



PETROLIN GROUP Global Compact

COMMUNICATION ON PROGRES (COP) 2017

Petrolin is an international oil group¹ active in the fields of oil and gas, mining and infrastructure with a business creation and partnership–building policy targeting the promotion of African values through a participatory process with local stakeholders.

In making use of a well-rounded international network, and far-reaching local networks, Petrolin Group has played a catalytic role in a number of projects in Africa.

The Group promotes a unique approach to development through targeted search for partnerships, the application of good governance principles and the promotion of local indigenous expertise and know how.

In recognition of his Pan-African commitment to promote partnerships between African and international businessmen and women, to enhance cooperation among nations, institutions and organizations for sustainable social and economic development, in 2017 the Founding Chairman of Petrolin Group was elected President of the African Business Roundtable (ABR), an association created by the African Development Bank in 1990.

¹ www.petrolingroup.com

PETROLIN GROUP

H.E. António Guterres
Secretary-General
United Nations
New-York City, NY, 10017
United States of America

Geneva, 10 June 2018

Statement of support for the UN Global Compact and its initiatives

Dear Secretary-General,

I am pleased to express Petrolin Group's continued support for the UN Global Compact and to renew our ongoing commitment to its Ten Principles with respect to human rights, labor, environment and anti-corruption.

In this annual Communication on Progress for the year 2016-2017, we describe our actions to continually improve the integration of the Global Compact and its principals into our business strategy, culture, and daily operations.

Sincerely yours,



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COMMUNICATION ON PROGRES

Petrolin Group's agreement to adhere to the Global Compact and its support for the Ten Principles is an engagement that all the Group's subsidiaries renewed in 2017.

Petrolin Group regularly devotes part of the revenue from its business activity to support humanitarian and socio-economic development projects through *Fondation Espace Afrique* (FEA²), its humanitarian NGO recognized of public utility by the canton of Geneva (in 1996), and Benin (in 2004).

A. Human Rights

Principles 1 and 2: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.³

The Global Compact calls on its participants to promote and respect Human Rights without distinction as to race, color, sex, language, religion, political opinion or other, national or social origin, property, birth or any other status, special attention being paid to vulnerable groups, including women, children, people with disabilities, indigenous peoples, migrant workers, the elderly, etc.

Thanks to its HIV/ AIDS program conducted with its community-based counselors in Yakassé-Mé, Ivory Coast, and through the work done by its medical center in Mpaga, in rural Gabon, more than nine thousand medical treatments were provided for various pathologies, including malaria, diabetes, diarrhea, or high blood pressure.

Petrolin Group's commitment to the right to education dates back to nearly 25 years. In 2017, more than 80 children were provided access to education under the Group's Scholarship Program.

Around the theme :

«The living together of members from different religious communities in Benin and in Switzerland⁴», an international meeting that brought together over 600 attendees from Switzerland, France, Benin and the Vatican, and which included the supreme religious and spiritual authorities (Catholics, Protestants, Muslims, endogenous religions, traditional healers, etc.), Benin's high dignitaries (Kings, Crowned heads and political authorities) was held in February 2017 at the International Center for Experiments and Valorization of African Resources (CIEVRA⁵), Petrolin Group's multi-field complex located in Glodjigbé, Benin. The opportunity was thus given to the Group to make its contribution towards building a more just society, where diversity is simply definitional of what richness is.

² www.espaceafrique.org

³ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁴ www.eveques.ch/dialogue/oecumenisme/dialogue-interreligieux-au-benin

⁵ www.espaceafrique.org/projets/cievra



International meeting on Inter-religious Dialogue, CIEVRA, Benin



As part of the «Epine Dorsale» or Backbone Project⁶, a large-scale integrated transport infrastructure program was initiated, designed and developed by PETROLIN Group to promote the economic development of Benin and countries of the West African sub-region, the Group entered into a Public-Private Partnership Agreement with the Republic of Benin. For the implementation of the «Epine Dorsale» or Backbone Project's deep-water port component, a land area of 1006 hectares was assigned to Petrolin Group to build the infrastructure. As its partner was unable to compensate rights holders who were subject to expropriation, the Group's infrastructure subsidiary undertook to do so.

B. Droit du travail

Principles 3, 4, 5 and 6: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

The Global Compact urges to respect the rights of workers and contribute to the elimination of all forms of discrimination

Since its inception 25 years ago, Petrolin has been participating in high-impact economic and social development projects.

The «Epine Dorsale» or Backbone Project, whose cost is estimated at approximately Six Billion US Dollars, has, since its inception, mobilized substantial human resources, seeking the right talents suited to each phase of the Project development.

Thus, in 2017, under the «Epine Dorsale» or Backbone Project, Petrolin Group built a dry port in the town of Parakou, central Benin.

⁶ www.petrolingroup.com/en/activities/infrastructures

No less than 77% of the companies involved in the construction of the infrastructure are local businesses which, as they worked with international companies engaged in the Project, were able to share their expertise and learn new skills.

It is worth noting that more than 100 people coming from different regions, social and cultural background took part in the completion of the Dry Port of Parakou.



Picture taken in front of the warehouse entrance – Dry Port of Parakou



Particularly interested in the issue of gender equality in the field of employment, notably as regards top positions, Petrolin appointed a woman as head of the Group's infrastructure subsidiary in Benin. The year 2017 was also marked by intense medical, educational and intercultural activity,

which was reflected in concrete actions, through programs for organizations and local populations. Thus, and as detailed in the Environment chapter, in collaboration with a Swiss technical partner, the Group contributed to the implementation of certification vocational training courses for trainers in agro ecology with a selection of 35 participants from different nationalities. The participants were introduced to agriculture, breeding and processing techniques based on knowledge in the field of agro ecology at CIEVRA International Center.

C. Environment

Principles 7, 8 and 9: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

The Global Compact calls on corporations not to cause damage to the environment and to be the right actors for the community.

Whether at the level of its oil, humanitarian business or infrastructure, respect for the environment and the local people is of a paramount concern to the Group. This important issue is a constant endeavor of the Group's projects.

As far as the oil sector is concerned, in Nigeria and through its investments in NDEP7 and ND Western8, Petrolin Group contributes every day to the supply of 350 million cubic feet of gas to thermal power plants for the production of electricity at the national level, which corresponds to more than a quarter of the country's electrical energy requirements.

With this engagement renewed in 2017, the Group participates in the improvement of the living conditions of rural and urban populations, the preservation of the air quality and halting of gas waste by its use for productive purposes. The commitment to reduce gas flaring was rewarded in 2015⁹ by the World Bank Global Gas Flaring Reduction Partnership (GGFR) initiative.

In respect of the infrastructure sector, for the construction of the first ever deep-water oil, mineral and commercial port in Benin within the framework of the «Epine Dorsale» or Backbone Project undertaken in Benin by PIC Network, Petrolin Group's infrastructure subsidiary, the Group conducted an Environmental and Social Impact Study¹⁰ in compliance with the International Finance Corporation (IFC) performance standards in the field of environmental and social sustainability.



Cutting from a report on EDEN TV, nov.2016

The study takes into account the environmental prevention and management measures that draw on the World Bank guidelines on Environment, Health and Safety (EHS).

The study had prompted public consultations with stakeholders, and resulted in Petrolin Group being issued an Environmental Compliance Certificate by the Government of Benin in December 2016.



The development of this new port, along with the fact that it will open up opportunities for the country's economic growth, will also help reduce coastal erosion through the implementation of shoreline stabilization measures.

⁷ www.ngdelta.com

⁸ www.ndwestern.com

⁹ www.ngdelta.com/ndpr-ogbele-gas-project-wins-2015-global-gas-flare-reduction-excellence-award

¹⁰ Étude d'impact environnemental et social du port pétrolier, minéralier et commerciale en eau profonde de Sèmè Podji, Roche, 2016 ; www.norda.com/projet/etude-dimpact-environnemental-pour-la-constructiondune-nouvelle-plateforme-petroliere-situee-dans-un-port-en-eau-profonde

Furthermore, the Dry Port of Parakou, which is located in the center of Benin, over 400 km from Cotonou is intended to relieve pressure on the currently congested Autonomous Port of Cotonou (PAC), which serves the countries of the hinterland, notably Niger, Burkina Faso, Mali, Chad and other landlocked regions including Northern Nigeria. In the long run, the carriage of goods and equipment to or from those countries and landlocked regions will be done by rail between the future port of Sèmè, the Port of Cotonou and the Dry Port of Parakou. Tractor-trailers will load and offload their goods at the customs-bonded Dry Port of Parakou in lieu of the Autonomous Port of Cotonou, as it is currently the case. Built on an area of 50 hectares, the Dry Port of Parakou is connected to the rail line and the inter-state road; the connection was made in 2017 by PIC Network. The dry port is a departure point and an access road to the shoreline for hundreds of carriers that use the Benin-Niger corridor (Cotonou-Parakou-Dosso-Niamey) every day to serve this huge market with over 350 million inhabitants.

As regards the environment, the Dry Port of Parakou will substantially halt the deterioration of road practicability. Roads will be safer for users, with lower rates of traffic accidents and pollution as a result of the use of the railroad.

In the field of agriculture, Petrolin Group pursued its social action in Benin, at Cievra International Center. The CIEVRA which, since its inception, had the stated ambition of promoting organic farming can, today, boast an experience of more than 10 years in organic vegetable production, with 20 hectares of certified organic agricultural fields according to European standards (EC) No.834/2007 and 889/2008, renewed each year after inspection by an international body.

In November 2016, Petrolin Group together with a Swiss partner launched the Food for Life program



A working group of the Food for Life trainers training program

at Cievra International Center. It is a six-month trainers training program in agro ecological production to the benefit of local communities

As mentioned above, the Group has contributed to the training of 35 participants from various NGOs, associations and groups of peasants from Ivory Coast, Benin and Gabon. The goal was to make an effective contribution to resolving food security issues and

creating income-generating activities in rural areas. The trained technicians are now able to pass on the know-how gained from the training, including assessment mechanisms such as carbon impact calculation.

D. Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Global Compact urges to be proactive by implementing workable anti-corruption policies and programs at all levels.

Governance is part of the foundations upon which Petrolin Group's action is built. Compliance with the rules the Group imposes on itself is a constant endeavor that drives the life of its subsidiaries and a prerequisite for the choice of its partners.

Since its creation in 1992, Petrolin has always ensured compliance with laws, especially in respect of anti- corruption.

Therefore, in awarding contracts, the Group has always resorted to transparent Invitations to tender in order to give equal opportunities to all service providers and make its relevant partners and clients more comfortable.

In the event of a dispute with its partners that may result in a breach of the rules of good governance and ethics observed by the Group, Petrolin has always asserted its contractual rights with the relevant legal and administrative authorities.

The Group makes its results previously audited by external auditors available to the authorities and its trading partners.

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