







# CHIEF EXECUTIVE OFFICER'S ADDRESS ON SUSTAINABILITY

Dear Valued Stakeholders,

In the intricate and evolving landscape of the energy sector, Aradel Holdings remains steadfast in its commitment to sustainability, which serves as both the foundation and driving force behind our corporate philosophy and strategic direction. We recognise the critical importance of fostering sustainability at both a global and local level in today's increasingly interconnected world. We are gradually embedding sustainable practices into the core of our business model which reflects a deep-seated belief in not only pursuing excellence in our commercial endeavours but also in making a meaningful contribution to societal welfare and environmental preservation.

At the heart of our mission lies a trio of guiding principles: the creation, realisation, and preservation of value. These principles are not merely abstract ideals but tangible practices that shape our day-to-day operations and long-term strategic planning. As we continue to carve our path forward, it is imperative to acknowledge that the process of formalising our sustainability framework and strategy, working with experts, is nascent. Nonetheless, our vision is clear - to seamlessly integrate and fully embed a holistic and comprehensive sustainability strategy and governance across all facets of our business operations, thereby ensuring the continuous delivery of shared value to all our stakeholders.

We understand that this is not just about compliance or meeting industry benchmarks; it is about leadership and setting new standards for what is possible in our sector. To this end, we have already made significant strides towards realising this vision, leveraging our customary tenacity and focus on excellent delivery.

We envisage a process that takes us through the creation of a sustainability management system; an initiative that is focused on the adept handling of Environmental, Social, and Governance (ESG) concerns, aligning them closely with our broader corporate goals. In parallel, continually integrating sustainability considerations into our daily business operations ensures that our everyday decisions are made through the lens of sustainability values.

Recognising the importance of comprehensive understanding and skill in navigating sustainability issues, we are committed to investing in the training and development of our team, across all relevant levels of the organisation. This initiative aims to bolster our internal capacity for sustainability management, enhancing our ability to address these critical issues effectively.

In addition to these internal measures, we understand the importance of transparency and engagement with our stakeholders regarding sustainability matters. To this end, we are establishing strong communication channels that are designed to facilitate open dialogue and information sharing about our efforts, ensuring our stakeholders are well-informed and engaged in our journey.

These current and planned steps mark significant progress in our journey to sustainability integration, reflecting responsibility, and lasting improvement of our operations in alignment with sustainability principles. Noteworthy among our early initiatives is the establishment of the Host Community Trust Fund, a pioneering effort we put in place in 2002, before the enactment of the Petroleum Industry Act (PIA) which made the establishment of a Host Community Trust Fund mandatory. This demonstrates our proactive approach to community engagement and support. Furthermore, our achievement in eliminating routine gas flaring in 2012 stands as a testament to our commitment to environmental stewardship and our proactive stance on reducing our carbon footprint.

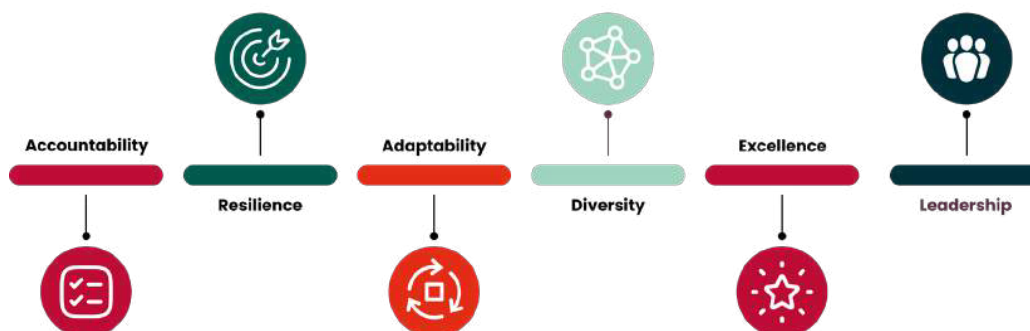
In 2023, we achieved significant milestones that underscore our ongoing dedication to sustainability such as the enhancement of digitisation of our business operations, to improve efficiency and effectiveness. This transition streamlines our processes and also minimises our environmental impact. Moreover, the initiation of comprehensive monitoring and recording of our carbon footprint has yielded results trending better than the industry average, further affirming our devotion to minimising our environmental impact. Another highlight for us in 2023 is our foray into renewables where we are working in strategic partnership with third parties to deploy solar-based mini-grid solutions to communities that lack access to on-grid electricity. In venturing into this, we aim to reduce carbon footprints associated with electricity generation and deepen access especially in our rural communities. This is in line with our commitment to renewable energy and community empowerment.

As we move forward, Aradel Holdings remains dedicated to the continuous refinement and expansion of our sustainability initiatives. We are working collaboratively with all our stakeholders to navigate the challenges and opportunities that lie ahead, with the shared goal of creating a more sustainable and equitable future for all.

Thank you for your continued support and partnership on this vital journey.



Adegbite Falade  
Chief Executive Officer/Managing Director  
FRC/2021/003/00000025055  
April 2024



# DOING BUSINESS RESPONSIBLY

## Overview

At Aradel Holdings, we are mindful that our businesses and operations must be conducted in a manner sustainable for the environment, economy and our stakeholders. We are also aware of the significant global environmental and social challenges faced by corporations and individuals alike. As the global energy transition evolves, we are committed to being part of the solution to ensure that our businesses align with long-term strategies to protect the environment and humanity. In addition, we are taking specific steps to systematically reduce carbon emissions. Thus, our business model incorporates a holistic, principled approach to sustainability which aligns with relevant rules, regulations, and best practices relating to ESG matters.

In the face of changing times and rising global uncertainties, sustainability has become a key indicator of our success. Our people, processes and systems have remained strong. Beyond making a profit, the Group continually assesses the impact of its strategic, and operational decisions in order to protect the interests of all its present and future stakeholders. Aradel Holdings maintains a strong discipline of sustainable development as a strategic tool for the future and a culture of a safe working environment today. The Company diligently manages its impact on the environment and the communities it operates in and has established adequate and consistent standards for dealing with service providers.

We report our Sustainable Development Initiatives for the year ended 31 December 2023 along the following key areas: economic viability, social impact, governance, and environment.

## 1. Economic Viability

### 1.1. Procurement Process

Aradel Holdings through its contract and procurement processes engages economically, environmentally, and socially responsible contractors and suppliers. For the year under review, there was no breach of the Company's ethics and compliance rules, hence there was no sanction of any vendor, and no contract was terminated due to unethical practices and/or ethical activities.

The Company ensures that it always conducts its contracting and procurement activities in accordance with its Code of Business Conduct, and ensures compliance from its suppliers and contractors, including sub-contractors with penalties for non-adherence and violation.

In terms of compliance, contractors are also provided with the Company's Anti-Money Laundering Policy, Confidential Information Policy, Conflict of Interests and Anti-Bribery Laws to facilitate compliance with the Company's policies and contractually undertake to comply with these policies.

Finally, we ensure social consideration by engaging skilled and qualified host community members through our contracting and procurement processes while giving priority to local capacity development to enhance growth in our immediate and wider communities.

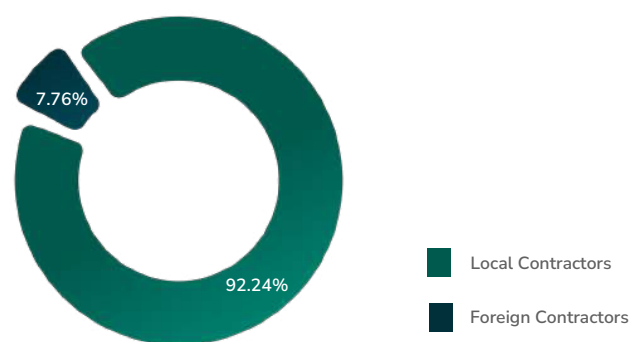
### 1.2. Promotion of Local Content

Aradel Holdings as an indigenous entity recognises that purchasing decisions present an opportunity to have a positive social and economic impact through supporting local businesses. As part of its effort to support local content and boost local capacity, Aradel Holdings operates a policy of sourcing its goods and services from its local contractors and suppliers that meet its quality standards. This is also in line with applicable local content laws and the aspirations of the Nigerian Content Development and Monitoring Board.

### 1.3. 2023 Contracting and Supply Activities

In 2023, the Company continued in its drive to encourage local companies by ensuring that 99.24% of all its contracting and supply activities for the year were carried out locally. Foreign vendors constituted only 0.76% supply support on ongoing capital projects, representing work for which there are no in-country capacities and/or local representatives of original equipment manufacturers. However, all operations and maintenance activities are carried out locally, which is achieved by adequate training and knowledge transfer.

Figure 11: Local and Foreign Contractor/Supplier Percentages



### 1.4. Finance Management

Aradel Holdings ensures optimal and responsible operation of its assets, as this drives profitability. Investments are carefully analysed, and funds are deployed in a manner that assures or protects shareholder value. These and other measures have protected the Company in tough times and have contributed to its resilience over time.

Our financial highlights and the Chief Financial Officer's Report confirm the resilience of the Company's financial position and its ability to remain profitable in years to come.

## 2. Social Impact

The Company, through the Human Resources (HR) Department, engages in numerous activities as part of its ongoing commitment to transformation, transparency, and communication. Below is a summary of the activities that took place during the year under review:

### 2.1. Talent Acquisition and Recruitment – The Aradel Graduate Trainee Programme

During the year, the Company introduced the Aradel Graduate Trainee Programme which birthed the employment of 25 trainees. The Company's HR department actively collaborated with hiring managers to identify workforce needs and plan for strategic recruitment. This was achieved by utilising industry-specific platforms and networks to attract top talents in the industry. Our talent acquisition and recruitment involved rigorous selection processes to ensure only individuals who aligned with the Company's values, and possess the necessary skills as well as expertise, were engaged.

### 2.2. Onboarding and Orientation

The Company had a comprehensive orientation programme for Graduate Trainee involving their introduction to key personnel to ensure their smooth integration into the Company. New employees underwent

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comprehensive onboarding process to familiarise themselves with the Company's culture, safety protocols, and industry-specific regulations. Finally, the Trainees were introduced to the Company's facilities and equipment at the Ogbele Field, giving them a thorough overview of the Company's operations.

### 2.3. Training and Development

Continuous learning and development programmes were designed to enhance the skills and competencies of our workforce as operational excellence remains Aradel's watchword. The Company during the year carried out many other learning interventions geared toward staff growth and development. The Company prioritises personal development and learning from the staff onboarding stage, hence, a hybrid e-Learning platform was made available to staff to create and leverage a learning culture. The Company's training initiatives are aligned with industry standards, covering technical aspects, safety procedures, and leadership development.

### 2.4. Employee Engagement

We prioritise creating a positive and inclusive work environment, promoting open communication and collaboration among team members. Regular employee engagement activities including but not limited to the celebration of our Cultural Month, International Men and Women's Day, Children's Day (for the children and wards of employees), Aerobics and Games Day were held during the year under review. Quarterly Town Hall meetings, and frequent feedback sessions were equally organised, all to foster a sense of belonging and motivation.

### 2.5. Performance Management

Our performance management system was further designed to align individual goals with organisational objectives. Regular performance reviews helped in eliciting and providing constructive feedback, recognising achievements and identifying areas for improvement.

### 2.6. Employee Relations

The Company is committed to resolving workplace issues promptly and impartially, hence, the Conflict-of-Interest Policy, Whistleblowing Policy, Code of Conduct Policy, Aradel Confidentiality Forms, the Employee Handbook and many more policies which have been put in place over the years, continually undergo reviews to keep them up to date with evolving best practices and changes in laws and/or regulations.

We foster an environment of open communication, ensuring that employees are heard and supported.

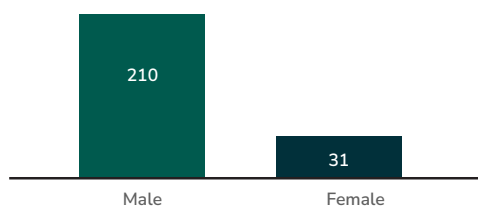
### 2.7. Compliance and Regulatory Affairs

Our HR professionals and Compliance Team closely monitor changes in labour laws, industry regulations, and other Corporate Compliance requirements to ensure the Company's adherence to all relevant standards.

These initiatives contribute to building a strong, skilled, and motivated workforce that is essential for the success of our operations in the oil and gas space.

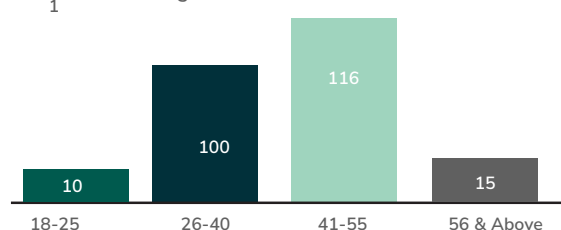
### 2.8. Aradel Human Resources Indices

Figure 12: Staff Strength as at 31 December 2023



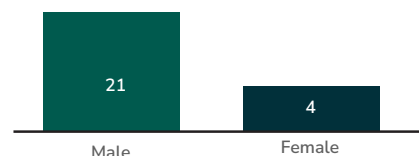
Total staff strength at the end of December 2023 was 241, compared to 216 as at December 2022

Figure 13: Workforce Age Distribution



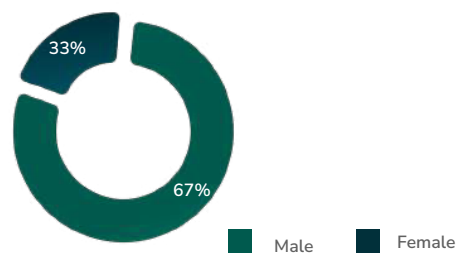
Total of 241 staff showing age distribution from 25 years and below to 56 years and above as follows:

Figure 14: New Hires (Graduate Trainees) as of 31 December 2023



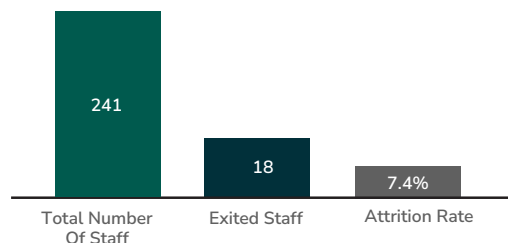
In the year under review, of over 3,000 shortlisted applicants, 25 were successfully recruited after a rigorous selection process.

Other experienced personnel to handle critical roles were also recruited as shown below:



As part of the effort to attain gender balance in the recruitment process, 33% of the staff recruited were female amounting to 4 staff and 67% staff were male amounting to 8 staff.

Figure 15: Attrition Rate as at 31 December 2023



In 2023, the Company recorded an attrition rate of 7.4% (2022: 5.56%). This largely reflected external factors such as the "Japa" syndrome while some staff gained admission to master's programmes outside the country.

## 3. Corporate Social Responsibility

### 3.1. Our Host Communities

- Aradel Holdings considers its Host Communities as critical stakeholders for the sustainability of its operations. From its inception, the Company has been passionate about transforming the lives of the people of its host communities and their environment. This was done through the Host Community Development Trust

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(funded by 5% of the Company's annual pre-tax profit), which served to promote development within the Company's Host Communities for over sixteen years until the advent of the Petroleum Industry Act 2021 (PIA).

- In compliance with the provisions of the PIA, Aradel Holdings terminated its existing Trust arrangement and incorporated MURALI Host Communities Development Trust in June 2023. The name "MURALI" is derived from the names of Aradel Host Communities, and it is administered by a Board of Trustees whose members were carefully selected by each host community to represent it on the Board of Trustees.
- The Board of Trustees of MURALI Host Communities was inaugurated on 1 August 2023 in Port Harcourt. In attendance at this epoch event were Royal Fathers from Aradel's host communities, Government officials, and representatives from the Rivers State House of Assembly. Also in attendance were representatives of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), the National Oil Spill Detection and Response Agency (NOSDRA) and other relevant stakeholders.
- As prescribed by the PIA, the Management Committee and the Advisory Committee of MURALI Host Communities Development Trust were constituted on 2 November 2023 and 15 December 2023 respectively, making Aradel fully compliant with the requirements of the PIA with respect to the constitution of the various organs of the Host Communities Development Trust.
- In line with S. 240 (2) of the PIA, Aradel Holdings has contributed three percent (3%) of its operating expenditure for 2022 financial year to the Trust. This demonstrates Aradel Holdings' commitment to the full implementation of the provisions of the PIA for the betterment and development of its host communities.
- Aradel Holdings' relationship with its host communities continues to deepen through building of trust over the years and by establishing a symbiotic relationship with the communities. Aradel Holdings actively seeks the commitment of its host communities towards sustainable development of their environment and encourages community connections by doing things together. For instance, a football tournament was organised as one of the events to celebrate the International Men's Day in 2023. One of the teams that participated in the tournament was from Aradel Holdings' Host Communities. Apart from adding colour to the social event, the participation of our host communities helped to deepen trust and demonstrated a strong affinity and interconnection which is essential for our mutual existence. Additionally, Aradel's workforce in South Sudan is made up of Sudanese, 85% of whom are being trained on the job.

### 3.2. Community Development Projects & Schemes in 2023

#### (i) Skills Acquisition

For a modern society, education is of utmost importance. In the year under review, Aradel Holdings continued to support human capital development with Skills Acquisition payments to 60 youths from the Omaraka community at a cost of ₦50,000 per person amounting to ₦3.0 million. A skilled community is crucial for economic growth as it promotes employment which leads to poverty reduction and consequently, improved wellbeing for individuals. It is a powerful driver of economic progress, and societal wellbeing. The investment in skills acquisition will have a significant positive impact on the larger community and foster economic growth.

#### (ii) Health

In its constant drive to improve the lives and wellbeing of members of its host communities, Aradel Holdings upgraded the Clinic in Ogbale Community to a Primary Health Centre (PHC) with a complete maternity ward. To ensure the proper functioning of the Centre to achieve the desired results of providing proper and sustainable health care to the Community, the PHC was fully equipped with the necessary medical equipment, and

medications. Aradel Holdings further liaised with the Local Government to have doctors and nurses (with midwifery experience) posted permanently to the Health Centre, with accommodation to be provided for them by the Company to ensure the PHC is operational 24 hours of the day.

#### (iii) Community Social Activities Empowerment

In the year under review, Aradel Holdings supported the Ogbale Community Youths Development Association and Otari Youths Association in their annual youth's celebration and annual football tournament respectively. These events are key drivers of social cohesion and serve to strengthen the community fabric, thereby providing peaceful co-existence within the Community, resulting in a favourable environment for Aradel Holdings to operate.

Aradel supports infrastructure development in its various host communities as a way of enabling trade, powering businesses, and essentially providing significant benefits to each community. Some of the key projects initiated and completed for the communities include:

- Repair of Rumuekpe Access Road
- Provision of Water Mono Pumps for Obumeze, Oshigboko and Omaraka Communities
- Completion of the Obumeze Water Borehole Project

Projects such as the provision of water boreholes align with the United Nations Sustainable Development Goal - Clean water and sanitation. Potable water is safe for human consumption and essential for human survival. Access to potable water is considered a fundamental human right and reduces health risks. This underscores why it has been a priority for Aradel Holdings to help prevent diseases that are communicable through water. This also complements our efforts to provide affordable health services for our host communities.

#### (v) Security Surveillance ₦5.9 million

Aradel Holdings continued to support the security efforts of its host communities in the year under review as safety and security lie at the heart of the prosperity of any community. The security initiatives in the various communities help to improve living conditions and protect the community's infrastructure, thereby promoting economic stability. The impact is that Aradel Holdings' investment in infrastructural development in the communities are protected and by extension, Aradel's assets are secured.

### 3.3. Charitable Donations and Sponsorship in 2023

Forging partnerships and collaboration is essential for the growth of businesses. Aradel Holdings has continued to support initiatives and causes that align with its vision and mission. These partnerships and sponsorships reinforce the Company's values of care for its stakeholders thus positively impacting its reputation and preserving strategic alliances. During the year under review, the following charitable donations and sponsorships were made:

- Sponsorship of the Energy Sustainability Conference (ESC) Exhibition - The Energy Institute Nigeria hosted the ESC to bring together energy players in Nigeria and the African Energy space, to promote a path towards a sustainable energy future.
- Donation to Care Organization Public Enlightenment (C.O.P.E) towards their screening room to provide free breast cancer screenings for women in need and to create awareness about breast cancer.
- Sponsored the Medical Women's Association of Nigeria (MWAN), Rivers State Branch towards their 23rd MWAN Biennial Conference.
- Sponsorship of the Chartered Institute of Personnel Management (CIPM), International Conference & Exhibition. This is a major platform for intellectual and creative discourse covering various themes of contemporary global and national importance delivered through organised thought leaders.
- Partnered with Unboxed Conferences, to sponsor a Young Person Mentoring event in Port Harcourt.

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- Sponsored the 2023 Nigeria Hydrocarbon Measurement Conference (NiHMEC), which focuses on sharing knowledge about accurate hydrocarbon measurement and accounting, which are essential for the industry.
- Partnered with the Nigerian Association of Energy Correspondents (NAEC) at their Annual International Conference.
- Sponsored the Aret Adams Foundation towards the hosting of their annual 20th memorial lecture series.
- Joint sponsorship with (ND Western Ltd) of the African Oil and Gas Week (AOW) 2023 Conference.
- Sponsored the 21st NOG (Nigerian Oil & Gas) Energy Week Conference & Exhibition.
- Society of Petroleum Engineers (SPE) - 46th Nigeria Annual International Conference and Exhibition (NAICE)
- Donation to the Nigerian Academy of Engineering to support their work to advance and pursue excellence in the fields of Science, Engineering and Technology.
- Sponsorship of the Value Chain Magazine Annual Lecture and Awards 2022. The Value Chain magazine highlights industry issues while also championing the cause of sickle cell disease in Nigeria.
- Sponsorship of the 2022 Nigerian Association of Petroleum Explorationists International Conference & Exhibition.
- Sponsored the ISACA 2023 Annual Conference. ISACA is the worldwide association of Information Systems (IS) governance professionals. The association focuses on assurance, security, and governance and provides globally recognised certifications in assurance.
- Sponsored the 13th Practical Nigerian Content (PNC) Forum, held in partnership with the Nigerian Content Development and Monitoring Board.
- Sponsored facility renovations at the Nigerian University of Technology and Management (NUTM).

### 3.4. Aradel Holdings CSR Activities and Alignment with UN SDGs

Aradel Holdings has made significant impact in line with the United Nations Sustainable Development Goals (UN SDGs) in the following areas:

#### UN SDGs



##### Targets

End poverty in all its forms everywhere

##### Activities

Prioritising the stimulation of economic growth through job creation, and poverty reduction.

No Poverty



##### Targets

Ensure health and well being for all

##### Activities

Upgrade of the Ogebe clinic into a fully equipped Primary Health Centre, provision of Health grants to the elderly, as well as other health initiatives.

Good Health and Well being



##### Targets

Encourage quality education and lifelong learning

##### Activities

Skill Acquisition programmes for youths from Omaraka Community, sponsorship of educational events, and donations toward the pursuit of excellence in the fields of Science, Engineering and Technology.

Quality Education



##### Targets

Ensure availability and sustainable management of water and sanitation

##### Activities

Potable water provision to Obumeze Community Oshiugboko and Omaraka Community.

Clean Water and Sanitisation



##### Targets

Ensure access to reliable, sustainable, and modern energy

##### Activities

Execution of diverse projects such as the electricity extension project in Ogebe and Obumeze Communities.

Affordable and Clean Energy

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## UN SDGs



## Decent Work and Economic Growth

## Targets

Promote sustained, inclusive, and sustainable growth

## Activities

CIPM, International Conference sponsorship.



## Industry, Innovation and Infrastructure

## Targets

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

## Activities

Rehabilitation of roads for host communities.



## Sustainable Cities and Communities

## Targets

Make communities safe, resilient, and sustainable

## Activities

Support for local initiatives by host communities for the security of lives and property.



## Life below Water

## Targets

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

## Activities

Continued investment in and improvement of our internal water conservation management systems.



## Life on land

## Targets

Protect, restore and promote sustainable use of terrestrial ecosystem

## Activities

The reclamation of a swamp area in Omaraka Community; the land, once reclaimed, was developed into a trailer park which has resulted in the establishment of several mini businesses now serving the users of the park.



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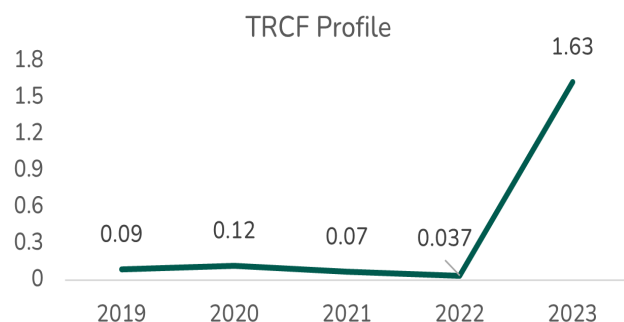
### 3.5. Health, Safety and Environment (HSE)

At Aradel Holdings, we are committed to creating a healthy, safe, and sustainable environment through our policies which are embedded in our value system. Our staff are our most important asset. As part of our commitment to promote a healthy lifestyle, we engaged the service of accredited health consultants to conduct periodic health awareness talks for all staff.

During the year under review, there was no form of discharge to the environment (zero sabotage and operational spill). This was achieved through a thorough and rigorous monitoring process put in place by the Company. We equally conducted the external environmental audit to reassure our stakeholders and interested parties of our continued compliance with regulatory requirements.

The Company recorded impeccable HSE performance for the year ended 31 December 2023 with zero fatalities, a total of 734,048 man-hours without incidents, and Zero Lost Time Injury (LTI) recorded in the last quarter of the year. Aradel had earlier achieved an impeccable HSE record of 18.1 million man-hours LTI-free before a third-party incident occurred in September 2023 which reset the Company's LTI records.

The Company's Total Recordable Case Frequency (TRCF) factor for the year ended 31 December 2023, is 1.63 (2022: 0.037). The Company will continue its adoption of international best operating practices by the HSE team.



## 4. Governance

### 4.1. Sustainability Governance

Aradel Holdings centrally manages an effective governance structure, along with performance standards, guided by our principles of value creation, realisation, and preservation. These principles shape our day-to-day operations and long-term strategic planning, as well as our vision of seamlessly integrating and fully embedding a holistic and comprehensive sustainability strategy across all facets of our business operations. Our process is aimed at putting in place a sustainability management system with a focus on the adept handling of Environmental, Social, and Governance (ESG) concerns in tandem with our overall corporate objective.

To continue to strengthen our internal capacity, we continue to invest in the training and development of our team, across all relevant levels of the organisation and as a company dedicated to fostering transparency, channels of communication are being created to enable us to keep our stakeholders well-informed and engaged in our sustainability journey and practices.

The Company maintains frameworks and policies such as the Aradel Holdings Plc Business Code of Conduct; Environmental and Social Policy; Health, Safety and Environment Policy; and Resource Conservation Procedure. These frameworks and policies have been designed to serve as a guide to all staff, contractors/suppliers, visitors, host communities and other stakeholders.

The overall responsibility for sustainability within the Company is with the Chief Executive Officer/Managing Director under the supervision of the Board of Directors.

### 4.2. Zero Tolerance to Fraud and Corruption

Fraud and corruption are major threats to our sustainability; consequently, we maintain a very high standard of professional conduct. We have a Code of Conduct and Conflict-of-Interest policies that set out what is expected of our people and promote the right work environment. In addition, the Company has zero tolerance for bribery and corruption and maintains an independent whistleblowing channel. For the year ended 31 December 2023, Aradel Holdings recorded no cases of fraud and corruption.

## 5. Environmental Sustainability

### 5.1. Energy Efficiency

We created various initiatives to promote energy efficiency in all Aradel Holdings facilities. We assiduously ensure wastage is reduced to the barest minimum. During the year, there was a significant decrease in fuel consumption due to post-pandemic initiatives such as hybrid work systems. We shall continue to imbibe practices such as active energy conservation awareness, monitoring of our electricity use, routine maintenance to improve machine efficiency, and use of energy-saving electronic devices.

### 5.2. Water Management

The Company continued the improvement of the water conservation management system initiated in 2019 which aimed at the sensitisation of staff to see water as a natural resource that can be diminished. A water consumption measuring meter was installed in the Ogbelle field to monitor water usage.

### 5.3. Compliance with Environmental Laws and Regulations

This is an internal commitment to leave the environment better than we met it in consideration for future generations and not just a tick-box exercise for the Company. With this in mind, we ensure that compliance is cascaded into the KPIs of our staff.

To further build on this, the Company started the ISO 14001 certification process earlier in 2021 and is now successfully ISO 14001:2015 (EMS 760652) certified. This reiterates our continued employment of proper frameworks and systems to ensure that our output quality and the effects of our operations on the environment are in line with international standards and practices.

### 5.4. Waste Management

The Company ensures there is no discharge to the environment. Operational discharge is treated and reinjected into an approved well. For instance, our wastewater management system is designed to ensure the non-discharge of effluent water from operations into the environment, rather the wastewater is channeled back into the subsurface through our existing drilled wells. Waste treatment and zero spills assist the Company in the reduction of its carbon footprint on the environment.

### 5.5. Climate Protection

In 2023, we initiated the process of capturing and storing carbon and other vapours as well as monetising them; thereby strengthening our approach towards evaluating climate risk associated with our business. This was in addition to the elimination of routine flaring within our operations in 2012.

### 5.6. Renewable Energy

The decision to explore the potential for gas also speaks to our interest and goal as a key player in championing the clean energy transition in Africa, which is further enabled by our robust gas assets. Our refinery model/set up allows for the production of high-grade, less carbon, top

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quality refined products as a substitute for the high sulphur and carbon-rich variety in the market. Our renewable energy focus remains on track and this is backed by our commissioning of four new mini-grid systems during the year. Our commencement of the production of LPG will contribute immensely to the prevention of deforestation through the use of firewoods, as well as the use of diesel and petrol in power generation.

### Conclusion

As a fast-growing, committed, and responsible indigenous oil & gas company that prides itself in the excellent delivery of its mandate, Aradel will continue to deepen its culture of sustainable development as it fits into the current global business realities as well as its operating environment. We will continue to protect the interests of our people, communities, environment, government, and all other relevant stakeholders without compromising global best practices and the regulations guiding our industry and operations.





