities within the country.

COMMUNITY AND SOCIAL VITALITY

Our business approach promotes various contributions that support the social fabric and vitality of the communities where we operate, directly through our investments, and indirectly through taxes paid to help finance government services for those communities. We also make cash and in-kind donations, and implement high-impact social investments to enhance living conditions of the local communities.

Our relationship with the society is one of mutual benefit. While our investments and commercial activities yield benefits to the society, we draw our pool of talents, enjoy public goodwill, and source our materials from it. We take advantage of our position as a responsible and highly visible unit within the society to make impact on stakeholders. We are obliged to fulfil our roles to support the social fabric and advance the socio-economic development of the communities in which we operate.

Engaging with Communities

We explore ways of contributing to the progress and prosperity of the society especially our host communities and other critical stakeholders without compromising our responsibilities to the environment. We work with community development committees (CDCs) or other representatives of the benefiting communities in identifying areas of our intervention with our CSR programmes. Such programmes help in strengthening relationships and partnerships with stakeholders in these communities and underpin our social licence to operate. We engage the government, civil society, the media and community leaders during our social investment programme implementation process.

Areas of our social relationship interventions include poverty alleviation, vocational training for the economic empowerment of women and youth, healthcare, education, access to water, infrastructure development and award of scholarship to students in post-primary and tertiary institutions, among others.

The involvement of local contractors and youth in executing community development contracts and

working in the project sites also help job creation, revenue generation and advancing the course of sustainable development within these communities.

Community Relations

The Company has had a peaceful and mutually beneficial relationship with our host communities. One of the key drivers of the effective community relations practice is our strict adherence to the provisions of the Global Memorandum of Understanding (GMOU) with our host communities, which clearly defines the roles of the Company and our host communities and the areas of engagement between the two parties.

Seplat's approach to community relations has facilitated the establishment of an enduring congenial and non-interruption in our operating environment within all our host and pipeline communities. It has helped in building and sustaining strong relationships and partnerships with various cadres of community people. As a result, we have operated without interruptions to our activities.

2021 Open Forum

We held the 2021 edition of our annual Open Forum with over 300 participants drawn from communities, representatives of government agencies and other stakeholders from Delta and Edo States. Participants also included host Oil and Gas Producing Communities Forum (an umbrella body for oil and gas producing communities in OMLs 4, 38 and 41), and some senior managers of Seplat.

The Forum reviewed Seplat's 2021 community relations and CSR programmes and performance and the progress made on various community development projects embarked upon by the Company in partnership with relevant communities.

Key CSR Intervention Programmes

We implemented most of our signature CSR programmes in various communities during the year. These programmes have continued to be impactful in meeting some of the key needs of community

stakeholders. They are well-received in all the communities.

We implemented the Eye Can See programme, which offers free eye surgeries, eye glasses and treatment of patients with various eye conditions. We also activated the PEARLs Quiz, Seplat Teachers Empowerment Programme (STEP), national undergraduate scholarship awards, Skills Acquisition Programme, and Seplat Youth Entrepreneurship Fellowship Programme. Details on the implemented initiatives are provided in the following section.

Eye Can See Programme

One of the identified needs of many community people is the lack of affordable healthcare and eye care services. Since 2012 when we introduced the Eye Can See initiative, we have delivered high quality eye care solutions to these vulnerable groups, providing them free eye surgeries for the removal of cataract, prescription glasses and medical treatment of various eye diseases.

In 2021, we performed 301 surgeries, distributed 2,800 prescription eye glasses, while 6,032 persons were screened and treated for various eye conditions. Up to 2021, our Eye Can See programmes had impacted over 121,157 community people with various eye conditions. These included 3,765 eye surgeries, 46,555 reading glasses, and 70,837 patients who received free treatment for various eye challenges.

PEARLs Quiz Programme

During the reporting period, Seplat implemented the 11th edition of the PEARLs (Promoting Exceptional and Respectable Leaders) Quiz, a literary programme aimed at promoting and rewarding academic excellence while raising the quality of education of secondary school students in Delta and Edo states where we operate. The initiative aligns with the achievement of Goal 4 of the SDGs, which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. It was designed among other reasons, to rekindle the spirit of

academic excellence and healthy competition in our youths by encouraging and rewarding scholarship spirit and inculcating the principles of teamwork and hard work among students.

A total of 781 secondary schools, 3,905 students, and 781 teachers participated in the competition. After rounds of rigorous and challenging stages of the competition, four schools emerged and advanced to the last stages. Peniel Academy, Delta State, emerged the overall winner and received the star prize of N7 million. The second prize of N3 million was awarded to Pioneer Education Centre, Benin-City, Edo State, while Igbinedion Education Centre, Benin City, received N1 million for the third position. The three competing students from each of the three winning schools got cash rewards of N100,000; N75,000; and N50,000, respectively. Other prizes given out included laptops, android tablets, and scholarship award to students of the participating schools.

Since the launch of the PEARLs Quiz in 2012, 49,045 students have been positively impacted by the programme. The Company has through the PEARLs Quiz initiative provided scholarships to many students. Also, many schools have benefited with a boost to their infrastructure. Projects donated to winning schools so far include language laboratories, four brand new 16-seater buses, three new school roofing, block of classrooms, five computer laboratories and others.

Seplat Teachers Empowerment Programme (STEP)

In our continued drive to contribute towards the improvement of the quality of education in our host States of Delta and Edo, we sponsored the 2nd edition of the Seplat Teachers Empowerment Programme (STEP) targeted at secondary school teachers. STEP was designed to promote teachers' creative thinking, allow for higher student engagement, and offer a well-rounded education for recipients of the programme.

The initiative commenced as a five-day residential workshop and continued online for another six months. It is specially designed for teachers, training them on



teaching applications for Science, Technology, Engineering, Arts and Mathematics (STEAM) as well as leadership and self-improvement training.

In 2021, 214 teachers and 6 Chief Inspectors of Education drawn from Delta and Edo States participated in the programme. Each one received free tablets loaded with customized training modules on efficient methods and applications to aid pedagogical reasoning and quality delivery. It also provided the teachers access to inclusive learning, highlighting best techniques and practices for implementing STEAM teaching methods.

Support to Higher Education

The economic, social, and political dynamics of any society is largely hinged on the qualitative education of its citizenry. At Seplat, we understand that many bright people exist who would love to attend quality schools but are unable to do so perhaps because of lack of funds or a sponsor. Against this backdrop, the Company partnered with the Sapele Okpe community in Delta State to build and commission the National Open University of Nigeria (NOUN) Sapele Teaching Centre. In line with our objective, the centre will bring

qualitative higher education closer to the local communities in rural and urban areas of Sapele and beyond.

Scholarship Award

In 2021, 120 new students of Federal and State universities in Nigeria were given grants in the Undergraduate Scholarship Programme of the Company. Scholarships were also awarded to post-primary school students in our host communities in Delta and Edo States. As at the end of 2021, a total of 3,535 students had benefitted from our university scholarship scheme.

Seplat Education Roundtable

As a demonstration of Seplat Energy's sustained commitment to supporting the development of the education sector in Nigeria, in line with goal 4 of the SDGs, the Company hosted the annual Seplat JV Education Roundtable with the theme: Provision of Quality Education, A National Priority. It was designed to explore the right policy formulation for quality education in Nigeria. The event took place during the presentation of certificates to teachers and chief

inspection officers who had been specially trained by Seplat on modern teaching methods under the Seplat Teachers Empowerment Programme (STEP).

The Roundtable created the platform for experts in the education sector to engage in a highly interactive and productive panel discussion aimed at proffering ideas on how some of the challenges facing educational development in Nigeria could be addressed. The Roundtable evaluated the state of education in Nigeria and concluded that society must appreciate and show esteem for teachers while greater efforts should be made by governments and other stakeholders to enhance the quality of education through the provision of adequate funds and infrastructure to improve the quality of teaching and learning.

The keynote speaker at the event was Professor Ngozi Osareren, a former Commissioner of Education in Edo State. She urged the recipients of STEP to utilize the

acquired knowledge to make a positive impact on their students whilst remaining change agents, mentors, and character builders for their students. Professor Pat Utomi, an erudite scholar, teacher, and development economist, moderated the event. He encouraged teachers to continue to exhibit a strong passion for their profession with a strong commitment to sustaining the future generation.

100 secondary school teachers and 43 Chief Inspectors of Education were awarded certificates during the event. The Seplat Teachers Empowerment Programme provides training on teaching applications, leadership, enhancing creative thinking and allowing for higher student engagement, self-improvement as well as offering a well-rounded education.



Youth/Women Empowerment Programme

Women and youth constitute a major block in the provision of labour especially at the grassroots level. One of the key pillars of our delivering shared value to society is the economic empowerment of this category of stakeholders. This is because of their significant roles in commercial and productive activities. In line with Goal 8 of the SDGs, which aims to promote inclusive and sustainable economic growth, full and productive employment and decent work for all, we implement several sustainability-related programmes to empower community youths and women economically. Annually, we invest in vocational training for women and youth while we make grants to help graduates of our skills acquisition programmes to set up and run their own enterprises.



Skills Acquisition Training Programme

The Seplat's Skills Acquisition Programme (SAP) is an entrepreneurial skills development initiative. Its main objective is to train unemployed youth and women beneficiaries on chosen skills to enable them set up micro, small and medium enterprises of their own and become entrepreneurs and employers of labour. Through the involvement of CDCs, the local communities recommend unemployed youths within their areas that are enlisted in the programme for training in various vocational areas.

The programme is implemented through a third party training institution, and involves lectures and practical training sessions, coaching, mentoring and continuous assessment of participants. This is supported with routine monitoring by Seplat's Skills Acquisition team to ensure compliance by both trainers and trainees. At the end of the training programme, Seplat provides the graduates with a grant of N100, 000.00 per participant as well as starter packs and tools to launch their own enterprises. We completed SAP training for 316 community youths in 2021 in various vocations including Welding/Fabrication, Hair Dressing,

Motor/Auto Mechanics, Catering/Event Management, ICT/Computer Appreciation amongst others.



Seplat Youth Entrepreneurship Programme

Seplat and Conversations for Change (C4C) sustained their partnership in engaging youth in an entrepreneurial development programme. C4C is a non-profit agency that embraces the goal of empowering young people between the ages of 15-40 years to participate more effectively in all relevant areas of development. This aligns with Seplat's desire to help sustainably deliver a skilled workforce and build effective partnerships in the Company's areas of

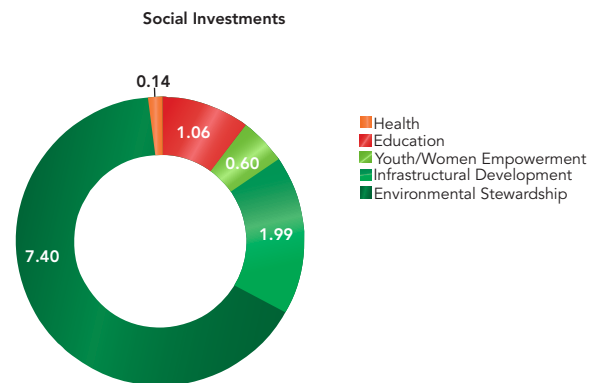
operation. The partnership between Seplat and C4C created a platform for young entrepreneurs to be mentored, trained and empowered to give expression to their potentials in creativity and value addition.

In the 2021 edition of the programme, conversations and training were held while 15 participants within the C4C entrepreneurship programme were granted the sum of N16.5 million, which will be disbursed over the next one year to support the growth of their businesses.



Infrastructure Development

In Seplat's sustained drive to impact the physical infrastructure in our areas of operation, the Company made further social investments in support of 85 different community development projects. 75 of them were completed in 2021 while 10 were ongoing. Projects included construction of roads and classroom blocks, solar-powered boreholes for potable water, market stalls, town halls, and others.



Power for Oben Cottage Hospital, Edo State

For years, Seplat has supported the Oben Cottage Hospital, located in one of its host communities, in various ways. In 2021, the Company worked to reconnect the hospital to the national grid. We also overhauled the generating sets at the hospital as back-up to public power supply. These efforts were geared towards addressing the short-term electricity supply needs of the hospital.

To contribute towards the full functionality of the hospital through the provision of reliable power supply in the long-term, Seplat held a groundbreaking ceremony for the project aimed at providing uninterrupted 24-hours power supply to the hospital from the Company's Oben Field Logistics Base. The project will enable the hospital to provide quality healthcare services to Oben and other communities.



"At Seplat, for us, the journey has been very clear from where we started to where we're headed. Energy transition for us is not the end of oil and gas but it is an era for us to deliver the right mix of energy that would deliver solutions and create prosperity for the society."

Dr. A.B.C. Orjiako,
Chairman, Board of Directors,
Seplat Energy

SECTION FOUR

OUR PERFORMANCE

4 Pillars of ESG Reporting	→ 81
Performance Data	→ 86

Main Achievements of the 4 Pillars of ESG Reporting



Principles of Governance












Planet








































People
















Prosperity

WEF/IBC's Core Metrics (The 4 Pillars)	Expanded Metrics	Disclosures	Achievements in 2021	SDGs
PRINCIPLES OF GOVERNANCE				
Governing Purpose	Material stakeholder buy-in	The percentage of each stakeholder group that is aware of the company's stated purpose.	<div>Investors 95</div> <div>Employees 98</div> <div>Communities 85</div> <div>Media 85</div> <div>NGOs 80</div> <div>Govts. 100</div>	  
Quality of Governing Body	Progress against strategic milestones	Disclosure of the strategic milestones expected to be achieved in the following year and milestones achieved from the previous year	<div>2021</div> <div>4 oil wells drilled</div> <div>4 gas wells drilled</div> <div>2022</div> <div>Amukpe-Escravos route up H2</div> <div>ANOI plant completion H1 2023</div>	
	Remuneration	<p>1. Remuneration policies for the BoD and senior executives for the following types of remuneration:</p> <ul style="list-style-type: none"> – Fixed pay and variable pay, – Sign-on bonuses or recruitment incentive payments – Termination payments – Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees <p>2. How performance criteria in the remuneration policies relate to the BoD's and senior executives' objectives for economic, environmental and social topics</p>	Our remuneration policy aligns the interest of executive directors, senior managers and employees to the long-term interest of shareholders and aims to support a high performance culture with appropriate rewards for superior performance. The guiding principles behind our remuneration policy are as follows: balance, competitive, equitable, risk-weighted, aligned to shareholder interest and achievement of our ESG targets. The remuneration policy of the directors is as follows: basic salary, benefits, pensions, annual bonus and long-term incentive plans. We also have a provision for non-executive directors' fees. Other details can be found on pages 52, 134, 166, and 177 of our 2021 Annual Report and accounts.	  
Stakeholder Engagement	Process for engaging stakeholders	The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	<p>Employees: Continuous engagements</p> <p>Investors/Shareholders: AGMs/Virtual meetings</p> <p>Host Communities: Open forums /Town halls etc</p> <p>Customers: Emails/phone calls</p> <p>Partners: Vendors forums</p> <p>Government/Regulators: Visits /emails/ phone calls</p> <p>NGOs: Briefings/visits/emails/phone calls</p>	  

Ethical Behaviour	Alignment of strategy and policies to lobbying	Details about whether and to what extent policies and strategies are aligned with the organisation's lobbying, advocacy, memberships and related policy engagement activities	<p>Seplat advocates and actively embeds ethical conduct in every sphere of its operations. In 2021, all employees made a personal written commitment to uphold and comply with the principles of the Code of Business Conduct (CoBC).</p> <p>Seplat contributes to and advocates on regulations (that impact the oil and gas industry. These advocacy initiatives were achieved through active collaboration with industry advocacy groups such as the Oil Producers Trade Sector (OPTS) and Independent Petroleum Producers Group (IPPG).</p>	  
	Monetary losses from unethical behaviour	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, or other related industry laws or regulations	No fine was paid in 2021	
Risk and Opportunity Oversight	ESG in capital allocation framework	Whether the BoD considers People, Planet, and Prosperity issues when overseeing major capital expenditures, acquisitions and divestures	The BoD considers People, Planet, and Prosperity issues when overseeing major capital expenditures, acquisitions and other investments.	
PLANET				
Climate change	Science-based target to reduce GHG emissions	Define and report progress against a science-based target to reduce GHG emissions.	Seplat plans to set a science-based target to reduce GHG emission. We have procured GHG emission tracker to monitor and measure emissions. We are working towards a flare out target of 2024.	   
	TCFD-aligned reporting	Enhance TCFD aligned reporting with financial metrics.	In 2021 we acquired new technology to improve our measurements of GHG emissions. Also, we are making progress in reporting the total hydrocarbons flared from our upstream operations.	
	Impact of greenhouse gases	Report wherever material along the value chain: Valued societal impact of greenhouse gas emissions.	We conducted Environmental Impact Assessment on six fields in 2021.	
Nature Loss	Impact of land use	Valued societal impact of use of land and conversion of ecosystems.	Not significant	 

Fresh water availability	impact of fresh water consumption	Valued societal impact of water consumption.	Not significant	 
Air Pollution	Fine particulate matter	Tonnes of PM2.5 emitted in urban areas.	Our Suspended Particulate Matter in 2021 was 6.73 µg/m3 which was below the national regulatory requirement of 90 µg/m3. We continuously monitor our air quality.	  
	Impact of air pollution	Valued societal impact of air pollution.	Our air quality values are all well below the national regulatory requirements.	 
Water Pollution	Nutrients	Tonnes of phosphate and nitrogen used or produced.	Not applicable	 
	Impact of water pollution	Valued societal impact of water pollution.	Our aqueous effluent values are all well below the national regulatory requirement.	 
Solid Waste	Single use plastics	Tonnes of single-use plastic disposed of.	Not applicable	 
	Impact of solid waste disposal	Valued societal impact of solid waste disposal.	About 52% of our inorganic non-hazardous waste is recycled while the balance is converted to compost.	  
Resource availability	Resource circularity	Tonnes and % of circular inflow/outflow.	Seplat is already recycling part of its waste. We will deepen our involvement in the circular economy, going forward.	   
PEOPLE				
Dignity and Equality	Discrimination and harassment incidents (#) and the total amount of monetary losses (\$)	1. Number of discrimination and harassment across operations of the incidents and actions taken 2. The total amount of monetary losses as a result of legal proceedings associated with a) law violations and b) employment discrimination	1. There was no such incidence in 2021. Seplat has zero tolerance for discrimination, harassment, bullying and other forms of human rights abuses in the workplace. 2. Not applicable	 
	Freedom of association and collective bargaining (%)	Percentage of operations and suppliers in which the right to freedom of association and collective bargaining is at risk	None. Seplat operates a system that supports freedom of association and collective bargaining.	 

Dignity and Equality	Living wage (%)	Current wages against the living wage for employees, contractors and suppliers in states and localities where company is operating	Details on employee wage issues can be found on pages 94, 135, 177, and 178 of our 2021 Annual Report and Accounts.	 
	Grievances and impact (#, \$)	Number and type of grievances reported, and number of severe impacts occurring that were related to a salient human rights issue, and the type and impact of these issues.	There were no grievances reported in 2021. Seplat has a conflict management guideline that ensures that any conflict and disagreements with stakeholders are resolved peacefully.	 
Health and Well-being	Monetised impacts of work-related incidents on employees, employers and society (#, \$)	Calculate by multiplying the number and type of occupational incidents by the direct and indirect costs for employees, employers and society per incident	Not available	
Health and Well-being	Well-being (%)	Percentage of employees participating in 'best practice' health and well-being programmes that help to reduce absenteeism and improve productivity	90%	
Skills for the Future	Number of unfilled 'skilled' positions (#)	Number and percentage of unfilled 'skilled' positions for which the company will hire totally unskilled candidates and train them.	None	
	Monetised impacts of training – increased earning capacity as a result of training intervention (\$)	Measurement of estimated future uplift in lifetime earnings as a result of training intervention.	Not available	
PROSPERITY				
Employment and Wealth Generation	Average wage	Average hourly wage, by region of operation	Nigeria- US\$15.10 UK- Not available	  
	Significant indirect economic impacts	1. Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities	1. Skills acquisition programmes to empower women and youths with skills and grant at the end of their 3 months training 2. Involvement of local contractors and suppliers in the value chain	 
Innovation of Better Products and Services	Vitality Index	Percentage of gross revenue from product lines added in last three (or five) years.	Not applicable	
	Net Promoter Score (NPS)	A measure of customer experience of the organisation's brand, based on responses to a single question.	Not applicable	

Innovation of Better Products and Services	Social value generated (%)	Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	Not applicable																	
Community and Social Vitality	Infrastructure investments and services supported	Qualitative disclosure in regard to the extent of development of significant infrastructure investments and services supported, current or expected impacts on communities and local economies.	Seplat makes cash contributions along with those of local communities share of development funds to provide needed infrastructure for the communities.																	
	Total social investment (\$)	Total Social Investment (TSI): total corporate contributions (\$) across seven categories of social investment as defined by CCEP 2020 Valuation Guidance ¹⁹	<div>US\$ Million</div> <table><tr><td>Community/Econ. Dev.</td><td>9.39</td></tr><tr><td>Culture & Arts</td><td>NA</td></tr><tr><td>Civic & Public Affairs</td><td>NA</td></tr><tr><td>Health & Social Service</td><td>1.06</td></tr><tr><td>Education</td><td>0.6</td></tr><tr><td>Environment</td><td>0.14</td></tr><tr><td>Disaster Relieve (COVID-19)</td><td>NA</td></tr><tr><td>Total</td><td>11.19</td></tr></table>	Community/Econ. Dev.	9.39	Culture & Arts	NA	Civic & Public Affairs	NA	Health & Social Service	1.06	Education	0.6	Environment	0.14	Disaster Relieve (COVID-19)	NA	Total	11.19	 
Community/Econ. Dev.	9.39																			
Culture & Arts	NA																			
Civic & Public Affairs	NA																			
Health & Social Service	1.06																			
Education	0.6																			
Environment	0.14																			
Disaster Relieve (COVID-19)	NA																			
Total	11.19																			

PERFORMANCE DATA (2017-2021)

Description	2017	2018	2019	2020	2021
Safety Data					
Fatalities	0	0	0	0	0
Employee	0	0	0	7	0
Contractor					
Lost Time Injury (LTI)	2	1	0	0	0
Man-hours without Lost Time Injury	4,801,774	338,073	8,353,778	8,003,699	7,429,112
Total Man-hours	6,300,014	7,164,689	8,353,778	8,003,699	7,429,112
Environmental Performance Data					
Greenhouse Gas Emissions (GHGs)					
Total GHG emissions (million tonnes) CO ₂ equivalent - Scope 1 + 2	NA	NA	NA	2.8	2.23
Total GHG emissions (million tonnes) CO ₂ equivalent - Scope 3	NA	NA	NA	0.011	0.003
Carbon dioxide (CO ₂) (million tonnes) - Scope 1	NA	NA	NA	2.44	2.22
Methane (CH ₄) (thousand tonnes) - Scope 1	NA	NA	NA	0.039	0.38
Scope 2 Energy indirect GHG emissions (million tonnes CO ₂ equivalent)	NA	NA	NA	0.00	0.00
Total Gas used as fuel (energy) (MTOE)	10.35	13.74	16.71	21.28	13.1
Flaring					
Total volume of gas flared (MMscf)	8,418	6,487	8,910.18	15,312.8	12,779.8
Total volume of gas flared (MTOE)	211.29	167.65	188.45	386.11	322.24
Acid Gases					
SO _x (SulphurOxides) (ug/m ³)	25.04	25.60	26.04	25.55	24.78
NO _x (Nitrogen Oxides) (ug/m ³)	19.24	18.40	18.30	18.35	17.62
CO _x (CarbonMonoxide) (ug/m ³)	8.54	11.50	14.02	11.85	11.28
SPM (Suspended Particulate Matter) (ug/m ³)	6.43	8.45	6.34	6.73	26.06
Waste					
Sewage Waste Water (Tonnes)	NA	3,200	2,980	4,150	2,783.06
Organic Waste (Tonnes)	NA	77.5	38.179	40.00	61.43
Inorganic Waste (Tonnes)	NA	0	36.581	41.11	65.61
Contaminated/Hazardous Waste (Tonnes)	NA	276.9	448.88	113.84	98.61
Non -hazardous Waste (Tonnes)	NA	NA	74.76	84.11	127.04
Oil spills and discharges					
Volume of oil spilled through own operations (bbls)	2	3.2	1	9.1	8.6
Volume of oil spilled through sabotage (bbls)	0	0.1	0.1	3.7	0.7

Description	2017	2018	2019	2020	2021
No. of oil spills through own operations	3	2	1	5	3
No. of oil spills through vandalism and sabotage	0	1	1	2	1
Aqueous Effluent Discharge (Average per annum)					
pH	6.29	6.77	6.66	7.08	6.78
BOD (mg/l)	7.18	7.48	9.56	7.15	6.90
COD (mg/l)	13.73	13.50	15.66	13.25	13.35
TSS (mg/l)	9.65	18.80	14.86	13.2	18.98
TDS (mg/l)	120.5	97.9	53.54	36.4	41.5
Oil and Grease (mg/l)	1.63	1.66	2.97	4.58	5.44
Energy					
Total direct energy consumption (J/Tonnes)	NA	NA	NA	NA	NA
Total indirect energy consumption (J/Tonnes)	NA	NA	NA	NA	NA
Energy consumption outside the Company (transportation, domestic etc) (J/Tonnes)	NA	NA	NA	NA	NA
Water					
Volume of Ground water contamination (MMbbls)	0	0	0	0	0
Volume of fresh water consumed (MMbbls)	0.24	0.19	0.19	0.19	0.20
Volume of fresh water discharged (MMbbls)	NA	NA	NA	NA	NA
Social Data					
Workforce					
Production and Admin Expenses (\$'000)	(326,100)	343,396	324,320	(391,989)	NA
No. of Employees	405	451	499	534	511
No. of women employed as % of workforce	25	26	26	25.28	25
No. of minors employed as % of workforce	0	0	0	0	0
Others (\$'000)					
Social Investments	3,8000	4,600	3,085	1,800	11,190
Donations	344	397.7	236.68	439.47	433
Total Assets	2,614,630	2,521,230	3,271,110	3,449,573	3,892,734
Capital Expenditure	33,000	88,000	124,777	150,100	136,400
Cost of Sales	240,059	(354,926)	302,039	(405,892)	(447,999)
Total Value Added	(228,943)	476,887	439,085	141,482	442,744
Dividend Declared	58,888	0	0	58,342	73,354
Income Tax Expense	(221,483)	(116,788)	29,125	(5,113)	(60,169)



“For us at Seplat, we see the critical need for energy transitions in Nigeria and we are here as the indigenous, independent energy company with proud roots in Nigeria and the global reach that allow us to access the capital to fund these transitions.”

Roger Brown,
CEO, Seplat Energy

SECTION FIVE

EXPLORING FOR A BETTER WORLD

The Place of Renewables in Meeting the Net Zero Goal in Nigeria	→ 90
Nigeria's Drive in the Race for Net Zero	→ 93
Energy Transition in Nigeria	→ 95

THE PLACE OF RENEWABLES IN MEETING THE NET ZERO GOAL IN NIGERIA

Introduction

In 2015, 196 countries adopted the Paris Accord - an international treaty on climate change, which aims to limit the increase in global temperature to less than 2°C from pre-industrial levels by 2050. It was agreed that the threats of climate change will be reasonably reduced if the world keeps average temperature rises below 1.5°C. For this to be achieved, the world must reduce emissions to net zero by 2050.

A net zero target is attained when the amount of emission produced is not more than the amount taken away from the atmosphere. Several countries (including Nigeria) have set net zero emission targets; however, only about a dozen countries have translated their pledges to law. Germany, Sweden and Portugal are ahead of the pack with zero emission targets backed by law set at 2045. The UK, Canada, Korea, Denmark, New Zealand, Japan, Spain, Ireland, Hungary, France, and the rest of the EU have all passed legislation to become net zero by 2050. Nigeria joins Saudi Arabia and Russia in looking to meet the net zero target by 2060; however, their commitments are not yet backed by law.

Countries that have committed to a net zero target now account for about 70% of carbon emissions globally, which seems impressive. However, most of these pledges are not yet backed by legally binding near-term policies. An International Energy Agency (IEA) special report suggests that even if the pledges for net zero to date are achieved, they may still not be enough to limit global rise in temperature to 1.5 °C; at best the world will achieve about 2.1°C, which falls short of the target. In spite of this pessimistic outlook, there is still a pathway to net zero emission by 2050, albeit a very narrow one according to IEA.

The pathway proposes far-reaching transformation in how energy is produced, transported, and consumed. According to IEA, to achieve net zero emissions by 2050, investments in clean energy must increase more than three-fold to about USD4 trillion by 2030; internal combustion engine cars as well as unabated coal and

oil power plants must be phased out by 2035. The pathway to net zero emission also includes placing electricity at the heart of the world's energy systems serving key sectors like transport, building and industry. This would require significant investments in 'electricity system flexibility', such as batteries, demand response, hydrogen-based fuels, hydropower etc., to ensure reliable supplies.

A net zero emission world in 2050 will be characterised by a predominance of renewable sources rising from 29% as of 2020 to 88% of electricity generation – specially with wind and solar photovoltaic (see figure 1). Fossil fuels would have dropped in relevance – from constituting about 80% of world's total energy supply to about 20% of total energy supply by 2050.

Renewables and the Net Zero Target

At the United Nations Climate Change Summit in 2021, President Buhari committed to achieving a net zero emission in Nigeria by 2060. The Nigerian president stressed that "For Nigeria, climate change is not about the perils of tomorrow but what is happening today". He drew attention to the impacts of climate change as it affects Nigeria today, highlighting the challenges of desertification, floods, pollution, and erosion.

The pathway towards net zero emission in Nigeria is to implement a phased transition that will balance a gas-based system against a renewable energy-based system while the country invests in more long-term sustainable renewable energy infrastructure. This transition to renewables will see more than 25 million Nigerians using solar energy by 2030. At the moment, the demand for energy in Nigeria is largely met by petroleum, natural gas, and other liquids, which constitute 97% of total energy consumption – with renewable energy sources accounting for only 3%. President Buhari reckons that Nigeria will continue to use gas in compliance with the goals of Paris Agreement until about 2040.

Apart from the adverse effects of greenhouse gas emissions from exploiting fossil fuels, Nigeria also has

the problem of a largely strained power sector coupled with the reality of its depleting domestic oil and gas reserves. All of these make prioritisation of net zero emission largely based on renewable energy sources crucially essential to the country's future. Fortunately, Nigeria has substantial sources of renewable energy, that if effectively harnessed will help meet Nigeria's net zero target, as well as secure future energy supply to buoy up growth and development. Available sources of renewable energy in Nigeria are reviewed below:

hydropower is significant – particularly small-scale hydropower that runs off rivers and do not require the complexities of constructing dams. The government aims to meet 7.07% of total electricity energy consumption through small hydropower by 2030.

Solar

Solar is perhaps the source of renewable energy with the most significant potential to help bridge Nigeria's energy gap if properly harnessed. With about 290 days of sunlight per year, and an average solar insolation ranging between 4.0 kWh/m²/day and 7.0 kWh/m²/day

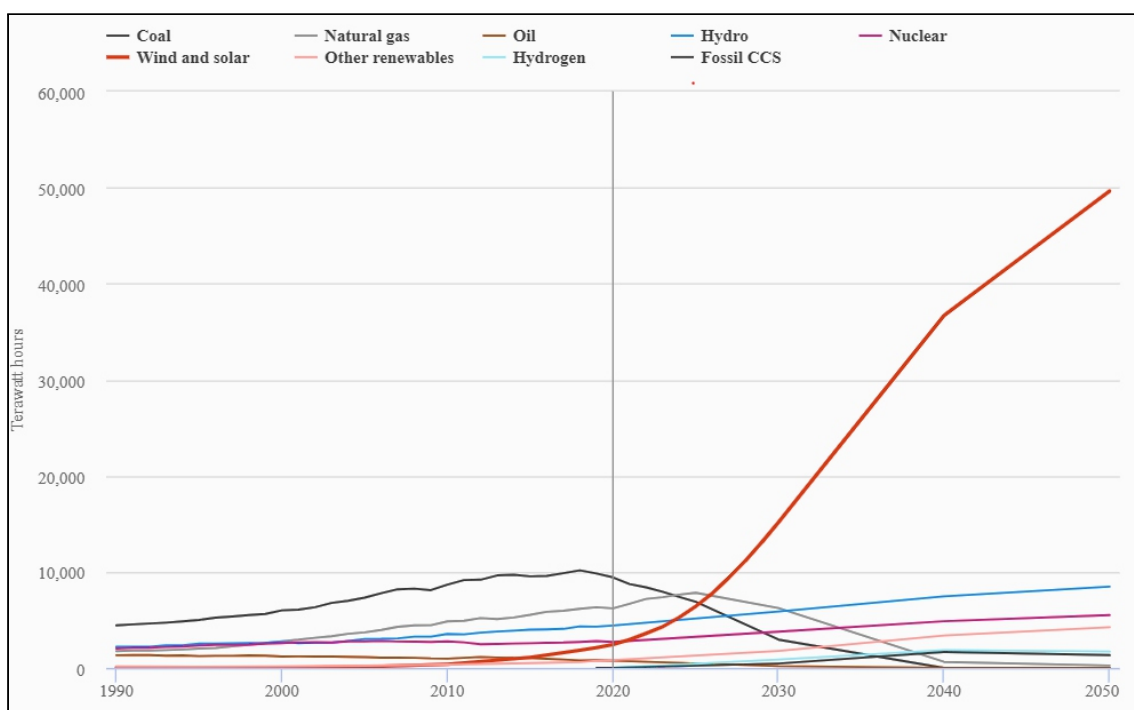


Figure 1: Global electricity generation by source, terawatt hours (TWh), historical and under the IEA Net Zero Emission scenario to 2050. Note: 'Other renewables' includes bioenergy, geothermal and tidal. Fossil CCS includes coal and gas.

Hydropower

Hydropower is the largest renewable energy source in Nigeria with an estimated exploitable large-scale potential in excess of 12,000MW, which can produce 36,000GWh of electricity annually. The potential for small scale hydropower in Nigeria is estimated to be 3,500MW. However, only 14% of Nigeria's hydropower potential (both large and small scale) is being generated as part of the nation's total installed grid capacity. Therefore, untapped potential from

across Nigeria, solar offers a viable option to support the immense energy needs of Nigeria. To put this in perspective, the sun can radiate about 3.8×10^{23} kW, which equates to 1.082 million tonnes of oil equivalent (MTOE) per day - this is approximately 4,000 times the daily production of crude oil and about 13,000 times the daily output of natural gas in Nigeria. Thus, a mere 0.1% of the total solar energy radiation in Nigeria is enough to satisfy the country's energy demand if converted at an efficiency of 1%. It is important to note that this possibility is not being overlooked by relevant

authorities as there is ongoing effort by the government to extend electricity access, particularly to remote off-grid rural areas through solar power. The National Renewable Energy Action Plan (NREAP) targets a minimum of 5.9% of the country's electricity consumption to come from solar by 2030.

Biomass

A third source of renewable energy in Nigeria is biomass, which is a derivative of animal and plant wastes – including waste wood, forage grass, and other agricultural and municipal by-products. Like solar and hydro, Nigeria is rich in biomass energy resources – estimated to be 144 million tonnes per annum. It is not yet developed as a means of significant electricity generation in Nigeria, but more than 60% of the Nigerian population use fuel wood for cooking. The use of fuel wood has been established as unsustainable because more of it is used for domestic consumption than the rate at which it is replenished. This tends to adversely affect soil fertility and could lead to soil erosion, which negatively impacts food production. Although generally categorised as renewable, not all biomass energy are actually cleaner alternatives to fossil fuels. Studies have shown that some types of biomass (e.g. those from forest) generate more carbon emissions than fossil fuels. Opportunities for biomass energy in Nigeria abound in oil palm products, municipal wastes, woods as well as sugarcane and rice husks. According to the NREAP, a minimum 2.78% of Nigeria's total electricity consumption will be derived from biomass energy by 2030.

Wind

The wind energy resource potential in Nigeria varies between a high of 5.12 m/s at 10m height in the far north and 1.4 m/s in parts of southern Nigeria. The current use of wind energy in Nigeria is relatively low and small scale – mostly for the purpose of irrigation, water pumping and village electrification in the northern parts of the country. Although the

government is yet to exploit wind energy on a large scale, suitable locations identified include, Maiduguri, Potiskum, Kano and Jos. A target of 0.25% has been set as the contribution of wind energy to Nigeria's total electricity consumption by 2030.

Meeting the net zero emission target requires the support and active participation of citizens. Behavioural change like walking and cycling to reduce the volume of travel in private cars, as well as a significant reduction in long-haul flights will offer a cumulative drop in emission by 4% according to IEA. For Nigeria, the private sector will play a key role in helping to scale up the country's transition to renewables. In this regard, Seplat is looking to invest significantly in gas infrastructure to stop gas flaring and ensure low-carbon future operation by 2024 – six years ahead of 2030, which is the Nigeria's targeted deadline for ending routine flares. Currently, about 90% of Seplat's Scope 1 and 2 emissions come from flaring of associated gas. As an alternative to flaring, the company will capture and monetise gas for more productive purposes, particularly producing liquefied petroleum gas for cooking.

The company's plans for decarbonisation also includes integrating solar as a means of power for its field operations, which could reduce emission by as much as 40%. This would be in addition to decarbonising field operations by swapping diesel with liquefied petroleum gas and liquefied natural gas, which could further lower emissions by between 5% and 14%.

Seplat is continuing to innovate and evolve in order to stay resilient and maintain its commitment to sustainable development in Nigeria. The company is in the process of building world class capabilities and new skillsets in renewable energy, particularly in the solar and off-grid markets. And with similar enthusiasm, Seplat is working to help deliver Nigeria's promise of net zero emission by 2060, through a tailored transition from petroleum and gas to renewables.

NIGERIA'S DRIVE IN THE RACE TO NET ZERO



Introduction

The United Nations is currently working to create a truly global coalition for carbon neutrality by 2050 as an urgent mission to save the planet, in view of the challenges climate change is posing. The plan requires countries especially those that produce more than 65 percent of harmful greenhouse gasses (carbon dioxide, methane, water vapour, etc) and more than 70 percent of the world economy to commit to achieving net-zero emissions by 2050 as scientists insist that global GHG emissions must reach net zero by 2050, and remain net-negative thereafter, for the Paris Agreement target to be met.

Since it is practically impossible to totally eliminate GHG emissions, the Net Zero concept requires that the volume of emissions we add to the atmosphere is the same as the amount we take away. The Net Zero concept was born out of the fact that some emissions are produced by 'hard-to-control' sectors such as aviation and manufacturing (where reduction of emissions is either too expensive, technologically too complex, or simply impossible). The residual emissions from these sectors are permissible provided they are offset by removing emissions via natural or engineered sinks.

Capturing GHG Emissions

Naturally, emissions can be removed from the atmosphere by planting trees to absorb carbon dioxide through photosynthesis. Technologically, emissions can be removed through a set of emerging technologies such as carbon capture and storage, direct air capture, using hydrogen as an alternative to

methane, and finding other ways to change industrial processes towards cleaner production.

A number of countries including Nigeria have expressed commitment to the programme, given the adverse impact of climate change witnessed through the rising incidence of fires, floods, droughts, and storms, negative impact on biodiversity, desert encroachment, ocean warming, landslides, etc.

The European Union, United Kingdom, Japan, the Republic of Korea, the United States of America, and more than 110 countries have pledged to attain a net zero emissions (NZE) before 2050. China has however pledged to get there by 2060.

Nigeria's Commitment to Net Zero

The 'Race to Zero' drive requires huge investments in new/green technologies, advanced energy storage solutions, and the hydrogen economy, to accelerate the decarbonisation of the planet. Nigeria's response to the Race to Net-Zero has been consistent with the position of other oil-producing countries such as Saudi Arabia and the United Arab Emirates, that also pledged to achieve carbon neutrality by 2060.

Nigeria's plan as enunciated by President Muhammadu Buhari at the COP26 in November 2021, in Glasgow, UK, indicated that the country will rely heavily on gas for a stable energy transition, to net zero-emission. The reliance on gas would enable Nigeria to launch long-term renewable energy infrastructure procurements and investments needed to attain sustainable energy supply to redress current energy poverty.

The main challenge for Nigeria's Net Zero ambition would be funding as the country will require more than \$400 billion to build infrastructure for generating, transmitting, and distributing renewable energy-based electricity to reduce overreliance on fossil fuels by 2050.

Impact on Hydrocarbon-Dependent Economies

It must be noted that the global energy transition to net-zero emissions will adversely affect Nigeria's crucial

income source - crude oil export, as studies have shown that the 1.5 degrees Celsius global warming target under the Paris Agreement, will mean that a third of the global current oil reserves, half the existing natural gas reserves and nearly 90% of current coal reserves must remain in the ground.

Consequently, renewable energy is expected to see large gains in Nigeria over the next three decades. By 2050, energy production from solar and wind is expected to increase by as much as 110 times and 40 times, respectively. Employment levels in the energy sector will depend significantly on the way the energy transition takes place.

Nigeria's Energy Transition Plan

In order to ensure a smooth transition, Nigeria has developed an integrated resource and energy transition plan, which detailed how the country plans to deliver climate change mitigation within its borders. This plan which is based on 2060 net zero emissions, was prepared for the Federal Ministry of Environment by the international management consulting firm McKinsey & Co. in collaboration with Sustainable Energy for All (SEforALL) and other local organisations.

The plan assessed how key sectors of the economy would need to transition under three emissions pathways, namely business-as-usual (BAU) scenario where no decarbonisation action is taken, a Nationally Determined Contribution (NDC)-guided scenario which reflects Nigeria's current NDC commitments and incorporates current national programmes, and thirdly, a Net Zero 2050 scenario (NZE) where Nigeria aligns itself with the global emissions pathway needed to deliver the Paris Agreement.

According to the plan, Nigeria's current NDC requires strong gas uptake across the economy, including 80% of cars being powered by compressed natural gas (CNG) and 50% of the population using liquefied petroleum gas (LPG) for cooking by 2050. This is already a steep challenge given the limited CNG infrastructure available and the prevalent use of

firewood for cooking, especially in rural areas where gas distribution infrastructure does not exist.

The more ambitious NZE would require full electrification of the economy by 2050, including the installation of 250 GW of new power generation capacity (more than 90% of which are from renewable energy sources), conversion of 80% of the car fleet to electric vehicles, and adoption of clean cooking solutions (LPG or electric-based) by 80% of the population.

In the plan, gas use for power would need to increase to meet rising electricity demand until 2030, after which it will be increasingly displaced by solar until there is no gas-to-power by 2050.

Implementation of the plan is critical if the result is to be met. Furthermore, the low level of technology in the country may make the attainment of the plan impossible besides other challenges like favourable regulatory environment to encourage investment by foreign and local investors.

It is interesting to note that, some non-oil sectors of the economy, have joined the journey to NZE in 2060. For example, eight Nigerian institutions have joined 1,050 global varsities in net-zero pledges. The initiative is being led by the Environment Association for Universities and Colleges (EAUC) and Second Nature with support from the UN Environment Programme (UNEP). Ebonyi and Edo State Universities have set a net-zero target of 2030, while University of Nigeria, Nsukka, Bayero University Kano, University of Calabar, Nigerian Law School, Yenagoa Human Rights Clinic, and International Institute of Chartered Humanitarians, have pledged 2050.

The race to net zero means that Nigeria and businesses will be investing more in technologies such as renewable energy projects to accelerate the Net Zero transition. The 'Race to Zero' will help the country and businesses to grow, take hold of new opportunities, create more jobs, inspire more investments, and be resilient against the challenges of a changing planet.

ENERGY TRANSITION IN NIGERIA

Background

Many countries have continued to express their commitment to the Paris Agreement adopted by 196 countries at the 21st United Nations (UN) Conference of the Parties, also known as COP21, to limit rise in average global temperature to 1.5 degrees Celsius by 2050, in order to stem the threats of climate change. The Paris Agreement represents a global consensus on the need for energy transition in order to reduce energy-related CO₂ emissions, which contribute significantly to global warming. This has resulted in the global energy sector's shift from fossil-based systems of energy production and consumption - including oil, natural gas and coal - to renewable energy sources such as wind, solar, biomass, and lithium-ion batteries.

In 2017, Nigeria ratified the Paris Agreement and as part of its nationally determined contributions (NDCs), committed to cutting its carbon emissions unconditionally by 20 percent or conditionally by 45 percent with international support by 2030. It also targets ending gas flaring by 2030, among others.

During the COP26 summit in Glasgow in November 2021, Nigerian President Muhammadu Buhari, pledged that Nigeria would cut its carbon emissions and reach net-zero by 2060, and highlighted the key role of gas in the country's energy transition roadmap. Nigeria had developed an Energy Transition Plan to define a pathway to Net Zero, with a goal of lifting 100 million people out of poverty, driving economic growth; and bringing modern energy services to the population.

Nigeria, however, is still grappling with providing regular, accessible and affordable electricity to its fast-growing population even with the huge oil and gas and other resources with which the country is well endowed. The country, therefore, is faced with enormous challenges and opportunities that call for the right strategies, policies, fiscal management and investment decisions on how best to balance the need to continue to exploit the available vast fossil fuel resources to generate the needed revenue to drive the economy, against developing the sources,

infrastructure and capabilities for renewable energy.

Reviewing Nigeria's drive towards energy transition requires an assessment of the need for transitioning to sustainable energy sources; the current state of affairs regarding energy infrastructure and supplies; the plans for prudent management of Nigeria's vast oil and gas resources, and a look at what some other nations are doing.

The Need for Energy Transition

Most fossil fuel resources are reserve-based; they are exhaustible and not renewable. Continuous burning of the available reserves of fossil fuels poses a threat to worsening climate change. It is, therefore, imperative to transit to more sustainable sources of energy that are eco-friendly. The energy transition also aligns with SDG7 of ensuring that everyone has access to affordable, reliable, and modern energy services by 2030.

A future where clean energy is accessible, affordable, and regularly supplied to the various socio-economic classes of Nigerians is at the heart of the energy transition agenda. This will unarguably be a major catalyst for economic growth and sustainable development.

Brief Review of the Power Sector in Nigeria

Nigeria has the potential to generate about 16,000 MW of power from existing plants. However, only an average of 5,520.40MW was generated per day in 2021, which was a far cry from an estimated demand of 25,000 MW. With an estimated population of about 206 million people in 2021, the country still presents as an investors' delight but power supply remains a big challenge to development. Nigeria, therefore, requires significantly more investments to achieve reliable power supply.

According to the International Energy Agency, (IEA) electricity access rate in Nigeria in 2020 was estimated at 61.6%. It is estimated that 80 million Nigerians do

not have access to electricity while the SDG target is to have universal access by 2030. Some energy experts estimate that electricity demand in Nigeria is currently about 25,770MW. They project that for a meaningful growth rate, the country's electricity requirement should be about 78,000 MW by 2030. However, some of the challenges to power generation include obsolete infrastructure, inadequate gas supply and constraints from the transmission company.

At COP26, the Nigerian president announced that the country would need more than \$400 billion for electricity generation, transmission and distribution infrastructure if its plans to reduce dependence on fossil fuels were to be successfully implemented.

Access to electricity rate in Nigeria has been slowed by the wheeling capacity of the Transmission Company of Nigeria (TCN) estimated at 6,700MW. The challenges are due to inadequate and obsolete infrastructure, among others. There is need for more investment to increase the power transfer capacity of TCN and enable distribution companies to improve supply to consumers.

Power distribution has continued to pose a serious challenge to access to power in Nigeria due to the deployment of obsolete equipment and failure of the DisCos to invest in modern infrastructure. In February 2021, the World Bank approved \$500m to help boost access to electricity in Nigeria and improve the performance of the electricity distribution companies in the country.

Current Sources of Energy

The main current sources of power generation in Nigeria are natural gas, hydro, thermal, and renewables. Natural gas is the most common source of electricity production and it is anticipated that with improving supplies of gas to the power generation companies, the power supply situation in the country will witness a boost in the next two years. Nigeria has substantial sources of renewable energy, that if effectively harnessed, could help secure future energy supply to underpin growth and development. Available sources of renewable energy in Nigeria

include hydropower, solar, biomass, and wind.

The Need for Energy Diversification

The continuous use of finite sources of energy is not sustainable in the long term. To insulate against energy insecurity, scarcity, and disruptions that will harm entrepreneurship, innovation, and sustainable development, it is essential to diversify energy sources through the harnessing of different alternatives, maintaining a pool of suppliers, and establishing various efficient transmission systems, among others.

The most common sources of energy in the country, which are crude oil and natural gas, are commodities and, therefore, are subject to the effects of market forces. The effects of these market forces can result in high prices and interruptions to supply. Also, geopolitical events such as conflicts affecting these commodities can result in short or long-term shocks which will affect the productive functioning of the economy.

Energy diversification towards renewables supports the deployment and harnesses the power of, emerging technologies such as Artificial Intelligence, Machine Learning, and the Internet of Things (IoT) to streamline operations and increase process efficiency. This benefit can result in the significant reduction of cost burdens related to the maintenance of capital-intensive energy infrastructure.

Threat of Climate Change

Changing weather patterns and other climate-related issues are expected to affect energy demand and, perhaps the entire energy value chain. Nigeria is not left out of the impact of climate change. It is true that Nigeria and the rest of Africa contribute only about 3% to the global CO₂ emissions, owing to the country's rapidly growing population and the weak economy, the impact of climate change could affect Nigeria more disproportionately when compared to more economically and technologically advanced countries, due to its huge population and weak economy.

There is a need for a more holistic approach for the country to help minimize the risks of climate change. As a major source of carbon emission, the energy sector needs to pursue significant cuts in GHG emissions through setting science-based targets, progressively switching from fossil fuels to lower-carbon fuels such as gas, improving energy transmission efficiency, investing in renewables, and ensuring the operationalization of carbon capture and storage.

Besides the current effort the Nigerian government is making to reduce GHG emissions among oil and gas operators, and other organized private sector actors, it should also galvanize the support of other segments of the society. This will involve public enlightenment of the population on the need for change towards more sustainable social and business practices. Practices such as bush burning, burning of used tyres and plastics, burning of domestic wastes, use of unserviceable vehicles and generators as well as non-interest in tree planting, should be discouraged. Through traditional and religious institutions, rural and semi-urban dwellers including women and youth should be sensitized on the sustainable development goals and their roles towards their achievement.

Government Effort

Towards addressing the challenge of climate change and pursuing energy transition, the Nigerian government has adopted several policies, strategies, and, action plans. It demonstrated political will by endorsing a host of treaties on climate change. For instance, the country aligned with the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, joined the Kyoto Protocol in 2004, and ratified the Paris Agreement in 2017. Nigeria is also committed to similar regional groups, like the Nairobi Declaration adopted in 2009, as well as the Convention of African Heads of State on Climate Change (CAHOSCC) also in 2009.

In addition, the Nigerian government upgraded the Special Climate Change Unit (SCCU) in the Federal Ministry of Environment to the Department of Climate Change in 2011. The department was tasked with the

responsibility of conducting a yearly inventory of GHG emissions and assessing options for vulnerability and adaptation to the impacts of climate change. It also oversees projects that help reduce emissions, improve forest conservation, and promote public awareness on climate change.

The government also developed the Nigeria Gas Expansion Programme (NGEP) as part of its Economic Sustainability Plan aimed at providing LPG clean cooking fuel to millions of Nigerian homes. Similarly, the government approved the Nigerian Gas Flare Commercialization Programme (NGFCP) designed as the strategy to implement its policy objective for the elimination of gas flares in the country by 2030.

A significant achievement in the area of gas flare was succinctly highlighted in the World Bank Global Gas Flaring Tracker Report released in April 2021, which gave Nigeria a good score on gas flare reduction efforts: over the past 15 years, Nigeria has steadily achieved a 70% reduction in flares, declining from over 25bcm in 2001 to just 7bcm in 2020.

Currently, Nigeria has very low levels of carbon emissions – 0.61t CO₂e per capita (2020), compared to 14.24t CO₂e per capita in the USA and 4.85t CO₂e per capita in the UK. However, Nigeria is the 17th largest emitter of GHGs globally due to CO₂ and methane emissions through gas venting and gas flaring.

Legislative Support

A key evidence of the collaboration between the executive and legislative arms of government is the signing of the Petroleum Industry Act (PIA) 2021 into law in 2021. The law provides legal, governance, administrative, regulatory, and fiscal framework for the Nigerian Petroleum Industry and the development of host communities for oil and energy companies. The framework is put in place to optimize value for the country through harnessing its hydrocarbon assets.

The place of gas and renewables

Gas has been rightly branded the energy transition fuel

because of the many benefits that it holds particularly for hydrocarbon-dependent economies like Nigeria. Gas and renewables are projected to be the future of energy markets in Nigeria. Globally, natural gas and renewables are gaining momentum in the share of primary energy sources. Forecast models indicate that natural gas will overtake oil and coal by 2050 while renewables will take up to 30% of the market share. With billions of dollars anticipated in annual revenues from the sale of solar systems and mini-grids, the solar market in Nigeria is set for huge growth.

Seplat's Role

Seplat Energy took a bold step in 2021 to rebrand and reposition itself as an energy solutions provider better placed to drive Nigeria's energy transition agenda. The Company's key strategy is to deliver energy transition through the upstream, midstream, and new energy strategic arms of its business.

The Company's focus is to develop its upstream business by optimizing the gas/oil mix, increasing production, and reducing costs and carbon intensity. Seplat also plans to develop Nigeria's gas resources to accelerate the replacement of diesel and petrol generators and support economic growth through the supply of reliable, low-cost, and sustainable energy. Furthermore, it aims at attaining a world-class capability in renewable energy, which will bring about profitable investments for socio-economic development. The planned commissioning of ANOH gas plant in 2023 will improve power supply in Nigeria and facilitate Seplat's plan to flare out by 2024. In addition, the Company is making new investments in GHG emission technologies to facilitate monitoring, measuring and controlling of emissions to ensure it is on track towards net zero emissions.

The energy market is evolving, driven primarily by the global response to the threats of climate change, emerging technologies, government policies, and other sustainability concerns. Nigeria has embraced the use of renewable sources as part of a sustainable energy mix. Through the Rural Electrification Agency, the government has been commissioning

electrification projects using solar energy as the main source of energy, especially in rural communities. However, more effort and investments are required to develop and increase renewable energy sources to support Nigeria's energy transition.

Although the issue of global decarbonisation and a sustainable planet is important for the entire global community, the progress and performance of each economic block must be taken into consideration in the journey to achieve net zero.

During COP26, President Buhari stated that "Nigeria is actually more of a gas than oil producing country... requesting financing of projects using transition fuels, such as gas." The President stated that Nigeria could still successfully exploit and utilise gas until 2040, without detracting from its commitments under the Paris Agreement."

Currently, more technologically advanced economies and the International Oil Companies are aggressively pursuing energy transition with their main focus on renewable energy options while disinvesting in fossil fuels, which are the dominant contributors to greenhouse gas emissions.

However, although fossil fuel-dependent economies like Nigeria have expressed their commitment to the global agenda for net zero, an accelerated abandonment of fossil fuels in pursuit of renewable energy sources hold severe adverse implications for them. For example, Nigeria has over 200 trillion cubic feet (Tcf) of gas reserves – ranking 9th in the world and accounting for about 3% of the world's total natural gas reserves. It is, therefore, important for developing countries, and especially those with hydrocarbon-dependent economies such as Nigeria, to adopt a more relevant, gradual, flexible, and just movement in the energy transition journey.

As the leading indigenous independent energy company in Nigeria, Seplat is committed to driving the achievement of carbon neutrality towards a sustainable future. Seplat is ready to collaborate with relevant government agencies and other implementing partners in Nigeria's evolving energy transition.

References

- i). International Energy Agency, 2021. Net Zero by 2050 A Roadmap for the Global Energy Sector. Paris: International Energy Agency.
- ii). IEA, 2021. IEA: Renewables should overtake coal 'within five years' to secure 1.5C goal. IEA. Available from: <https://www.carbonbrief.org/iea-renewables-should-overtake-coal-within-five-years-to-secure-1-5c-goal>
- iii). Energy information administration (EIA). Country Analysis – Nigeria. Available from:
- iv). Y. O. Akinwale and I. O. Ogundari (2017) Exploration of renewable energy resources for sustainable development in Nigeria: A study of the federal capital territory, International Journal of Energy Economics and Policy, 7(3): 240-246
- v). National Renewable Energy Action Plans (NREAP) (2015 – 2030)
- vi). Shaaban, M. and Petinrin, J.O., 2014. Renewable energy potentials in Nigeria: Meeting rural energy needs. Renewable and Sustainable Energy Reviews, 29, pp.72-84.
- vii). Ajaelu, H. and Okereke, R., 2020. Assessment of Nigerian Renewable Energy Potentials and Energy Poverty: Challenges and Prospects1. <https://www.un.org/en/climatechange/un-secretary-general-speaks-state-planet>
- viii). <https://www.premiumtimesng.com/news/headlines/493083-analysis-cop26-nigerias-plan-to-cut-carbon-emission-to-net-zero-by-2060-is-short-on-details.html>
- ix). Edomah, N. (2021). The governance of energy transition: lessons from the Nigerian electricity sector. <https://energysustainsoc.biomedcentral.com/articles/10.1186/s13705-021-00317-1>
- x). United Nations. (2021). Theme Report on Energy Transition. Towards the achievement of SDG 7 and the net-zero emissions. https://www.un.org/sites/un2.un.org/files/2021-twg_2-062321.pdf
- xi). Shialsuk, N. (2021). Hidden in Plain Sight: Nigeria's Energy Transition [White Paper]. <https://www.seplatenergy.com/media/03gkdju/hidden-in-plain-sight-final-summit-with.pdf>
- xii). BP (2021). Statistical Review of World Energy. 70th Edition. <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2021-full-report.pdf>
- xiii). World Energy Council (2021). Climate Change: Implications for the Energy Sector. <https://www.worldenergy.org/assets/images/imported/2014/06/Climate-Change-Implications-for-the-Energy-Sector-Summary-from-IPCC-AR5-2014-Full-report.pdf>
- xiv). US Dept. of Commerce (2021). Nigeria – Country Commercial Guide: Electricity and Power Systems. <https://www.trade.gov/country-commercial-guides/nigeria-electricity-and-power-systems>
- xv). KPMG (2021, August). Nigerian Electricity Supply: Industry Highlights. <https://assets.kpmg/content/dam/kpmg/ng/pdf/tax/power-sector-watch-edition-2021%E2%80%9393q3.pdf>
- xvi). World Economic Forum (2021). Fostering Effective Energy Transition. 2021 Edition. https://www3.weforum.org/docs/WEF_Fostering_Effective_Energy_Transition_2021.pdf
- xvii). The World Bank (2021). Global Gas Flaring Tracker Report. <https://www.worldbank.org/en/topic/extractiveindustries/publication/global-gas-flaring-tracker-report>

Appendix I

SEPLAT ENERGY'S UN GLOBAL COMPACT STATEMENT

UN Global Compact Principle		Seplat's approach	GRI 11 Oil & Gas Sector Standards 2021	Seplat Sustainability Report 2021: further details
	Human Rights		Topic number	Page number
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	We are committed to respecting and protecting human rights wherever we conduct business. Our Code of Business Conduct prohibits us from doing business with any individual or company that we consider could be participating in human rights abuses, while our HSE Policy specifies that our aim is always to provide a healthy and safe workplace at every Seplat location, and to minimize the effects of our activities on the environment and our host communities. We engage actively with stakeholders to bolster our social licence to operate amongst our host communities. Our Bullying & Harassment Policy underpins our commitment to diversity, inclusion, and mutual respect within our workforce, and our zero tolerance of all acts of bullying and harassment	11.8, 11.9, 11.12, 11.15, 11.16, 11.17, 11.18	63 - 65
Principle 2	Businesses should make sure they are not complicit in human rights abuses			42, 64 - 65
	Labour			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We support the ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association, effective recognition of the right to collective bargaining, elimination of forced or compulsory labour, abolition of child labour, and elimination of discrimination in respect of employment and occupation. Our Diversity & Inclusion Policy commits us to promoting a workplace that reflects the diversity of the local, regional, national, and international communities in which we operate. We aim to be a company where people are free to be themselves no matter what their identity or background. We have zero tolerance for discrimination in the workplace	11.10, 11.11, 11.12, 11.13, 11.14	65
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour			65
Principle 5	Businesses should uphold the effective abolition of child labour			65
Principle 6	Business should eliminate discrimination in respect of employment and occupation			65

Appendix I

UN Global Compact Principle		Seplat's approach	GRI 11 Oil & Gas Sector Standards 2021	Seplat Sustainability Report 2021: further details
	Environment		Topic number	Page number
Principle 7	Businesses should support a precautionary approach to environmental challenges	Protection of the environment is one of the key pillars of our sustainability strategy. We recognise that the Niger Delta, where our operations are located, is an environmentally sensitive area and we are committed to minimising our environmental impact. We are working hard to prevent oil spills and towards meeting our goal of zero spills, both through accidents and acts of sabotage. Should there be a spill or other incident, we have an in-house team ready to respond and ensure we remediate any damage to the environment and local communities.	11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7	39 - 40
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility			49 - 51
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies			20, 49 - 51
	Anti-Corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	<p>Our Code of Business Conduct requires that every single person who works for or with Seplat is required to carry out business in an honest, fair, ethical, responsible, and respectful manner. We maintain a policy of zero tolerance for acts of fraud of any kind, particularly bribery and corruption. We recognise the risk bribery and corruption presents to our business and provide extensive anti-bribery training for our employees. Any employee found to be involved in bribery or corruption faces disciplinary action and the possibility of dismissal.</p> <p>Our standalone Anti-fraud Policy sets out our approach to these matters in further detail, while our commitment to integrity is underpinned by robust Whistleblowing, and Conflict of Interest policies.</p> <p>Our Political & Charitable Contributions Policy recognises the potential for abuse and corruption in this area and we explicitly prohibit any Director or Employee from using the Company's resources to make, offer or solicit for political contributions.</p>	11.19, 11.20, 11.21, 11.22	41 - 42

Appendix II

GLOSSARY AND ACRONYMS

AA 1000 Assurance Standards	A generally applicable standard for assessing, attesting to and strengthening the credibility and quality of an organisation's sustainability reporting and their underlying processes, systems and competencies
AGPC	ANOH Gas Processing Company
ANOH	Assa North and Ohaji South (One of the oil and gas operational areas in the Niger Delta)
API	American Petroleum Institute
BEDC	Benin Electricity Distribution Company
CDC	Community Development Committee
CR	Community Relations
CSR	Corporate Social Responsibility
DPR	Department of Petroleum Resources
EES	Environmental Evaluation Study
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
FEPA	Federal Environmental Protection Agency
FID	Final Investment Decision
FRCN	Financial Reporting Council of Nigeria
FRCN-CCG	Financial Reporting Council of Nigeria Code of Corporate Governance
	Principle on Sustainability
FtO	Freedom to Operate
GWH	Gigawatt per hour
IBC	International Business Council
IEA	International Energy Agency
ILO	International Labour Organisation
IPIECA	International Petroleum Industry Environmental Conservation Association
ISAE	International Standard on Assurance Engagements
GMoU	Global Memorandum of Understanding
Global Reporting Initiative (GRI)	A long-term multi-stakeholder international process designed to develop globally applicable sustainability reporting practice
HIV/AIDS	Human Immuno Deficiency Virus
HSE	Health, Safety and Environment
HSE-MS	Health, Safety and Environment Management System
Indicator	A measure of both qualitative and quantitative performance.
JIV	Joint Investigation Visit
KPI	Key Performance Indicator
Kwh	kilowatt per hour
LCE	Low Carbon Economy
LFEE	Low Fossil Fuel Economy
LSEG-ESG	London Stock Exchange Group Environmental, Social and Governance Reporting practices
LTIF	Lost Time Injury Frequency
LTI	Lost Time Injury
MAR	Market Abuse Regulations
MD/CEO	Managing Director/Chief Executive Officer
MW	Megawatt

Appendix II

NAFDAC	National Agency for Food and Drug Administration and Control
NAG	Non-Associated Gas
NAPIMS	National Petroleum Investment Management Services
NCCG	Nigerian Code of Corporate Governance
NCDMB	Nigerian Content Development and Monitoring Board
NGX-SDGs	Nigerian Exchange Group-Sustainable Development Goals
NLC	Nigerian Labour Congress
NNPC	Nigerian National Petroleum Corporation
NOSDRA	National Oil Spill Detection and Response Agency
NOUN	National Open University of Nigeria
NOx	Nitrous oxides
NOGOF	Nigerian Oil and Gas Opportunity Fair
NSE	Nigerian Stock Exchange
NSE-SDGs	Nigerian Stock Exchange Sustainable Disclosure Guidelines
NPDC	Nigerian Petroleum Development Company
NUPENG	National Union of Petroleum and Natural Gas Workers
OSCP	Oil Spill Contingency and Activation Plan
PENGASSAN	Petroleum and Natural Gas Senior Staff Association of Nigeria
PPE	Personal Protective Equipment
Reporting element	The numbered information provided in the report based on GRI reporting standards.
Reporting organisation	The organisation preparing the report as specified in the profile section.
Global Reporting Initiative	A long-term multi-stakeholder international process
RTA	Road Traffic Accident
RWC	Restricted Work Case
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals
SEPA's	State Environmental Protection Agencies
SHICS	Seplat Hazard Identification Cards System
SOx	Sulphur oxides
SON	Standards Organisation of Nigeria, a product quality standard regulation
Social Impact Assessment (SIA)	The study of the social impacts of a new project on both the physical environment and on the lives of host communities.
SPDC	Shell Petroleum Development Company
SR	Sustainability Report
Stakeholders	Those individuals or groups that affect and/or are affected by the organisation and its activities
Sustainability Performance	An organisation's total performance which include its policies, decisions and actions that create economic, environmental and social impact.
TCFD	Task Force on Climate-related Financial Disclosures
TFS	Trans Forcados System
TRIR	Total Recordable Incident Rate
UN	United Nations
UNGC	United Nations Global Compact
UN-SDGs	Guidelines United Nations Sustainable Development Goals
VOC	Volatile Organic Compounds
WBSCD	World Business Council for Sustainable Development
WEF	World Economic Forum
WMP	Waste Management Plan

Appendix III

GRI/IPECA/NGX-SDGs CONTENT INDEX

GRI Standard	Disclosure	IPECA/API - Guidance Indicator	NGX Indicator Principles	Page	Omission
GRI 102: General Disclosures					
GRI 102: General Disclosures 2016	1. Organisational profile				
	102-1 Name of the organisation			Front/Back Covers	
	102-2 Activities, brands, products, and services			13-14	
	102-3 Location of headquarters			Back Cover	
	102-4 Location of operations			14	
	102-5 Ownership and legal form			13	
	102-6 Markets served			14	
	102-7 Scale of the organisation			13-14	
	102-8 Information on employees and other workers			63-64	
	102-9 Supply chain			57-59	
	102-10 Significant changes to the organisation and its supply chain			NA	
	102-11 Precautionary Principle or approach			39-40	
	102-12 External initiatives			6,31	
	102-13 Membership of associations			31	
	2. Strategy				
	102-14 Statement from senior decision-maker			7-8	
	102-15 Key impacts, risks, and opportunities			39-40	
	3. Ethics and integrity				
	102-16 Values, principles, standards, and norms of behaviour			3,41-42	
	102-17 Mechanisms for advice and concerns about ethics			41-42	
	4. Governance				
	102-18 Governance structure			7,35-37	
	102-19 Delegating authority			7,35-37	
	102-20 Executive-level responsibility for economic, environmental, and social topics			7-10,37	
	102-21 Consulting stakeholders on economic, environmental and social topics			43-47	
	102-22 Composition of the highest governance body and its committees			34-37	
	102-23 Chair of the highest governance body			7-8	

Appendix III

	102-24 Nominating and selecting the highest governance body				IU
	102-25 Conflicts of interest			42	
	102-26 Role of highest governance body in setting purpose, values, and strategy			37	
	102-27 Collective knowledge of highest governance body			7-10,37	
	102-28 Evaluating the highest governance body's performance			35-37	
	102-29 Identifying and managing economic, environmental, and social impacts			37, 39-40	
	102-30 Effectiveness of risk management processes			39-40	
	102-31 Review of economic, environmental, and social topics			35-37,81	
	102-32 Highest governance body's role in sustainability reporting			37	
	102-33 Communicating critical concerns			43-47	
	102-34 Nature and total number of critical concerns			43-47	
	102-35 Remuneration policies			81	
	102-36 Process for determining remuneration			81	
	102-37 Stakeholders' involvement in remuneration				IU
	102-38 Annual total compensation ratio				IU
	102-39 Percentage increase in annual total compensation ratio				IU
	5. Stakeholder engagement				
	102-40 List of stakeholder groups			46	
	102-41 Collective bargaining agreements				IU
	102-42 Identifying and selecting stakeholders			43-47	
	102-43 Approach to stakeholder engagement			43-47	
	102-44 Key topics and concerns raised			28-30	
GRI 103: Management Approach					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary			28-30	
	103-2 The management approach and its components			15-18	
	103-3 Evaluation of the management approach			37,39-40	

Appendix III

GRI 201: Economic Performance					
GRI 201: Economic Performance 2016	Tax Expenses	ECO- 1		68, 86	IU
	Transparency of Payments	ECO- A1	ECO- 3	41-42	
	Dividend Paid and Repurchases	ECO- 2		86	
	Pay roll and Benefits	ECO- A2	SOC- 5		
	Capital Expenditure	ECO- 3		86	
	Interest Paid	ECO- A3		68	
	201-1 Direct economic value generated and distributed			68	
	201-2 Financial implications and other risks and opportunities due to climate change			69	
	201-3 Defined benefit plan obligations and other retirement plans			81	
201-4 Financial assistance Received from government				NA	
GRI 202: Market Presence					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				IU
	202-2 Proportion of senior management hired from the local community				IU
GRI 203: Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SOC-2		7,9,23-24	
	203-2 Significant indirect economic impacts	SOC-A4	SOC-8	78 67-68	
GRI 204: Procurement Practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		ECO-3	70-17	
GRI 205: Anti-corruption					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SOC-2			IU
	205-2 Communication and training about anti -corruption policies and procedures	SOC-5	GOV-1,2	41-42,63	IU
	205-3 Confirmed incidents of corruption and actions taken	SOC-5			
GRI 206: Anti-competitive Behaviour					
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SOC-7			IU

Appendix III

GRI 301: Materials					
GRI 301: Materials 2016	301-1 Materials used by weight or volume				IU
	301-2 Recycled input materials used	ENV-A5	ENV-9		NA
	301-3 Reclaimed products and their packaging materials	ENV-A5			NA
GRI 302: Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	ENV-5		58	
	302-2 Energy consumption outside of the organisation	ENV-5			IU
	302-3 Energy intensity		ENV- 9		IU
	302-4 Reduction of energy consumption	ENV-8	ENV- 9		IU
	302-5 Reduction in energy requirements of products and services		ENV- 9		NA
GRI 303: Water					
GRI 303: Water 2016	Total volume of freshwater used	ENV-7	ENV-9	53,86	
	303-1 Water withdrawal by source				IU
	303-2 Water sources significantly affected by withdrawal of water	ENV-2	ENV-9		NA
	303-3 Water recycled and reused			53	
GRI 304: Biodiversity					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased in protected areas and areas of high biodiversity value outside protected areas				NA
	304-2 Significant impacts of activities, products, and services on biodiversity	ENV-A9			NA
	304-3 Habitats protected or restored				NA
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				NA
GRI 305: Emissions					
GRI 305: Emissions 2016	Flared and vented gas	ENV-4		50,86	
	305-1 Direct (Scope 1) GHG emissions	ENV-3			IU
	305-2 Energy indirect (Scope 2) GHG emissions	ENV-A6			IU
	305-3 Other indirect (Scope 3) GHG emissions	ENV-A6			IU
	305-4 GHG emissions intensity	ENV-A6			IU
	305-5 Reduction of GHG emissions			8,50	
	305-6 Emissions of ozone-depleting substances (ODS)				IU

Appendix III

	305-7 Nitrogen oxides (NO _x), Sulphur oxides (SO _x), and Other significant air emissions	ENV-A6		51,86	
GRI 306: Effluents and Waste					
GRI 306: Effluents and Waste 2016	Total weight or volume of hazardous waste and non-hazardous waste generated	ENV-A3 ENV-A4	ENV- 9	58 58	
	Ratio of waste to production		ENV-9		IU
	Recycling initiatives		ENV-9		IU
	306-1 Water discharge by quality and destination	ENV-A2			IU
	306-2 Waste by type and disposal method			58	
	306-3 Significant spills	ENV-1		10,52,86	IU
	306-4 Transport of hazardous waste	ENV-3			NA
	306-5 Water bodies affected by water discharges and/or runoff				
GRI 307: Environmental Compliance					
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations		ENV-9		NA
GRI 308: Supplier Environmental Assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria				IU
	308-2 Negative environmental impacts in the supply chain and actions taken		ENV-9		NA
GRI 401: Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SOC-A3	SOC-5	63	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SOC-7	SOC-5		IU
	401-3 Parental leave				IU
GRI 402: Labour/Management Relations					
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes				IU

Appendix III

GRI 403: Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management worker health and safety committees	H&S-2			IU
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	H&S-4	SOC-5	7,60-6186	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	H&S-5			NA
	403-4 Health and safety topics covered in formal agreements with trade unions	H&S-1, 2			IU
GRI 404: Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SOC-4	SOC-5		IU
	404-2 Programs for upgrading employee skills and transition assistance programs	SOC-5	SOC-5	63-64	
	404-3 Percentage of employees receiving regular performance and career development reviews				IU
GRI 405: Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	SOC-4	SOC-5,6	58,63	
	405-2 Ratio of basic salary and remuneration of women to men				NA
GRI 406: Non-discrimination					
GRI 406 : Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	SOC-4	SOC-5,6		NA
GRI 407: Freedom of Association and Collective Bargaining					
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk				NA
GRI 408: Child Labour					
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour				NA
GRI 409: Forced or Compulsory Labour					
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour				NA

Appendix III

GRI 410: Security Practices					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	SOC-1, 9	SOC-7		IU
GRI 411: Rights of Indigenous Peoples					
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	SOC-1, 6			NA
GRI 412: Human Rights Assessment					
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments				NA
	412-2 Employee training on human rights policies or procedures	SOC-1, 5	SOC-7	63-65	
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening				NA
GRI 413: Local Communities					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	SOC-8	SOC-8	45-47	
	413-2 Operations with significant actual and potential negative impacts on local communities	SOC-8	SOC-8		NA
GRI 414: Supplier Social Assessment					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria				IU
	414-2 Negative social impacts in the supply chain and actions taken				NA
GRI 415: Public Policy					
GRI 415 : Public Policy 2016	415-1 Political contributions	SOC-3			NA
GRI 416: Customer Health and Safety					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	H&S-5			NA
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		ENV-9		NA

Appendix III

GRI 417: Marketing and Labelling					
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		ECO-3, 4		NA
	417-2 Incidents of non-compliance concerning product and service information and labelling		ECO-3, 4		NA
	417-3 Incidents of non-compliance concerning marketing communications		ENV-9		NA
GRI 418: Customer Privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				NA
GRI 419: Socioeconomic Compliance					
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		ENV-9		NA

NA: Not Applicable

IU : Information Unavailable





Seplat Energy

Head Office:
16A Temple Road
Ikoyi Lagos Nigeria
Phone: +234 1277 0400

London Office:
4th Floor
50 Pall Mall
London SW1Y 5JH
Phone: +44 (0)20 3725 6500

info@seplatenergy.com
www.seplatenergy.com

Production: Raitas Communications, Lagos