



# Corporate Social Responsibility in Nigeria

November 10, 2005

# Our responsibilities as an IOC in Nigeria

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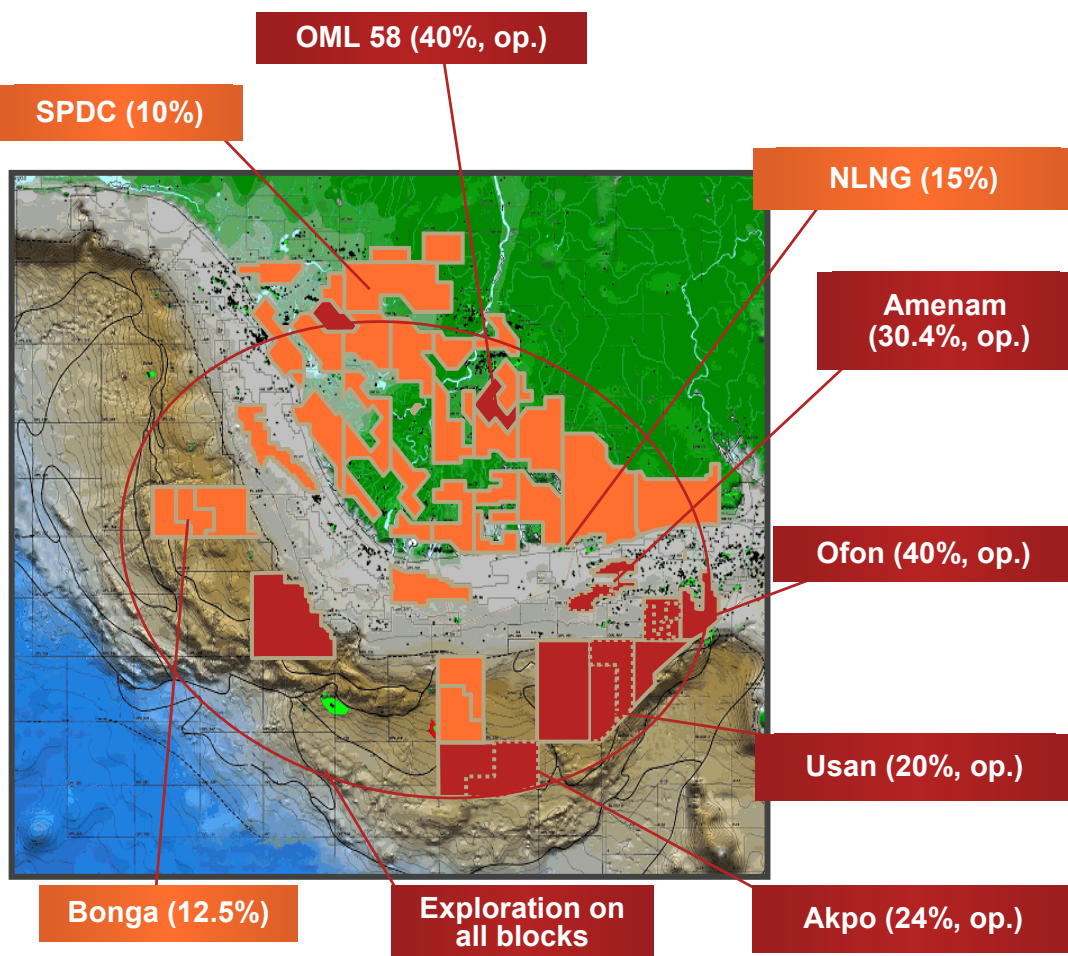
- Developing sustainable **energy supplies**
- Emphasizing importance of **safety** and reducing **environmental footprint** of operations
- Contributing to economic and social development of **host country** and **local communities**
- Managing **human resources** based on policies that promote excellence, fairness, diversity, and employee dialogue

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***Nigeria : a core country for the long term***

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# Committed to the sustainable development of Nigerian hydrocarbon resources



■ *Total operator*  
■ *Participation*

- Several large projects launched or in engineering phase
- SPDC : strong production base
- Successful exploration
- Renewing prospective acreage
- Long-term valorization of gas reserves through NLNG development ( + 30 years)

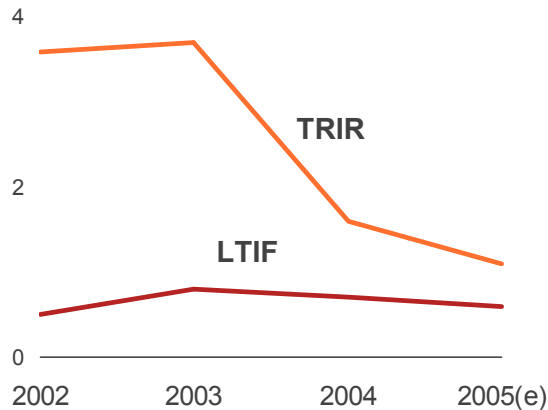
***Growth driven by deep-offshore and Gas/LNG developments***

# Strong improvement in safety

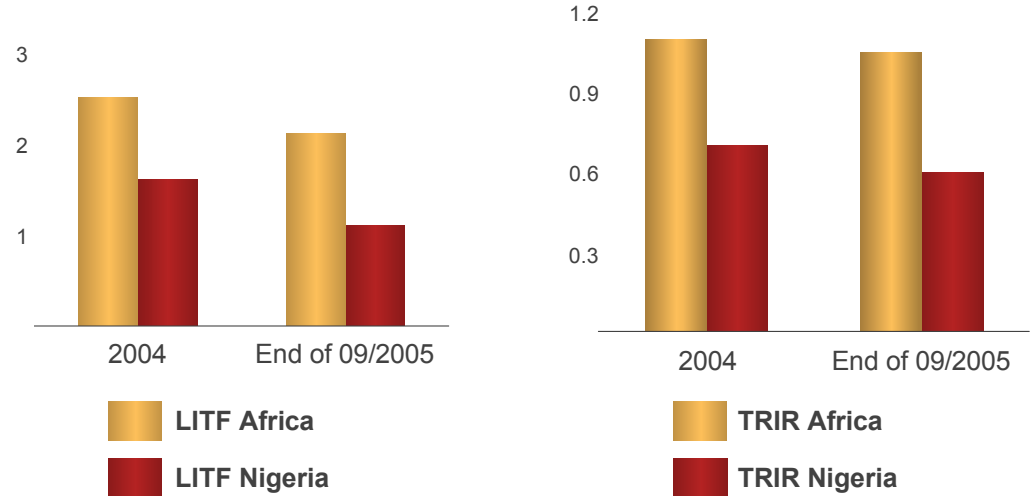


## LTIF / TRIR-Nigeria

Events per Million manhours



LTIF : Lost Time Injury Frequency  
TRIR : Total Recordable Injury Rate



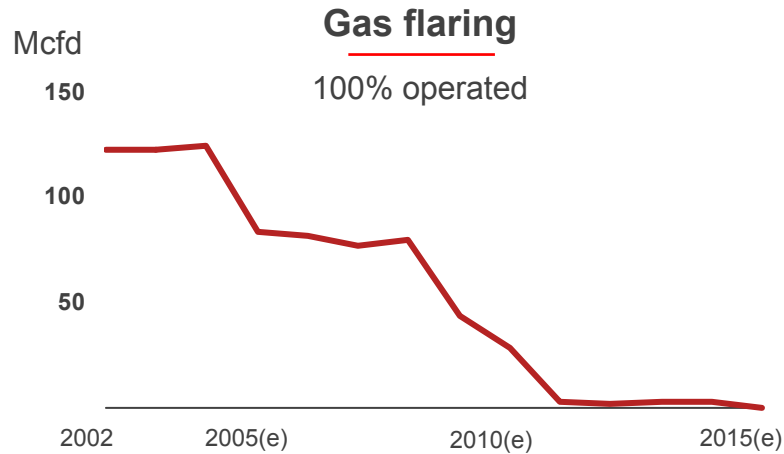
## Keep improving safety

- Maintaining installations to best standards
- Identifying and assessing risks
- Transparency and reporting
- Training / awareness
- "Behavior Improvement" action

\* 12-month moving average as of 30/06/2005

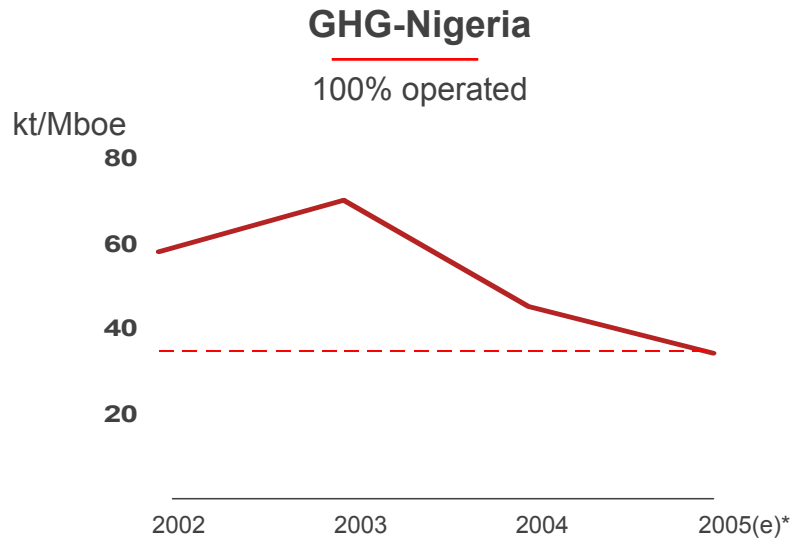


# Emphasis on environmental concerns



## Support stringent HSE policy promoted by the authorities

- EGASPIN 2002 (environmental regulations)
- No water discharge, low NOx burners, waste management...
- Government directive: no more flaring by 2008



## Minimize environmental impact of operations

- Green House Gas (GHG) emission reduction: 2005 target of 35 kt/Mboe reached
- Flare out projects under implementation
- ISO 14001 certification program

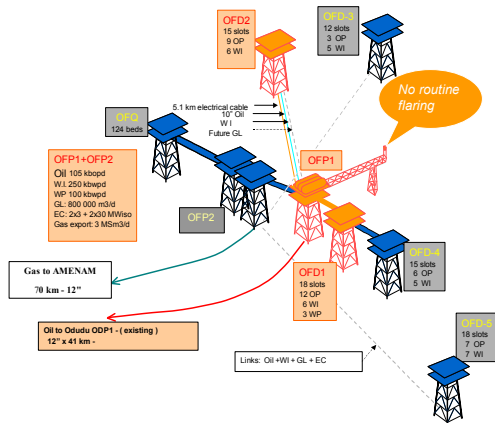
\*12-month moving average as of 30/06/2005

# Minimize environmental impact of operations

## Development of the Amenam field



## Ofon Phase II Future field layout



## Developments with objective of zero gas flaring

- Valorization of associated gas through both liquefaction at NLNG facility and re-injection in reservoir

## Ofon Phase II zero flaring development with gas export via Amenam

- Eliminates emission of 15 Mt/y of CO<sub>2</sub> by not flaring gas

***Valorizing associated gas through integration of the project in LNG chain***



# Building up sustainable partnerships in Nigeria

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## ■ Implement good governance and work for greater transparency

- Building proactive relationships with the authorities
- Support EITI and “no cash payment” policies

## ■ Contribute to global economic and social development

- Responding to government targets
  - Local content in oil & gas industry (40% 2006, 70% 2010)
  - Launching a contractor « Joint Qualification System »
  - Cabotage law and ban on some products imports
- High level of local content in projects

## ■ Undertake partnerships at the community level

- Dialogue with all stakeholders / establishment of forums
- Infrastructure development, training and education, economic programs and health programs
- Long-term development joint planning / planned employment program
- Community ownership of development plans and delivery / maximizing contractual participation / rational and effective cost sharing



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***Increasing local acceptance of operations = license to operate***

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# Amenam Gas project : strong local content

## ■ AMP1 & upgrade of AMP2 processing platforms\*

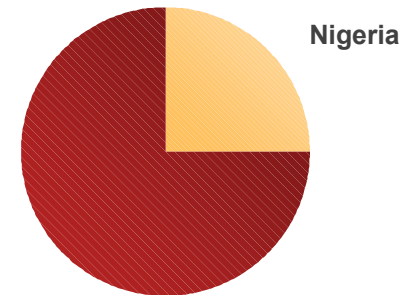
- Piles and bridge built in Port-Harcourt (3 kt) at SCNL yard

## ■ Pipelines & AMD3 well platform

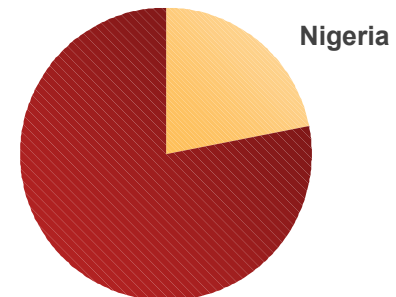
- Activities sustained in Warri area
- Anti-corrosion and concrete coating of pipelines at Socotherm Nigeria Ltd yard at Onne

## ■ 5.1 kt out of 15 kt of steel processed in Nigeria (34%)

### Project development\*\* (Manhours)



### EPC contracts\*\* (M\$)



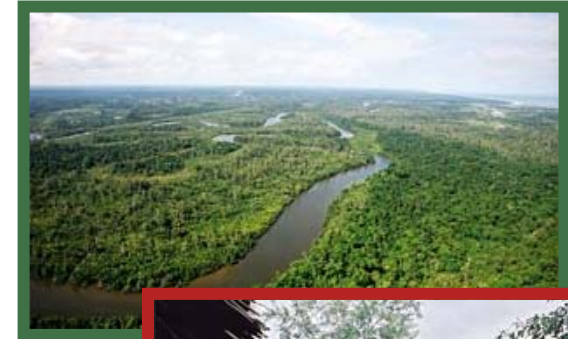
\* AMP1: oil processing platform, AMP2: gas processing platform

\*\* excluding drilling

# Integrated organization for Community Relations

## ■ Structured Sustainable Development policy

- MOUs with communities to favor participative developments
- Decision-making process for new projects includes Social Impact Assessment



## ■ Means organized and scaled accordingly

- Sustainable Development Division
- Community Relations integrated in assets/operations teams
- Collaboration with professionals, including NGO's, Consultants, for the delivery of best practices
- Internal Sustainable Development committee created



## ■ Significant budget

- Approx. 25 M\$ per year (in addition to Niger Delta Development Commission budget : 3% of expenditures)

***Committed to sustainable development despite strong local pressure for short-term action***



**TOTAL**

# Taking action in education, training, infrastructure, health, micro-credit, institutions...

## ■ Amenam project coastal communities

- 2 Local Governments Areas (Rivers - Akwa Ibom states)
- Pro Natura International
- Foundations started and projects launched

## ■ Institute of Petroleum Studies

- Post-Graduate Petroleum Engineering (20 students)  
Partnership with IFP, UNIPORT

## ■ Major Community Development Project

- Power plant (2 x 6.5 MW) to supply EGI communities

## ■ OML 58 : implementation of MOU

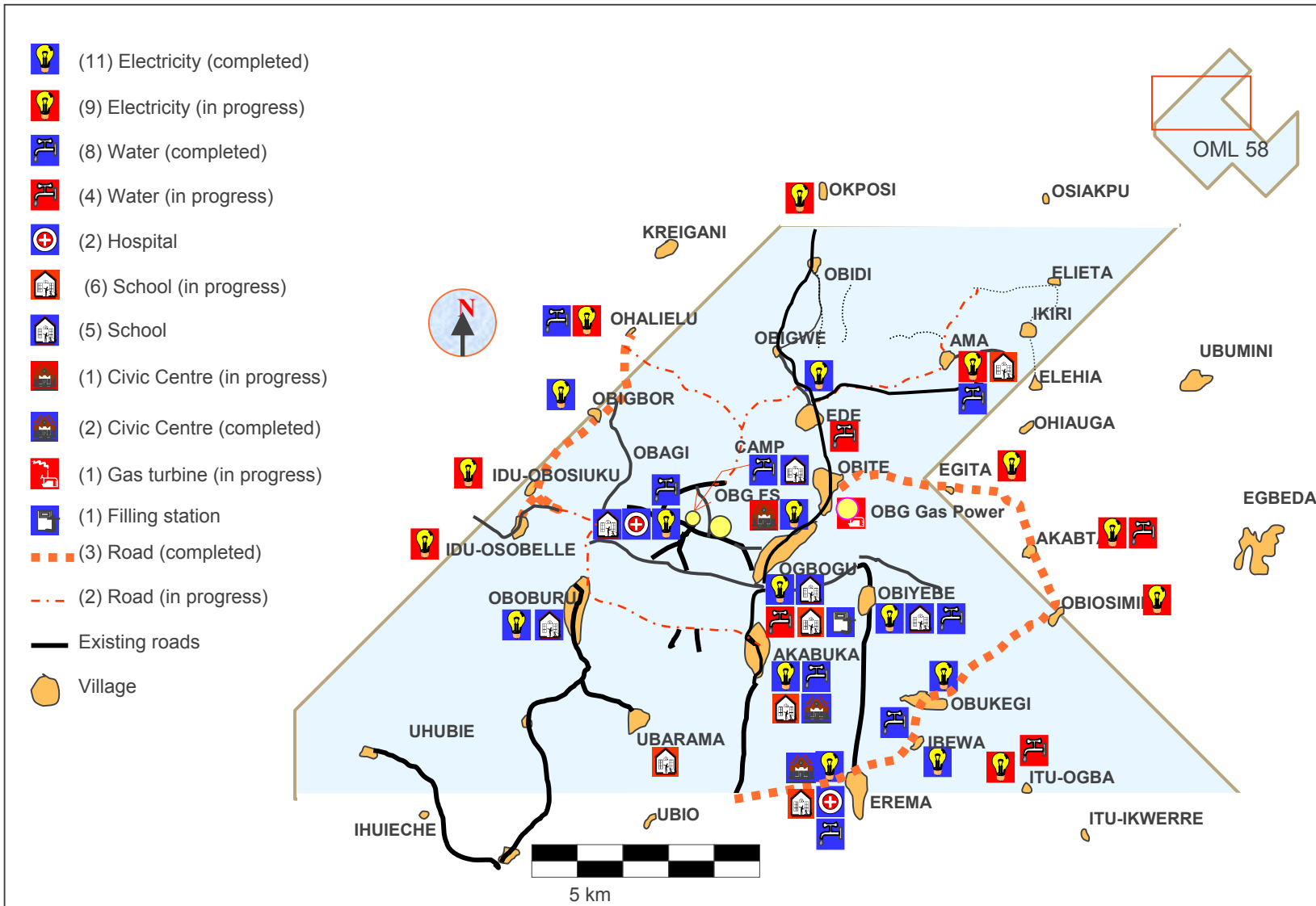
- 4-year action plan
- Definition of EPNL contribution to EGI communities

## ■ Scholarships, training, AIDS awareness programs...



TOTAL

# NNPC/EPNL projects : status end of 2004



# Diversified and well-adapted workforce to support growth strategy in Nigeria

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## ■ Broadening diversity and promoting mobility

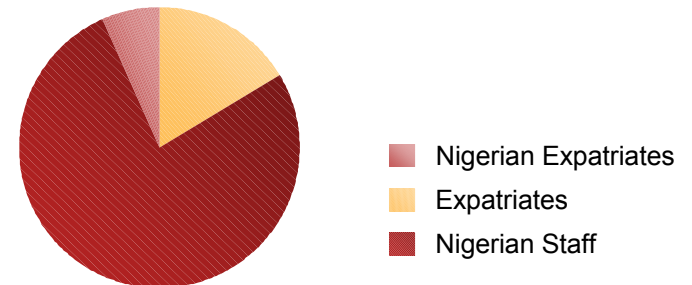
- Local staff > 80%
- Focus on recruitment process
- In-house generation of future managers

## ■ Developing training programs as well as skills and technology sharing

## ■ Seeking opportunities for international work experience for Nigerian professionals

- Six-fold increase in number of Nigerian expatriates in 5 years (> 70)

2005 EPNL Staff: 1,100



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***Group HR guidelines and policies applied or adapted locally to promote equity and diversity***

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**TOTAL**

# Energizing the workforce in Nigeria

- Recruiting 80 to 100 new employees per year

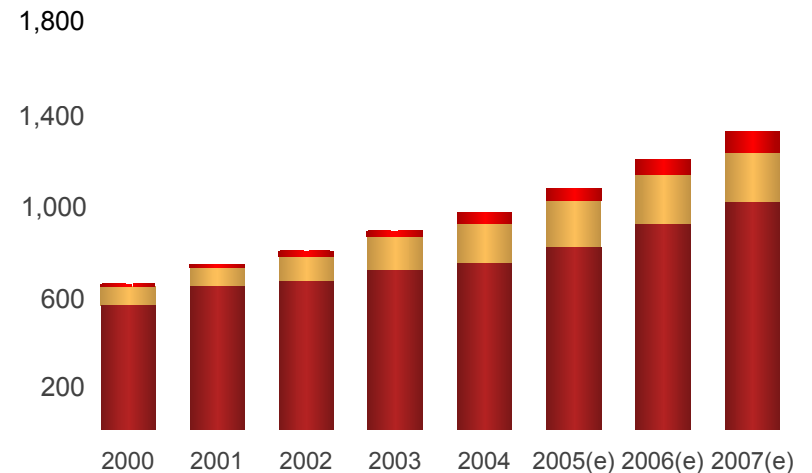
## ■ Challenge 2007

- Integration-Coaching and Mentorship programs for young recruits
- Improving manpower planning and proactively managing skills gaps
- Developing new skills among Nigerians through intensified training and international assignment

## ■ Taking advantage of Group best practices in HR management

- Human Capital Project:
  - EPNL competency model, HRMS
- Wage structure, Health, Housing and pension schemes...

**EPNL Staff evolution**



- Nigerian Expatriates
- Expatriates
- Nigerian Staff



**TOTAL**