

DOING BUSINESS

DOING BUSINESS RESPONSIBLY

RESPONSIBLY



CHIEF EXECUTIVE OFFICER'S ADDRESS ON SUSTAINABILITY

28

ECONOMIC VIABILITY

30

SOCIAL IMPACT

30

CORPORATE SOCIAL RESPONSIBILITY

32

GOVERNANCE

36

ENVIRONMENTAL SUSTAINABILITY

36

CHIEF EXECUTIVE OFFICER'S ADDRESS ON SUSTAINABILITY

Dear Valued Stakeholders,

As we reflect on the past year and chart the course ahead, I am pleased to share Aradel Holdings' unwavering commitment to sustainability - a core principle that shapes our strategic direction and operational philosophy. In a rapidly evolving energy sector, sustainability is no longer just a corporate responsibility; it is a business imperative. In 2024, we sustained strong momentum, driven by our relentless desire to integrate sustainable practices into every aspect of our operations to drive innovative, responsible, and lasting success for our business, while advancing Environmental, Social, and Governance (ESG) leadership.

In 2024, we made steady strides in our sustainability journey, achieving milestones that underscore our commitment to environmental stewardship and responsible energy development. We successfully launched several innovative initiatives that enhanced our digital transformation, enabling us to streamline operations and improve overall efficiency across our business units. Our investment in advanced technologies helped us optimise resource management and minimise waste, resulting in a more sustainable operational model.

We continued to engage in meaningful partnerships with local organisations to promote environmental education and community engagement, leading to volunteer programmes that involved over 500 community stakeholders in conservation efforts. Some of these are:

1. Employability Training Programme for Host Communities

Aradel launched a vocational training initiative for 120 youths across six host communities in Rivers State (PML 14). The programme focused on practical skills such as Crane Operations, Industrial Welding, Process Instrumentation, and Wellhead Maintenance, directly aligning with community needs identified through assessments. This initiative aims to foster economic resilience and reduce environmental strain by providing sustainable livelihoods linked to industrial sectors.

2. Environmental Stewardship and Partnerships

- **Gas Flaring Reduction:** Aradel maintained its leadership in eliminating routine gas flaring at its Ogbale facility, a practice phased out since 2012 and recognised by the World Bank's Global Gas Flaring Reduction Partnership.
- **LPG Production Plans:** We advanced plans to produce liquefied petroleum gas (LPG) by focusing on infrastructure expansion, and strategic partnerships. This will also result in offering cleaner cooking alternatives to reduce deforestation and indoor air pollution in local communities. Here are some key milestones:
 - **Infrastructure and Strategic Growth:** Aradel expanded its refinery and gas production capabilities, alongside strategic acquisitions like Chappal Energies and marginal fields, to support future LPG integration and diversified energy production.
 - **Sustainability and Clean Energy Transition:** Emphasising LPG in its sustainability strategy, Aradel aligns with Nigeria's energy transition goals and plans to commence production to reduce reliance on biomass and fossil fuels.
- **MURALI Host Communities Development Trust:** Established under the Petroleum Industry Act (PIA), this trust facilitates community-driven projects, including environmental education and infrastructure development, funded by a percentage of Aradel's annual profits.

3. Collaborative Conservation Efforts

Aradel prioritises strategic partnerships with local organisations and communities to foster a deeper understanding of environmental education. For instance, in our Omerelu Field operations, we actively engaged residents through comprehensive community consultations. These discussions were designed to align energy project initiatives with the region's ecological preservation goals as well as with the specific needs and concerns of the local populace. By integrating local knowledge and priorities, Aradel aimed to promote sustainable energy solutions.

Our proactive approach to sustainability is exemplified by innovative initiatives that extend beyond mere compliance and set new standards within the industry. Examples include :

- **Resource Conservation Procedure,** which mandates waste minimisation and resource optimisation across operations via closed-loop systems (e.g., recycling 90.0% of drilling fluids).
- **Carbon emissions 40.0% below industry averages** through carbon capture adoption and renewable energy investments (solar/wind).

Core Sustainability Philosophy

At Aradel, sustainability is a daily test of our commitment, woven into every decision and action, ensuring we consistently meet the highest standards of responsibility and innovation. We steadfastly adhere to three core principles: the creation, realisation, and preservation of value. These guiding tenets direct our pursuit of commercial success and also ensure that we leave a beneficial impact on both the environment and society. We are committed to transforming resource management through innovative energy solutions that drive economic growth while concurrently reducing our ecological footprint. Central to our approach is a comprehensive vision in which profitability and social responsibility are inextricably linked. Our dedication encompasses the establishment of new benchmarks in sustainability, merging environmental stewardship with community involvement at every opportunity. By embracing sustainability as a fundamental component of our business strategy, we aim to continue to achieve significant financial success and to cultivate a future characterised by equitable prosperity and a thriving planet.

Governance and Strategic Framework

To reinforce our sustainability ambitions, we took significant strides to strengthen our governance structure, ensuring that Environmental, Social, and Governance (ESG) considerations are deeply embedded within our corporate decision-making processes. The establishment of our subsidiary boards have led to a structure that allows for specialised oversight, which is crucial for implementing sustainability initiatives. For instance, the Board of Aradel Energy Limited oversees upstream activities, aligning them with the 'Zero Routine Flaring by 2030' initiative. The benefit can also be seen with resource optimisation breakthroughs.

Subsidiary-level governance enabled customised sustainability KPIs, with the Refinery achieving 22.0% energy intensity reduction through AI-driven process optimisation.

Our unwavering commitment to continuous improvement is exemplified by our adherence to the ISO 14001:2015 certification, which reflects our dedication to maintaining high standards in operational excellence, and our compliance with the ISO 9001:2015 certification processes, ensuring we meet and exceed industry benchmarks. In 2024, we enhanced our framework by:

- **Organising quarterly community forums,** providing a platform for open dialogue between the Company and its stakeholders. These forums allow community members to voice their concerns, ask questions, and stay informed about ongoing projects. We publish thorough Environmental and Social Impact Assessments (ESIAs) that examine the potential impact of its activities on the environment and local communities. These assessments are designed to address stakeholder concerns proactively and ensure transparency in the Company's operations, fostering trust and collaboration with the communities it serves.
- **Collaborating with Sustainability Experts:** We continued our collaboration with leading sustainability experts to refine and tailor our strategies effectively. This partnership allows us to adopt innovative practices and align our objectives with global sustainability benchmarks, ensuring our initiatives are both impactful and relevant.
- **Implementing transparency measures** to improve sustainability reporting: We introduced comprehensive transparency measures aimed at improving our sustainability reporting. These measures include regular disclosures of sustainability metrics, engaging

CHIEF EXECUTIVE OFFICER'S ADDRESS ON SUSTAINABILITY CONT'D.

stakeholder forums, and insightful sustainability sections in our annual reports that offer a clear overview of our progress and future objectives. This commitment to transparency builds trust and accountability with our stakeholders while promoting feedback for ongoing improvement.

Key Achievements and Milestones

- **Elimination of Routine Gas Flaring:** Based on our remarkable progress since 2012, we are poised to achieve a significant milestone by completely eliminating routine gas flaring at our Refinery by the fourth quarter of 2025.
- **Carbon Footprint Monitoring:** We established a comprehensive carbon footprint tracking system that exceeds industry benchmarks, ensuring rigorous adherence to both the Nigerian Stock Exchange (NGX) and International Financial Reporting Standards (IFRS) sustainability reporting requirements. Our metrics allow for real-time monitoring and transparent reporting, empowering stakeholders with critical insights into our environmental impact.
- **Renewable Energy Expansion:** In our ongoing effort to promote sustainable energy solutions, we launched a pilot project for renewable energy in early 2024. This initiative involved deploying a series of solar-powered mini-grid electricity systems to several rural communities in Osun State. We view this project as a proof of concept, and we plan to scale it up in 2025 and beyond based on our learned experience. These efforts have significantly improved access to reliable and clean energy, boosted local economies, and enhanced the quality of life, all while reducing dependence on fossil fuels.
- **Operational Excellence:** We achieved a major operational milestone with the successful re-entry of Well 2ST on the Omerelu Field, which has increased our production capacity and also plays a crucial role in our broader energy transition strategy. This achievement reflects our dedication to optimising operational efficiency and our adaptability in meeting changing market demands.

Forward-Looking Strategy

As we look towards 2025 and beyond, we are committed to making further progress on our sustainability journey, intensifying our sustainability initiatives through a multifaceted approach that includes:

1. **Expanding Renewable Energy Initiatives:** We will implement large-scale projects aimed at increasing the use of renewable energy sources, such as solar, wind, and geothermal power, across all operational sites. This will not only reduce our carbon footprint but also enhance energy efficiency and reliability.
2. **Achieving Full ISO 27001 Certification for Cybersecurity:** We are dedicated to securing our digital assets by obtaining comprehensive ISO 27001 certification for cybersecurity. This process involves integrating advanced security measures, conducting regular audits, and providing continuous training for our personnel to safeguard against emerging digital threats and ensure robust digital sustainability.
3. **Strengthening ESG Reporting Frameworks:** We will enhance our Environmental, Social, and Governance (ESG) reporting frameworks by adopting global best practices. We will take significant steps to align with the IFRS S1 (General Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures) standards, which are mandatory for companies listed on the Nigerian Exchange (NGX). These standards will help us establish clear benchmarks for our sustainability goals, increase transparency in our reporting, and engage stakeholders to share progress and solicit feedback on our initiatives.

Our current sustainability practices demonstrate our preparedness for the adoption of IFRS S1 and S2 standards:

- **Environmental Stewardship:** Aradel eliminated routine gas flaring in 2012 and maintains technical flaring at <0.05%, exceeding industry benchmarks. These practices align with IFRS S2's focus on climate-related risks.

- **Social Responsibility:** The Company's community development initiatives, such as the MURALI Host Communities Development Trust, reflect IFRS S1's requirements for social impact disclosures.
- **Dividend-Paying Reputation and Long-Term Value Creation:** The Company's robust history as a dividend-paying entity further solidifies its appeal. Emphasising consistent shareholder returns, Aradel's financial strategy is deeply aligned with IFRS S1's focus on long-term value creation, reinforcing investor confidence in its growth trajectory.
- **Index Inclusion as a Sustainability Benchmark:** Our immediate qualification for the NGX 30 and Oil & Gas indices post-listing underscores its adherence to NGX's stringent sustainability criteria. This inclusion acts as a market endorsement, assuring investors that Aradel meets high standards of operational excellence and ESG performance. This underscores our readiness for the adoption of the IFRS S1 and S2.

At Aradel, we have laid a robust groundwork for compliance with the International Financial Reporting Standards (IFRS) S1 and S2 through our comprehensive sustainability practices, transparent governance frameworks, and our strategic decision to list on the Nigerian Exchange Group (NGX). While we acknowledge that we are still on our journey toward full compliance, we have proactively undertaken significant measures to ensure a seamless adoption of these IFRS standards.

Call to Action

Sustainability is a shared responsibility. We invite investors, employees, regulators, and communities to partner with us for a sustainable energy future. Your support is crucial for driving innovative solutions that reduce our environmental impact. Together, we can generate innovative ideas, advance green technologies, and promote energy efficiency to fight climate change. Join us in making a lasting impact while exploring new growth opportunities.

Closing Statement

Aradel Holdings is resolutely committed to advancing sustainability in all aspects of our operations. We take great pride in the significant strides we made in 2024, including the implementation of innovative renewable energy projects and a reduction in our carbon footprint. As we look ahead to 2025 and beyond, our focus remains on catalysing transformative change within the energy sector. We envision a future where our business practices generate value for our stakeholders while also prioritising the preservation of our planet and the well-being of the communities we serve. Together, we can forge ahead, creating a more sustainable energy landscape that benefits both people and the environment.

Thank you for your enduring trust and partnership as we embark on this vital journey.



Adegbite Falade
Chief Executive Officer/Managing Director

DOING BUSINESS RESPONSIBLY

The Sustainability Report for the year ended 31 December 2024 sets out the key aspects of our Environmental, Social and Governance (ESG) strategies, programs, and performance.

Overview

At Aradel Holdings Plc ("Aradel" or "the Company") we are committed to sustainable operations that support the environment, the economy, and our stakeholders. We recognise the significant environmental and social challenges facing the world today. With the global energy landscape steadily evolving towards sustainability, we are committed to contributing to this transformation. We are actively implementing measures to reduce carbon emissions systematically. Our business model embraces a holistic and ethical approach to sustainability, ensuring we meet all relevant ESG (Environmental, Social, and Governance) regulations and best practices.

With the world constantly shifting and global uncertainties growing, sustainability stands out as a vital measure of our accomplishments. Our team, operational approaches, and systems continue to prove their strength. The Group looks beyond just earning profits, regularly evaluating how its strategic and operational choices impact stakeholders today and tomorrow. Aradel is deeply committed to sustainable development as a key strategy for the future, while also fostering a workplace that prioritises safety now. The Company carefully oversees its effects on the environment and local communities, maintaining clear and consistent guidelines for collaborating with service providers.

We report our Sustainable Development Initiatives for the year ended 31 December 2024 along the following key areas: economic viability, social impact, governance, and environment.

1. Economic Viability

1.1. Procurement Process

Aradel Holdings emphasises sustainability and ethics in its supply chain by partnering with contractors and suppliers who uphold strong economic, environmental, and social standards. Throughout the reviewed year, the Company recorded no breaches of its ethics and compliance policies, resulting in zero sanctions or contract terminations due to unethical behaviour.

The Company enforces a comprehensive ethical framework, anchored by its Code of Business Conduct, which governs all contracting and procurement activities. Vendors including suppliers, contractors, and subcontractors are required to comply with these standards, facing consequences for any violations. To reinforce this commitment, all vendors must agree to policies such as the Anti-Money Laundering Policy, Confidential Information Policy, Conflict of Interests Policy, and Anti-Bribery Laws, ensuring full alignment with Aradel's ethical principles.

Beyond business operations, Aradel champions social responsibility by involving skilled local talent from host communities in its contracting and procurement efforts. This strategy not only strengthens local capacity but also promotes development in both immediate and surrounding areas, reflecting the Company's dedication to ethical integrity and community growth.

1.2. Promotion of Local Content

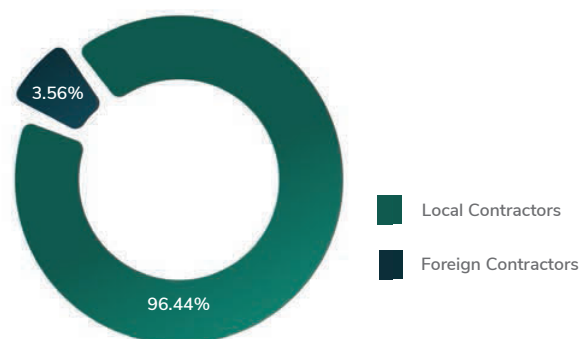
In line with the Nigerian Content Act 2010, Aradel supports local businesses by sourcing goods and services from local contractors and suppliers that meet quality and regulatory standards. This policy aims to boost local capacity while ensuring quality, technology, and innovation. By doing so, Aradel Holdings contributes to the sustainable development of the local economy and promotes self-reliance within Nigerian industries.

1.3. 2024 Contracting and Supply Activities

In 2024, the Company maintained its commitment to supporting local businesses by ensuring that 96.44% of all contracting and supply activities

for the year were conducted domestically. Foreign vendors accounted for only 3.55% of supply support on ongoing capital projects, which involved work lacking in-country capabilities and/or local representatives of original equipment manufacturers. Nonetheless, all operations and maintenance activities are performed locally, thanks to comprehensive training and effective knowledge transfer.

Figure 6: Local and Foreign Contractor/Supplier Percentages



1.4. Finance Management

The Company 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 shareholder value. These and other measures have protected the Company in tough times and have contributed to its resilience over time.

Aradel's financial position underscores its significant resilience and its ability to sustain strong profit generation in the long term.

2. Social Impact

The Company, through the Human Resources (HR) Department continues to drive business excellence, leveraging people solutions that propel top quartile performance, foster an inclusive culture, elevates employee experience, while leveraging technology.

Below is a summary of key areas of focus in the year under review:

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

During the year, the Company took a bold step towards strengthening the capability of its workforce with the launch of the Aradel Faculty, a pioneering initiative responsible for managing the Graduate Trainee Programme (or the Programme). The Programme was designed to cultivate the next generation of industry leaders, equipping them with the skills, experience, and mindset required to thrive in a dynamic energy landscape. To ensure a comprehensive learning experience, the Programme adopted a hybrid learning approach combining both technical and functional learning, as well as the essential soft skills training for the graduates. The inaugural cohort of 25 exceptional graduate trainees underwent a comprehensive and immersive learning experience and were mentored by a team of five highly experienced coaches with a combined industry experience of over 120 years. In addition to the structured development framework, the trainees were challenged to work on high-impact projects.

This problem-solving approach instilled critical thinking, innovation, and solution-driven mindsets, preparing them for real-world industry challenges. By December 2024, the inaugural cohort of graduates successfully completed the development programme with very impressive personal and professional growth recorded.

DOING BUSINESS RESPONSIBLY CONT'D.

The programme is not just about training; it is about building our own timbre - one leader at a time.

2.2. Training and Development

Learning and development continues to be a key differentiator in Aradel. Training execution vs plan was 119.0% in line with our commitment to ensure the critical skills and competencies of our employees are continually strengthened and to ensure operational excellence. A comprehensive learning initiative was designed to equip employees with both technical knowledge and business acumen. Over 50 experienced hires participated in the Aradel Oil & Gas Training Programme. Its success has led to the development of a variant for non-technical professionals which will be deployed in 2025.

Several other learning interventions geared toward staff growth and development were also delivered in line with the 70/20/10 learning model. The 70/20/10 model indicates that 70.0% of learning is via on-the-job training, 20.0% is via social learning (mentoring/coaching etc) and 10.0% is via formal learning. The Company's learning initiatives are aligned with industry standards, covering technical & functional learning, HSE critical and leadership development learning. These initiatives contribute to building a strong, skilled and motivated workforce that is essential for our success.

2.3. Employee Engagement

At Aradel, we focus on fostering a welcoming and supportive workplace that encourages transparent dialogue and teamwork. We organised various activities to boost employee engagement, enhance job satisfaction, and improve the overall employee experience. These included town hall meetings, HR support sessions, and celebrations of key company achievements and events, among other initiatives.

2.4. Performance Management

Our performance management system was strategically repositioned to ensure alignment with organisational objectives, fostering a culture of accountability, continuous improvement and top quartile performance delivery, through clearer performance contracts, timely feedback and creating an enabling culture for delivery.

2.5. Employee Relations

Our organisational and people policies are regularly reviewed to keep them up to date with evolving best practices, regulations or legislation. We are committed to resolving workplace issues promptly and objectively, hence, our clear code of conduct and our whistle blowing policy. We foster an environment of open communication, ensuring that employees are heard, supported and clear process to address any breaches to the code of conduct.

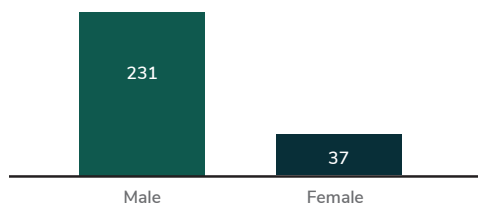
2.6. Compliance and Regulatory Affairs

At Aradel, we diligently track updates in employment laws, sector-specific rules, and corporate governance standards to guarantee the Company's compliance with all applicable laws and guidelines.

2.7. Aradel Human Resources Indices

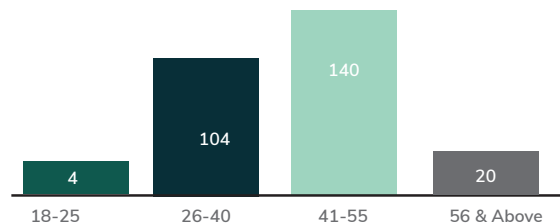
Total staff strength at the end of December 2024 was 268, compared to 241 as of December 2023, an increase of 11.0% to address critical resourcing gaps.

Figure 7: Staff Strength as at 31 December 2024



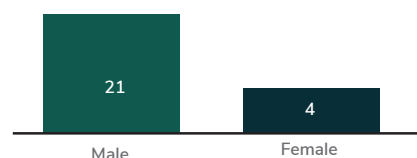
The age distribution is as follows:

Figure 8: Workforce Age Distribution



In the year under review, we achieved a 100% retention rate for our graduate trainees, with all 25 of them completing the graduate programme, confirmed and assigned to their respective departments.

Figure 16: Gender Split of Graduate Trainees as of 31 December 2024



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

Figure 9: Experienced Hires in 2024

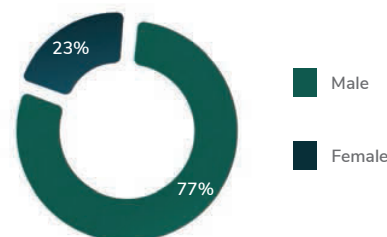
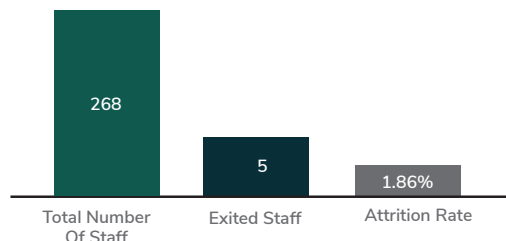


Figure 10: Attrition Rate as at 31 December 2024



The attrition rate significantly reduced from 7.4% in 2023 to 1.9% in 2024. This demonstrates positive progress in our employee value proposition and reflects our steadfast resolve to ensure Aradel remains an exceptional workplace where every team member feels deeply valued, engaged, and motivated to thrive. Our success in retaining talent highlights the strength of our culture and our relentless efforts to create an environment that inspires loyalty and growth.

DOING BUSINESS RESPONSIBLY CONT'D.

3. Corporate Social Responsibility

3.1. Our Host Communities

- Aradel Holdings continued to deepen its sterling relationship with its host communities in the year under review. The foresight of Aradel's founding fathers in the creation of a Trust for the development of its host communities has been given credence by the institutionalisation of the concept of the Host Communities Development Trust in the Petroleum Industry Act, 2021 (PIA). Aradel remains committed to the long-term development of its Host Communities and compliance with the provisions of the PIA). Our relationship with our Host Communities transcends the letter of the law, ensuring that all our dealings with our Host Communities are guided by the genuine desire for tangible transformation.
- In the year under review, Aradel remitted the required three percent of its operating expenditure for 2022 and 2023 financial years to the MURALI Host Communities Development Trust (the "Trust") in line with S. 240 (2) of the PIA. This makes Aradel Holdings one of the few Companies that have fully complied with the funding requirements of the PIA.
- To strengthen the governance structures of the Trust, (i.e., the Board of Trustees, the Management Committee, the Advisory Committee) and equip members for ethical leadership, the first phase of the Leadership Empowerment Training was organised for members of the Trust. This three-day intensive training, facilitated by governance and leadership experts, took place in December 2024 at Port Harcourt. The goal was to put the members of MURALI Host Communities Development Trust through an integrated capability building programme that progressively sharpens their leadership and management skills to ensure that they are able to facilitate and drive the sustainable agenda for the Trust with tangible development dividends to communicate to their communities.
- Establishment of a Host Communities Development Trust for Omerelu Communities.

With the successful drilling of a well in Omerelu's OML 53 in May 2024, it became imperative to establish a Host Community Development Trust for Aradel's Omerelu Communities. In November 2024, a sensitisation programme was organised to raise the awareness of members of Omerelu Host Communities on the provisions of the Petroleum Industry Act. This visit to Omerelu Host Communities culminated in the conduct of participatory Needs Assessment by Aradel in compliance with the PIA. The Needs Assessment will dovetail into a Community Development Plan (CDP) which is one of the requirements for the establishment of a Host Communities Development Trust. The process of the establishment of a Host Communities Development Trust is being pursued vigorously to comply with the PIA in addition to ensuring that Omerelu Host Communities begin to share in the dividends of the Company's activities within their communities.

- Aradel Holding's strong relationship with its Host Communities is based on trust, respect, and appreciation for their people and cultural heritage. This relationship is deliberately nurtured by the Company's openness and honesty. The Company's proactive approach to tackling challenges from its Host Communities has earned it accolades, not just from the Host Communities but from other Oil Industry stakeholders. Aradel is building an enduring partnership with its Host Communities for a brighter future.

3.2. Community Development Projects and Schemes in 2024

(i) Employability capacity training – ₦224.0 million

One of the focal points of Aradel's relationship with its Host Communities is human capacity development. The Company's proactive approach to the myriad challenges emanating from unemployment is to upskill the members of its Host Communities to make them competitive in the market for skilled labour. Aradel's strategy is to ensure that once these individuals

are trained and educated, they move into their respective communities to create economic and institutional values. The Company believes that a vision that prioritises continued human capacity development should result in the replication of cycle on a grand scale, leading to both a more advanced society and an empowered populace.

In the year under review, Aradel embarked on Employability Capacity Training for 120 youths from the MURALI Host Communities. The focus was not just on vocational training but on skills that would make the Trainees easily employed in the Oil and Gas Industry. This training, which is the first in the series, is planned as an annual event with a focus on skills such as crane operations, process instrumentation, scaffolding/rope access, wellhead services/maintenance, sandblasting and industrial painting, industrial plumbing & aluminium welding, and welding & fabrication. The trainees will be issued certificates at the end of the training.

(ii) Healthcare – ₦17.0 million

The Primary Health Centre at Ogbele was a beneficiary of Aradel's attention in the year under review. In line with its core value of innovation, Aradel is constantly seeking improvements on its plans and processes to optimise its resources. The Company embarked on the renovation of the Health Centre, to provide adequate living quarters for medical doctors, Nurses and Security staff. The Company's aim is to improve healthcare delivery, patient outcomes, and overall efficiency within the health centre.

(iii) Infrastructure development and sustenance - ₦459.9 million

Infrastructure development and sustenance are critical for the development of any community. It is the support system for the economic and social development of a community. The infrastructure of the community is the framework that helps it develop economically and socially – crucial for the development of commerce & industry. In the year under review, Aradel rehabilitated the Abua-Ahoada road which, though critical to Aradel's operation, is not used exclusively by the Company. The rehabilitation has facilitated the movement of goods and services to and from our Host communities with ease. It has also served other communities, not directly impacted by Aradel's operations. The Company will continue to collaborate with other stakeholders to find enduring solutions that ensure the existing road infrastructure is maintained while new infrastructure are developed to serve the communities.

(v) Security surveillance ₦6.5 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 2024

(i) Charitable donations 2024

As an excellent corporate citizen, the Company supports projects in healthcare, education and economic development that positively impact the communities in which it operates to be stronger and more resilient. Below is a summary for the year under review:

- Donated ₦4.0 million to the 2024 edition of the Aret Adams Lecture Series. As a longstanding supporter of this initiative, Aradel remains committed to promoting discussions on policy, development, and challenges within the energy sector. The lecture series honours the late Chief Aret Adams, the pioneer Chairman of the Company.
- Partnered with Unboxed Conferences to sponsor a Young Person Mentoring event – Port Harcourt Edition, contributed ₦7.5 million to support this impactful initiative.

DOING BUSINESS RESPONSIBLY CONT'D.

- Donated N2.0 million to the Ile Awiyi Town Memorial Library & Museum, based in Kwara State, which promotes development and a reading culture in society.
- Supported the Women in Energy Network (WEIN) with a donation of N500,000. WEIN is an association established to provide a platform for Women that work across the energy industry value chain to network, build confidence and relationships to progress their careers or businesses.
- Donation of N23.0 million to C.O.P.E (Care Organisation Public Enlightenment) towards providing a conducive waiting room for women undertaking breast cancer screening.
- Donation of N1.5 million to Rotary Club, Woji Chapter, Port Harcourt in support of their humanitarian programme.
- Donation of N2.5 million for Government College Ibadan Old Boys Association (GCIOPA) Annual Reunion Event, which upholds tradition, excellence, and camaraderie.
- Contributed N2.0 million towards the FIDA Law Week 2024 in Lagos. The event features a series of sessions, activities, and awards aimed at promoting FIDA's vision of fostering a just, peaceful, and equitable Nigerian society where the rights and interests of women and children are safeguarded.

(ii) Sponsorships 2024

Aradel Holdings Plc sponsors key strategic events within the energy industry to promote learning, support brand visibility, foster innovation and demonstrate its commitment to advancing energy solutions. In 2024, the Company supported the following events and organisations through sponsorships:

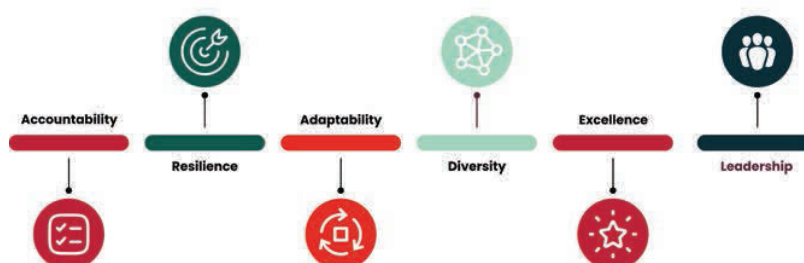
- The 24th NOG (Nigerian Oil & Gas) Energy Week Conference & Exhibition with a contribution of N50.0 million.
- The production of the Demas Nwoko documentary, which is part of a series for The Foundation for Contemporary and Modern Visual Arts (FCMVA, Nigeria) with a contribution of N16.0 million.
- International Union of Pure and Applied Chemistry, Global Women's Breakfast Event 2024 with a contribution of N1.0 million. This event was organised by the Women in Chemistry section of the Chemical Society of Nigeria (CSN), Delta Chapter.
- The 19th Edition of the Nigeria Oil and Gas Industry Games (NOGIG) with N5.0 million. The NOGIG games promote friendships, health and wellness, and a renewed commitment to industrial productivity through competitive sports.
- Cambridge Energy Research Associates (CERA) Week with N7.7 million. CERA Week is a key annual conference that brings together energy leaders to discuss and develop solutions to energy, climate, and environmental challenges
- The Africa Energy Forum at the Offshore Trade Conference (OTC) with N12.9 million.
- 54th NSChE Annual Conference and the NSChE Foundation Angel Fund Initiative with N5.0 million. The Nigerian Society of Chemical

Engineers (NSChE) represents chemical engineers in Nigeria.

- The Society of Petroleum Engineers (SPE) - 47th Nigeria Annual International Conference and Exhibition (NAICE) with N6.0 million.
- The second NAEG International Conference with N2.0 million. The National Association of Exploration Geophysicists (NAEG) is a not-for-profit organisation whose mission is inspiring and propelling the science of geophysics especially as it concerns exploration for the earth's resources and the advancement of the science of exploration geophysics.
- The Emogas International Natural Gas-Based Industry Conference and Exhibition (EINGICE) 2024 with N3.5 million; is an event focused on industry leaders in the Nigerian natural gas sector.
- The 2024 Nigerian Institute of Management (NIM) Annual National Management Conference (ANMC), which held in Port Harcourt with N2.0 million
- The 2024 Nigeria Hydrocarbon Measurement Conference (NiHMEC) with N4.0 million. The conference is dedicated to enhancing knowledge on precise hydrocarbon measurement and accounting, which are crucial for the industry's efficiency and accountability.
- Supported the 2024 Nigeria Hydrocarbon Measurement Conference (NiHMEC) with a sponsorship of N4.0 million. The conference is dedicated to enhancing knowledge on precise hydrocarbon measurement and accounting, which is crucial for the industry's efficiency and accountability.
- The Nigerian Association of Energy Correspondents (NAEC) at their Annual International Conference contributing N3.0 million.
- The 2024 Corrosion Management of Downstream and Midstream Oil and Gas Industry (NICA) Port Harcourt with N1.5 million
- The 2024 WIMBIZ (a non-profit organisation) Conference with N2.5 million, supporting women in Management, Business, and Public Service, dedicated to promoting and supporting women in leadership roles.
- The 2024 NITMA Awards with N1.0 million. The NITMA awards is an annual event organised by the Nigeria Computer Society (NCS) to acknowledge, celebrate and reward Individuals and corporate organisations who are committed and outstanding in their various Information Technology practice.
- The 14th Practical Nigerian Content (PNC) Forum, held in partnership with the Nigerian Content Development and Monitoring Board, contributing N30.0 million to support the event.
- The inaugural Crude Oil Refinery Owners Association of Nigeria (CORAN) summit with N5.3 million. The Summit is an event that brings together industry experts to discuss the future of Nigeria's oil refining industry.









3.4. CSR Activities and Alignment with United Nations Sustainable Development Goals

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



DOING BUSINESS RESPONSIBLY CONT'D.

UN SDGs

	<p>No Poverty</p> <p>Targets End poverty in all its forms everywhere</p> <p>Activities Prioritising the stimulation of economic growth through job creation, and poverty reduction.</p>
	<p>Good Health and Well-being</p> <p>Targets Ensure health and well being for all</p> <p>Activities Further renovation and upgrade of the Ogbele clinic into a fully equipped Primary Health Center as well as other health initiatives. Aradel donated to C.O.P.E (Care Organisation Public Enlightenment) towards providing a conducive waiting room for women undertaking breast cancer screening.</p>
	<p>Quality Education</p> <p>Targets Encourage quality education and lifelong learning</p> <p>Activities Employability Capacity Training for 120 youths from each of the six communities of Ogbele Field.</p>
	<p>Affordable and Clean Energy</p> <p>Targets Ensure access to reliable, sustainable, and modern energy</p> <p>Activities Execution of diverse projects such as the electricity extension project in Ogbele.</p>
	<p>Decent Work and Economic Growth</p> <p>Targets Promote sustained, inclusive, and sustainable growth</p> <p>Activities Sponsorship of several International Conferences in the Oil and Gas Industry.</p>
	<p>Industry, Innovation and Infrastructure</p> <p>Targets Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <p>Activities Rehabilitation of Roads for host communities including the Abua-Ahaoda road and other access roads within the communities.</p>
	<p>Sustainable Cities and Communities</p> <p>Targets Make communities safe, resilient, and sustainable</p> <p>Activities Support for local initiatives by host communities for the security of lives and property.</p>
	<p>Life below Water</p> <p>Targets Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> <p>Activities Continued investment in, and improvement of, our internal water conservation management systems.</p>

DOING BUSINESS RESPONSIBLY CONT'D.



The CEO/MD of Aradel Holdings Plc declaring open the Employability Capacity Training Programme



Practical Session with Scaffolding/Rope Access Trainees



Group photograph with members of the Board of Trustees of MURALI HCDT and Trainees from Otari Community at the opening ceremony



Practical Session with Cranes Operations Trainees



Practical Session for Process Instrumentation Trainees



Group photograph with the CEO/MD of Aradel Holdings, members of MURALI HCDT and the Trainees at the opening ceremony



Practical session with Welding and Fabrication Trainees



Practical Session with Sandblasting and Industrial Painting Trainees

DOING BUSINESS RESPONSIBLY CONT'D.

3.5. Health, Safety and Environment (HSE)

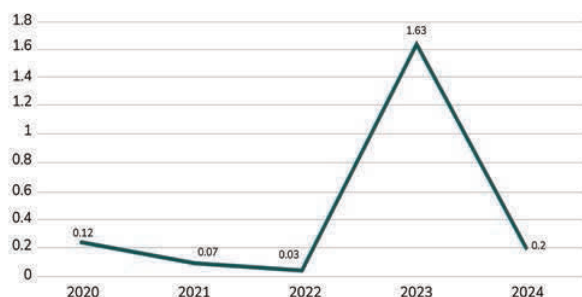
At Aradel, we are dedicated to fostering a healthy, safe, and sustainable environment. This commitment is deeply rooted in our value system, as outlined in the Aradel Holdings HSE Management System Document. Our employees are our most valued asset, and to support their well-being, we collaborate with accredited health consultants to deliver regular health awareness sessions for all staff.

In the year under review, we maintained an exemplary environmental record with no discharges into the environment (zero sabotage and operational spills). This achievement was made possible through a robust and rigorous monitoring system implemented by the Company. Additionally, we conducted an external environmental audit to reassure our stakeholders and interested parties of our ongoing compliance with regulatory standards.

The Company achieved outstanding HSE performance for the year ending 31 December 2024, with zero fatalities, 4,602,918 incident-free manhours, and zero Lost Time Injuries (LTI). Prior to a third-party incident in September 2023, which reset our LTI records, the Company had maintained an impressive 18.1 million LTI-free manhours.

For the year ending 31 December 2024, the Company's Total Recordable Injury Frequency (TRIF) stood at 0.2, while the Lost Time Injury Frequency (LTIF) was 1.3. Moving forward, we remain committed to adopting international best practices in HSE operations. Below is our TRIF profile for reference.

Total Recordable Injury Frequency



4. Governance

4.1. Sustainability Governance

Aradel Holdings oversees a robust governance structure and performance standards through centralised management. The Company has established and implemented effective control mechanisms to identify and address emerging risks. The Chief Executive Officer/Managing Director, under the guidance of the Board of Directors, holds overall responsibility for sustainability within the organisation.

To ensure alignment with its values and objectives, the Company has developed and maintains key frameworks and policies, including the Aradel Holdings Plc Business Code of Conduct, Environmental and Social Policy, Health, Safety and Environment Policy, and Resource Conservation Procedure. The Company has also drafted a Sustainability Policy, which is awaiting approval of the Board. These frameworks and policies are designed to provide clear guidance for all employees, contractors, suppliers, visitors, host communities, and other stakeholders.

4.2. Zero Tolerance to Fraud and Corruption

At Aradel, we understand that fraud and corruption seriously endanger our ongoing sustainability. To address this, we commit to the utmost levels of professional integrity. Our detailed Code of Conduct and Conflict-of-

Interest Policies establish clear behavioural standards for our workforce, promoting a culture of ethics. Additionally, we enforce a strict no-tolerance approach to bribery and corruption and offer an independent reporting mechanism for raising concerns. For the year ending 31 December 2024, we are proud to note that no cases of fraud or corruption were recorded.

5. Environmental Sustainability

5.1. Energy Efficiency

We implemented various initiatives to promote energy efficiency across all Aradel facilities, with a strong focus on minimising waste. During the year, fuel consumption saw a significant reduction, driven by post-pandemic measures such as the adoption of hybrid work systems across domestic operations.

Moving forward, we remain committed to fostering energy conservation through practices such as raising awareness, monitoring electricity usage, conducting routine maintenance to enhance machine efficiency, and utilising energy-saving electronic devices.

5.2. Water Management

The Company has continued to enhance its water conservation management system, which was first introduced in 2019. This initiative aims to raise awareness among staff about the importance of treating water as a finite natural resource that can be depleted. As part of these efforts, a water consumption meter was installed in the Ogbele Field to monitor and track water usage more effectively.

5.3. Compliance with Environmental Laws and Regulations

This initiative reflects our internal commitment to leaving the environment in a better state for future generations rather than treating it as a mere tick-box exercise. To reinforce this commitment, we have integrated environmental compliance into the Key Performance Indicators (KPIs) of our staff.

Building on this foundation, the Company achieved ISO 14001:2015 certification (EMS 760652) in 2021 and was recommended for re-certification in November 2024. We have successfully completed the ISO 9001:2015 (EMQ) stage 1 audit and have been recommended to proceed to the stage 2 of the certification process in December 2024.

These accomplishments underscore our dedication to implementing robust frameworks and systems that align our operational output and environmental impact with international standards and best practices.

5.4. Waste Management

The Company is committed to preventing any discharge into the environment. All operational discharge is treated and reinjected into approved wells. Through rigorous waste treatment practices and a zero-spill policy, the Company effectively reduces its carbon footprint and minimises its environmental impact.

Conclusion

As a rapidly expanding and dedicated indigenous leader in the oil and gas industry, we take great pride in exceeding our mission every day. Looking ahead, we are committed to deepening our focus on sustainable development by integrating global business insights with the unique needs of our local environment. We prioritise the interests of our employees, communities, the environment, and the government while diligently adhering to international best practices and industry regulations.

