

# Ensuring a positive and impactful legacy

Shared value remains at the centre of our investment in Nigeria. Delivering a longstanding and positive social and economic legacy for our local stakeholders is our priority.

## HSSE strategic principles

At Seplat, we are governed by the four core strategic principles of our HSSE policy:



### Safety and security of stakeholders

- Implementation of safety procedure systems
- Incident reporting and investigation procedure (to track performance and share lessons learned)
- Periodic health screening/survey of staff and contractor employees
- HSSE induction and awareness programme as well as competency training



### Compliance with applicable statutory regulations and industry codes of practice

- Ensure compliance with applicable laws, regulations and permits to ensure violations are avoided
- Collaborate on the development of new or revised regulatory requirements via appropriate industry bodies to ensure performance as a best practice operator



### Ensuring mutual respect with host communities and local stakeholders

- Promoting proactive engagement with host communities and other stakeholders for peaceful co-existence in order to create an enabling environment for the Company's operations



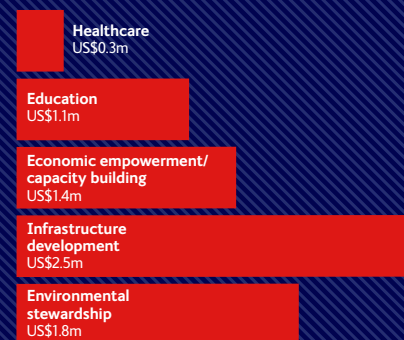
### Environmental safe-guarding and conservation

- Environmental stewardship through the implementation of an approved Environmental Management Plan ('EMP')
- Conduct weekly monitoring of the quality of effluents, emissions and groundwater against statutory/international guidelines
- Implementation of rigorous waste management plan
- For projects, conduct applicable Environmental Impact Assessment ('EIA') studies and thereafter ensure periodic Environmental Evaluation Studies ('EES') to monitor impact of our operations and implement mitigation measures as appropriate

## Social investment programmes:

The social investment programmes aim to target immediate impact projects at the community level, identified following the completion of all Environmental and Social Impact Assessment ('ESIA') studies. These include healthcare, education, economic empowerment/capacity building, infrastructure development and environmental stewardship initiatives as shown below.

### Investment in our community



### Innovating to maximise our socio-economic impact

An integral part of Seplat's operating model has been the positive and unparalleled relationships we have built amongst our host communities. It has been a critical element of our corporate social responsibility ('CSR') strategy and we are proud of the work we have achieved since our inception in 2010. Remaining industry-leading requires continued innovation and consideration and in 2016, the CSR Committee initiated a process to develop the Company's CSR strategy over the next five to ten years to guarantee industry best practice at an international level.

### Legacy impact

Seplat aims to deliver legacy impact through its CSR initiatives and central to delivering this is our CSR vision that focuses on and empowers impacted communities to alleviate

and end poverty. The United Nation's Sustainable Development Goals ('SDGs') are the global agenda and platform through which businesses can help advance sustainable development. In 2016, the process undertaken by the CSR Committee determined them a good basis upon which to build and measure Seplat's CSR strategy and performance going forward from 2017 onwards.

To ensure the legacy impact that the Company aspires to, the CSR strategy will aim to focus on programmes that:

1. Economically empower the communities in the Niger Delta region to alleviate poverty.
2. Reduce the dependence of the communities on the oil and gas industry.

The Company is looking forward to defining, identifying and developing, where required, those programmes that will be central in delivering on this revised CSR strategy in 2017.

**Zero**  
fatalities

**50%**  
reduction in volume  
of flared gas from  
2014 to 2016

**Zero**  
groundwater contamination

### Health, Safety and Environment – 2016 Performance Review:

Seplat's commitment to upholding industry best practice in all its activities is particularly relevant to its health and safety practices as well as its environmental performance. We have a strong health and safety culture and a sustained commitment to minimising the environmental impact of our operations. Our performance in these areas is measured and evaluated year on year to ensure Seplat continues to achieve industry-high standards.

In 2016, we have continued to maintain our target of zero fatalities and remain proud of our strong safety record. We know maintaining this requires constant monitoring, innovation and vigilance. We focus on creating a working environment where safety is deeply rooted into behaviour, performance and company culture.

### Health and Safety – 2016 Performance Review:

	2014	2015	2016	2017 targets
Fatalities (employee and contractor)	0	0	0	0
Lost Time Injury Frequency ('LTIF')	0.4	0	0.33	0.16

### Environment – 2016 Performance Review:

	2014	2015	2016	2017 targets
Flaring – million standard cubic feet (MMscf)	9,465	7,642	4,757	4,757
Volume of oil spilled through own operations (thousand tonnes)	0.0004	0.1089	0.002	0.002
Volume of oil spilled through sabotage (thousand tonnes)	0.0014	0.0021	0.002	0.002
Groundwater contamination	Nil	Nil	Nil	Nil
Freshwater consumption (MMbbls)	1.18	1.5	0.28	0.28
Total Greenhouse Gas Emissions (MM tonnes CO <sub>2</sub> equivalent)	N/A	0.01	0.0001	0.0001



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**80 million**  
estimated number of people  
in Nigeria that lack access  
to electricity

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During 2016, our staff  
retention rate was

**99%**

### Our role in powering social and economic growth in Nigeria

The gas opportunity within Nigeria does not only make commercial sense for Seplat, but in terms of fulfilling our commitment to leaving a positive legacy behind for our communities and the country, the case for scaling up our gas production is overwhelming.

Africa is the most underpowered continent in the world. More than 95% of those 1.2 billion people in the world living without electricity are in countries in sub-Saharan Africa and developing Asia, and they are predominantly in rural areas. Whilst Nigeria has the largest GDP in Africa, electricity consumption in the country is almost one fifth lower than the sub-Saharan Africa average at 126kWh per person compared with 150 kWh. South Africa and Nigeria will remain the largest commercial and industrial consumers of electricity over the next two decades, with both countries together accounting for more than 50% of 2040 demand.

Availability of power is the key to powering prosperity in Nigeria. The economic and social benefits from a country's electrification are undeniable. By aligning ourselves with the Federal Government's Agenda and Power Sector Roadmap, the gas produced at Seplat's operated blocks was enough to underpin, at times, up to a third of on-grid power generated in the country.

Seplat recognises the importance of a multi-stakeholder cooperative approach to support consortium-led efforts to develop capacity and to continue playing a role in supporting universal electricity access in the country. As Seplat continues to invest in delivering increased production in 2017, we are looking forward to continue in our leadership role in lighting up Nigeria's future.





## Meet Edujie Macaulay, Process Monitoring & Control Manager, Amukpe LTF

### Why is safety so important to your work at Seplat?

I am a Process Monitoring & Control Manager at Amukpe flow station. Safety is extremely important in my everyday activities because it ensures the protection of myself, my colleagues, contractors and the Company's assets that have been entrusted in my care. The nature of my job involves the daily handling of hydrocarbon fluids and other flammable substances. It is therefore important that safety takes priority in the course of carrying out my duties.

### Talk us through your safety training experience at work?

I started working at Seplat in September 2012 and I have attended a number of Safety training courses. I have attended Basic and Advanced Permit To Work (PTW) training organised by Sydney Gateway and Petrofac, where I learnt about the PTW safe system of work, importance of complementary certificates Job Hazard Analysis (JHA), Work method statement, Excavation permit, Isolation Certificates, Confined space and risk assessment amongst others. I also attended the First Aid training organised by the Nigerian Red Cross, where I learnt how to administer first aid in emergency situations and how to carry out CPR. I also attended an Oil Spill Management training recently, where I learnt how to manage an oil spill in order to protect the environment in which we work.

### What motivates you to stay safe at work?

My motivation for staying safe at work is my desire to return to my family at the end of my shift in a healthy condition. The environment in which we work is a hazardous one and if extra special care is not taken, unsafe acts and conditions could degenerate into incidents and accidents that may involve loss of life or property. Safety cannot and should not be compromised for any reason.

### Do you support your colleagues in staying safe at work?

Yes, I support my colleagues in staying safe at work because "safety is everybody's business". My colleagues look out for me and I look out for them. If anyone is doing something unsafe I bring it to that particular individual's attention and correct the person respectfully. Similarly, if my colleague is correcting a contractor/vendor on site or enforcing our safety rules and regulations, I give the necessary support that my colleague needs to ensure that the contractor carries out the job safely.



**Top image:** A best in class approach to safety remains central to Seplat's success.

**Bottom left image:** Seplat's annual Pearls Quiz programme, which aims to encourage learning and education amongst its host communities, awarded a further ₦35 million to winning schools in the Delta during 2016.

**Bottom right image:** As part of its community investment programmes, Seplat has spent over ₦33 million on its Safe Motherhood Programme during 2016.

This Strategic report has been approved by the Board and signed on its behalf by:

**Austin Avuru**  
Chief Executive Officer  
30 March 2017