



Sustainability Review 2021

Delivering
Projects that
Matter in Africa

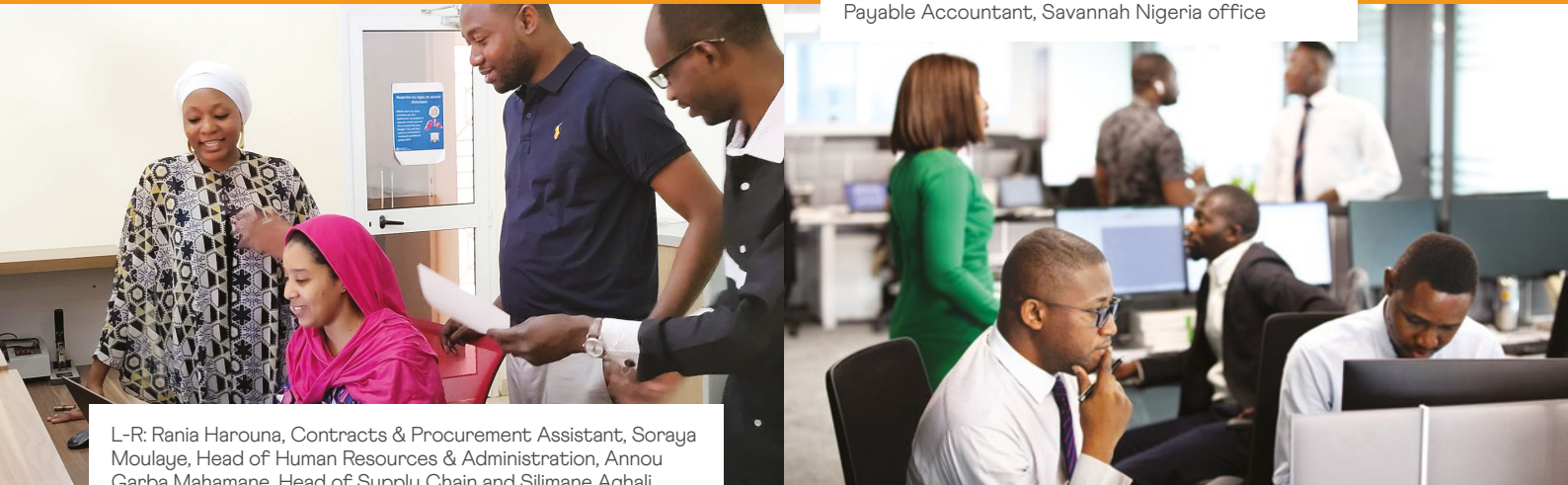
SAVANNAH ENERGY PLC SUSTAINABILITY REVIEW 2021



“Our performance against key sustainability metrics such as carbon intensity (13.3kg CO₂e/boe), senior management gender diversity (35% female) and local employee ratios (99%) all remained equally industry leading in 2021.”

Andrew Knott
Chief Executive Officer

L-R: Chidiadi Mgbemena, Treasury Coordinator, Ifeanyi Onyekwelu, Treasury Accountant, Hammed Onikola, Financial Reporting Accountant, Ayotunde Oludemi, Assistant Financial Controller, Chinatu Egembah, Graduate Intern, Akeem Lukan, Accounts Payable Accountant, Savannah Nigeria office



L-R: Rania Harouna, Contracts & Procurement Assistant, Soraya Moulaye, Head of Human Resources & Administration, Annou Garba Mahamane, Head of Supply Chain and Silimane Aghali, Chief Accountant Finance, Savannah Niger office

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Cover: Artist’s impression of the Parc Eolien de la Terka, L-R: Gilbert Eno, Operations Lead, Edidiong Akpan, Field Operator, Victor Sampson, Field Operator, Roseline Ini-Okor, Field Operator, Chukwudoziem Umunna, Operations Superintendent, Uquo Central Processing Facility, Nigeria, Stubb Creek, Nigeria, Water well provided by Savannah on N’Gourti, Agadam, Niger. Artist’s impression of the Centrale Solaire de Komé

About this report: This report assumes that Savannah Energy PLC (“Savannah” or the “Company”) will acquire the entire upstream and midstream interests in the Doba oil project located in Chad and the Chad-Cameroon Export Transportation System currently held by ExxonMobil Corporation and PETRONAS (E&P) Overseas Ventures SDN. BDH, on the terms set out in Savannah’s AIM Admission Document dated 30 December 2021. Unless otherwise defined, capitalised terms are as per the Company’s December 2021 Admission Document which is available to download from the Company’s website at www.savannah-energy.com.

STRENGTHENING our sustainability strategy

Introduction

We are pleased to present our Sustainability Review for 2021. All data covers the period of 1 January to 31 December 2021 and is as of 31 December 2021 unless otherwise noted. At Savannah, sustainability underpins everything we do. Following the acquisition of our Nigerian assets in 2019, the Company developed a comprehensive approach to sustainability in 2020, building on our track record in the previous decade. Our sustainability strategy was based on our first materiality assessment conducted in late 2021/early 2022, in which we engaged internal and external stakeholders. This allowed us to prioritise 12 material issues and an additional eight to report on.

Refocusing our sustainability strategy

The focus in 2021 was on articulating our level of ambition across our sustainability strategy. Having grouped our material issues in four pillars, we conducted an exercise to benchmark the Company's performance against industry peers and leaders. This enabled us to develop a refocused strategy with a clearer sense of our ambitions in each area, which you can find detailed in this section. In particular, we've identified our key performance metrics linked to our ambitions and relevant UN Sustainable Development Goals ("UN SDGs"). This helps us form a more comprehensive picture of our performance and progress.



Material issues	<ul style="list-style-type: none"> - Socio-economic prosperity - Tax transparency and contribution - Community engagement and development - Local content and responsible procurement 	<ul style="list-style-type: none"> - Health and safety - Security and human rights 	<ul style="list-style-type: none"> - Workforce culture and engagement - Training and development - Diversity and equality 	<ul style="list-style-type: none"> - GHG emissions - Biodiversity - Water management
	<ul style="list-style-type: none"> - Make a positive difference to the socio-economic development of our host countries - Build strong and meaningful relationships with our local communities based on mutual trust and benefit - Enhance value creation potential by championing the development of local content 	<ul style="list-style-type: none"> - Continually prioritise and improve upon the safety and security of our work environment 	<ul style="list-style-type: none"> - Cultivate a winning and inclusive culture to position our employees and the business for success - Recruit, develop and retain the best talent through our commitment to professional development 	<ul style="list-style-type: none"> - Deliver a cleaner performance by minimising our GHG emissions - Monitor and manage our impacts on biodiversity and water

Sustainability review continued



Michael Okonkwo, Operations Lead, Eric Ekine, Mechanic Technician. Ikot Abasi Gas Receiving Facility (IGRF), Nigeria.

Improving our measurement and reporting

In 2021, we also strengthened the Company's sustainability performance and reporting framework. With our partner World Wide Generation, we implemented a digital tool that allows us to track our performance on our key sustainability indicators on a month-by-month and country-by-country basis.

While anchoring our strategy around the 13 most relevant UN SDGs, we chose to integrate six additional sustainability reporting standards into our re-focused performance and reporting framework. The formal Disclosure Statements required by these are substantial documents. We plan to publish these on our website in H2 2022.

In recognition of our sustainability reporting efforts, Savannah was delighted to be shortlisted for "ESG Initiative of the Year" at the Chartered Governance Institute UK & Ireland ("CGI") Awards in November 2021. Additionally, at the time of writing, Savannah has been shortlisted for "Best ESG Materiality Reporting (Small Cap)" at the forthcoming IR Magazine Awards – Europe 2022.

Governing sustainability at Savannah

Responsibility for the implementation of the strategy in each of the four sustainability pillars is placed with Savannah's Executive Team and management. Sustainability is a standing agenda item at our quarterly Board meetings. The Health, Safety, Security and Environment Committee of the Board oversees compliance with the Company's framework of policies, procedures, systems and controls in place around sustainability. This Committee, which meets quarterly, receives reports on progress and performance from management and liaises with the Audit and Risk Committee of the Board on the mitigation of sustainability-related risks.

Looking ahead to 2022

Savannah is committed to further strengthening our sustainability strategy. For 2022, we plan to set targets for our strategy with the help of our expanded baseline of sustainability KPIs. We plan to publish these targets during H2 2022.



“We invested heavily in sustainability in 2021. We not only strengthened our sustainability strategy but also enhanced our operational capacity and capability to drive positive change with key appointments and new digital tools.”

Andrew Knott
Chief Executive Officer

1
Promoting socio-economic prosperity

The first pillar of our sustainability strategy is to promote socio-economic prosperity within the countries in which we operate. Savannah's gas enabled over 10% of Nigeria's thermal power generation in 2021. In Niger, we are participating in a wider energy sector project which is forecast to contribute up to 24% of Niger's GDP by 2025¹. In addition, we provide a positive economic contribution through tax payments and payments to our people, suppliers and contractors, and through our social impact projects.



2021 performance

- We supplied gas enabling over 10% of Nigeria's thermal power generation and continued to play a strategic role providing a stable and reliable supply of gas to power stations and industrial users
- Our total direct socio-economic contributions to our host countries increased by 12% to US\$55.1 million in 2021 (2020: US\$49.3 million)
- Savannah increased its investment by 53% in eight social impact projects (2020: 11) to US\$246,000 in 2021 (2020: US\$161,000)
- We spent US\$26.2 million in 2021 with local suppliers and contractors in Nigeria and Niger, up 57% (2020: US\$16.7 million)



2022 objectives

- Develop targeted impact metrics that further measure Savannah's contribution to socio-economic prosperity in our host communities and countries
- Set targets for the most appropriate and relevant sustainability key performance indicators in this area



Strategic objectives

- 1 2 3 4



Principal risks

- 4 5 7 9 11 12 14



Contribution to UN SDGs



Reporting metrics

- Total contributions in US\$
- Social impact investment in US\$
- Number of social impact projects
- Payments to local suppliers and contractors in US\$

¹ Source: Republique Du Niger, Politique Pétrolière Nationale, December 2019

Eric Ekine, Mechanic Technician, Ikot Abasi Gas Receiving Facility ("IGRF"), Nigeria

Creating IMPACT that matters

Our approach

Our ambition in the first pillar of our sustainability strategy is to make a positive difference to the socio-economic prosperity in our host communities and countries. Studies have shown the strong relationship between power consumption, income levels and broader human development metrics; ceteris paribus the higher a country's per capita power consumption, the higher both GDP per capita, human life expectancy and those metrics are expected to be. That is why we focus on providing our host countries with energy to drive socio-economic prosperity.

At a local and regional level, Savannah creates significant socio-economic impact. Our impact includes payments to employees, contractors and suppliers as well as social impact investment in community projects. This contribution has a multiplier effect, creating economic impacts in the wider community and economy of our host communities. Our approach here is built on strong and meaningful relationships with local communities based on mutual trust and benefit.

Using energy to drive prosperity

Savannah's gas enabled over 10% of Nigeria's thermal power generation in 2021, playing a strategic role in providing a reliable supply to power stations and industrial users as part of the Nigerian Federal Government's National Gas Policy and the "Decade of Gas" initiative announced in March 2021.

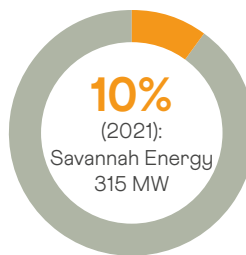
In Niger, the administration of His Excellency President Bazoum has focused on building an energy industry that has become the driving force of the country's social and economic strategy. We are participating in a wider energy sector project which is forecast to contribute up to 24% of Niger's GDP by 2025 and up to 45% of tax revenues¹. Post-year end we also announced plans to build and operate Niger's first wind farm, which is expected to increase Niger's on grid national electricity consumption by up to 40%, create 500 jobs in the construction phase alone and reduce the cost of electricity for ordinary Nigeriens.

“At Savannah we focus on creating impact that matters through delivering reliable and value-for-money energy projects in Africa.”

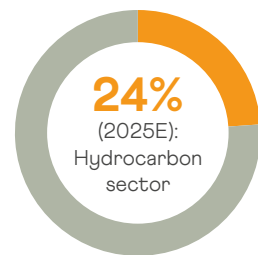
Andrew Knott
Chief Executive Officer

Our economic impact

Contribution to Nigeria's daily thermal power generation 2021



Estimated Niger GDP components 2025¹



In addition, we have announced our intention to acquire material energy projects in Chad and Cameroon, which contribute significantly to GDP, tax revenues and employment opportunities within their host countries.

Our performance in 2021

Savannah's socio-economic contributions to our host countries and communities can be measured by payments to local suppliers, contractors and employees, social impact projects and our tax payments. Despite the ongoing impact of the Covid-19 pandemic in 2021, our total direct economic contributions increased by 12% to US\$55.1 million compared to last year (2020: US\$49.3 million). This is primarily the result of an increase in payments to local suppliers as we increased production activity in Nigeria.

Total Contributions (US\$m)

+12%

2021	US\$55.1m
2020	US\$49.3m
2019	US\$41.6m

¹ Source: Republique Du Niger, Politique Pétrolière Nationale, December 2019

Strategy in action



Okwudili Onyia, Communications Manager, Chidiadi Mgbemena, Treasury Coordinator, Lagos office, Nigeria.

Case study

Promotion of Local Content in Nigeria

Savannah's recruitment philosophy is to attract and retain the best talent within the industry because we pride ourselves in being a diverse and inclusive company whose people are its most important assets. In compliance with the Nigerian Oil and Gas Industry Content Development ("NOGICD") Act 2010 on local hiring, our recruitment process is fair, transparent and inclusive to ensure equal opportunity is afforded to all qualified Nigerians irrespective of gender.

Job opportunities are advertised both internally and via our website. All applications are reviewed and those who meet the key criteria of the advertised roles are invited for interview. The successful candidate matching the job description is made an offer in line with the recruitment framework.

In line with our vision of promoting socio-economic prosperity, supporting and developing our people, a Memorandum of Understanding ("MOU") was signed with the Akwa Ibom State Government and our host communities in the state which has enabled us to create employment opportunities, support skill acquisition programmes, provide grants/scholarships and also partner with our host communities to recruit and train at least 10 graduate engineers as interns in our facilities annually. This programme is a hands-on technical training that provides the interns with relevant skills and experience that will be useful to them and prepare them for future opportunities in related fields.

Making a local and regional difference

It is Savannah's policy to give first consideration to local people in its areas of operation. We also believe that promoting local employment and development opportunities drives prosperity. We employed 174 people in Nigeria (2020: 167), of whom 99% were local, and in Niger we employed 15 people (2020: 13), of whom 100% were local. Through formal training and on-the-job development with experienced Savannah employees, we build the capability of the local workforce in our host countries.

Savannah operates a global procurement policy across the Group as we have a significant supply chain impact. Last year, we spent US\$26.2 million (2020: US\$16.7 million) with local contractors and suppliers, up 57%. The policy ensures all our contractors and suppliers meet the same standards and practices for all our operations, with the exception of specific local regulations. This approach affords opportunities for shared optimisation across regions but also enforces high standards because we recognise that the nature and context of our business exposes us to the potential risk of fraud, bribery, modern slavery and human trafficking. In our centralised vendor performance management system, we actively monitor the performance of all our suppliers. Every four years we require re-qualification and in 2021 we screened 168 suppliers, 100% of which were re-appointed.

Strategy in action



Savannah Niger, with the staff of the National Reference Center for Obstetric Fistulas.

Case study

Supporting the National Reference Centre for Obstetrical Fistulas in Niger

As part of our investment in social impact projects in Niger, Savannah was pleased to recognise International Women's Day on 8 March 2021 by organising a donation of medical products and food items for women patients at the National Reference Center for Obstetrical Fistulas ("CNRFO") in Niamey, which treats over a hundred women with this condition. Obstetric fistulas have a devastating impact on affected women and their families, with many sufferers facing social exclusion. While obstetric fistulas are rare in the developed world due to high standards of obstetric care, it remains the prevalent cause of maternal morbidity in the developing world, with between 50,000 to 100,000 women affected each year, the majority of whom are from Africa and Asia.

“In the face of ongoing disruption due to the Covid-19 pandemic, Savannah increased its investment in social impact projects during 2021 supporting eight local projects in Nigeria and Niger.”

Nkoyo Etuk

Head of Stakeholder Relations and Regional Manager SE, Nigeria

Payments to local suppliers & contractors (US\$m)

+57%

2021	US\$26.2m
2020	US\$16.7m
2019	US\$10.3m

Investing in social impact

Although the Covid-19 pandemic continued to disrupt some projects due to local lockdowns and restrictions on travel in Nigeria and Niger in 2021, we were still able to complete six social impact projects in Nigeria and two in Niger (2020: eleven). We supported these projects through investment of US\$246,000 which is over 50% more than the amount last year (2020: US\$161,000), amounting to a cumulative total of US\$1.9 million in social impact investment since 2014.

Contributing to the UN SDGs

Our approach to local content, responsible procurement and tax payments plays an important role in achieving the goals of UN SDG 8 Decent work and economic growth. Our commitment to sourcing talent from the surrounding communities creates stability through long-term employment engagement and supplier relationships.

Looking ahead to 2022

Savannah is committed to further strengthening our contribution to socio-economic prosperity in our host communities and countries. For 2022, we will:

- Develop targeted socio-economic impact metrics for 2023 that further measure Savannah’s contribution to socio-economic prosperity in our host communities and countries; and
- Set targets for the most appropriate and relevant sustainability key performance indicators in this area.

Strategy in action



Model Nursery/Primary School, Akpa Utong, Esit Eket, Nigeria.

Case study

Supporting the next generation in Nigeria

As part of our commitment to the socio-economic development of our host communities in Nigeria, we signed a renewed five-year partnership agreement in 2021 with the Akwa Ibom State Government and host communities of Eket and Esit Eket. Our support consists of new physical infrastructure projects and the upgrading of existing facilities for education as well as the training, livelihood support and employment of young people in the state, overseen by a 21-strong advisory body.

In 2021, we commissioned the construction of a building with five classrooms and an office for a nursery and primary school as well as a 500m stretch of road in Esit Eket. This represents a commitment of more than US\$157,000 over the next few years. We also delivered 55 “starter packs” for the young people that graduated from the Uquo Field Skills Acquisition Programme, which helped them develop their skills in welding, fashion design, electronic repairs, creative arts, auto mechanics, desktop publishing and computer maintenance, aluminium fabrication, vehicle upholstery repairs and hairdressing. This year there are again ten interns at Accugas as part of their training and development, further continuing our support of host communities’ livelihoods.

2

Maintaining a safe and secure place to work



Ensuring a high standard of health and safety throughout our operations is a top priority for Savannah and we firmly embed this culture across the business. Our robust health and safety policies are accompanied by strong security practices.



2021 performance

- Savannah continued its strong health & safety record with zero incidents recorded for the Lost Time Injury Rate in 2021 (2020: zero)
- Our Total Recordable Incident Rate increased by 22% to 0.34 per 200,000 man-hours (2020: 0.28)
- We recorded one security incident in 2021
- In 2021, we covered 1.6 million transport kilometres with only two transport-related incidents (2020: five)
- We continued to act in accordance with internationally recognised human rights standards



2022 objectives

- Continue to develop and implement training and knowledge transfer to embed a zero-harm culture
- Launch and implement a digital platform to assess and review accidents, incidents and near misses and share the learnings across the organisation
- Maintain the current high level of performance for human rights within the Voluntary Principles on Security and Human Rights ("VPoSHR") framework



Strategic objectives

1 2 3



Principal risks

12 14



Contribution to un SDGs



Reporting metrics

- Number of security/transport incidents
- Lost Time Injury Rate ("LTIR")
- Total Recordable Incident Rate ("TRIR")
- Total length of journeys safely managed

Maintaining a STRONG HSSE culture



L-R: Gilbert Eno, Operations Lead, Edidiang Akpan, Field Operator, Victor Sampson, Field Operator, Roseline Ini-Okor, Field Operator, Chukwudoziem Umunna, Operations Superintendent. Uquo Central Processing Facility, Nigeria

Our approach

Our ambition in the second pillar of our sustainability strategy is to continuously prioritise and improve upon the safety and security of our workplace. We safeguard the health and wellbeing of everyone who is on our sites, including our employees, contractors, suppliers and visitors. From a security point of view, we also protect the integrity of our operations, including site transport buses and our people on business travel. We strongly believe this is critical to the ongoing success of the Company's operations, activities and projects, and also to safeguard human rights.

We are developing a global health, safety and security management system that creates a robust compliance environment with policies, procedures, systems and controls aimed at embedding a positive safety culture inside and outside our Company. This allows us to measure, mitigate and/or minimise our health, safety and security risks, and learn from accidents, incidents and near misses. Led by our Head of Health, Safety and Environment we continuously refresh our training and development opportunities to reinforce our commitment to injury-free time across our employees, contractors, suppliers and visitors.

Our performance in 2021

Savannah continued its strong health and safety record in 2021 with zero accidents recorded for the Lost Time Injury Rate in 2021 (2020: zero) within our operations. Our Total Recordable Incident Rate increased by 22% to 0.34 per 200,000 man-hours (2020: 0.28) due to our work to improve safety culture resulting in better reporting of minor incidents.

This performance is the result of adherence to our health, safety and security management system and a strong focus on using near misses to identify opportunities for improvement, ultimately maintaining our track record of zero lost time injuries. Thanks to the continued implementation of our Covid-19 protocols we also recorded zero cases (2020: zero) at our operational sites, ensuring our continued operation across our offices and field locations.

Total recordable incident rate, per 200,000 hours worked

2021	0.34
2020	0.28
2019	0.29

Ensuring transport safety

In 2021 there were two transport-related incidents as opposed to five the previous year.

This year the company reported 1.6 million kilometres driven in Nigeria and Niger. The plan going forward is to use this statistic to work out the vehicle incident rate based on the number of incidents and kilometres driven.

Number of transport incidents

2021	2
2020	5
2019	5

“With a focus on maintaining a strong HSSE culture, Savannah’s health and safety performance remains robust.”

Antoine Richard
Chief Operating Officer

Prioritising security at Savannah

We recognise the security challenges in the regions where we operate. Savannah’s main focus is identifying the security risks which our people and business face and putting in place plans to mitigate these risks. In 2021, we conducted regular security risk and threat assessments for our areas of operation and project locations, both for predictive and preventive purposes. We further developed our crisis management and emergency response planning and a portion of our training in 2021 – a total of 6,104 hours across the Company (2020: 3,897) – is related to maintaining management capabilities in response to an emergency. Our Asset Protection Team, tasked with continually monitoring security threats and risks, works closely with local and host governments to conduct conflict analysis in our operational and project areas.

In ensuring safety – as well as in engaging with all our stakeholders – we are committed to acting in accordance with internationally-recognised human rights standards. Savannah has a stringent set of policies, regulations and work practices, underpinned by our Human Rights Policy and our Code of Ethics.

Contributing to the UN SDGs

Our approach to human rights inside and outside the workplace makes a contribution to achieving UN SDG 3 good health and wellbeing. Our commitment to maintaining a strong HSSE culture safeguards the human rights of our people, contractors, suppliers and visitors. Together this protects lives and livelihoods by avoiding accidents, incidents and near misses.

Looking ahead to 2022

Savannah is committed to ensure safe and secure operations. For 2022, we will:

- Continue to develop and implement constant training and knowledge transfer in relation to HSSE
- Set 2023 targets on the most appropriate and relevant key performance indicators in this area
- Launch and implement a digital platform to assess and review accidents, incidents and near misses and share the learnings across the organisation



Chris Grubb, Group Head of Health, Safety & Environment

“We want to promote a positive safety culture where accidents, incidents and near misses are promptly reported and investigated. Culture plays a huge role in determining what’s acceptable in an organisation and what’s not. Policies give us guidance but the success of health and safety relies on continuous, everyday behaviours that seek to prevent harm. Savannah introduced a new digital tool that will ensure lessons learned are shared throughout the organisation. This platform will further embed the HSSE processes inside and outside Savannah.”

Chris Grubb

Lost Time Injury Rate

0

Health and safety training hours

1,667

3

Supporting
and developing
our people

Our people bring a broad range of experience, expertise and perspectives that are essential to the delivery of our strategic objectives. We recognise that recruiting, developing and retaining the best talent and cultivating a winning culture are critical to maintaining a sustainable business and, as such, are important factors in Savannah's ongoing and long-term success.



2021 performance

- As at end 2021, Savannah employed a total of 230 people, a 9% increase on the prior year (2020: 211)
- We recorded 6,104 working hours of training (2020: 3,897), which is an increase of 57%
- We saw a slight increase in gender diversity across Savannah. We maintained 35% in senior management and our female representation across the Group rose from 18% to 19% in 2021
- Against the background of our growth, we maintained our local content with 99% local employees in Nigeria and 100% local employees in Niger (2020: 99% and 100%)
- In our operations in the United Kingdom, we increased our ethnic minority representation from 19% to 24% in 2021



2022 objectives

- Set targets on the most appropriate and relevant sustainability key performance indicators in this area



Strategic objectives

1



Principal risks

11 14 15



Contribution to UN SDGs



Reporting metrics

- Number of employees
- Total amount of training in hours
- Gender diversity percentages for the Group and for Senior Management
- Percentage of local employees
- Ethnicity diversity in percentage per characteristic

Empowering our colleagues to THRIVE

Our approach

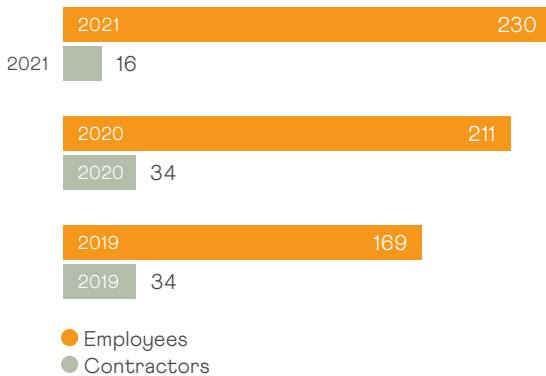
Our ambition in the third pillar of our sustainability strategy is to recruit, develop and retain the best talent. In our communities. Hand-in-hand with this goes our cultivation of a diverse workplace, positioning our people and business for success, and developing a winning culture that is grounded in our values and behaviour. We strongly believe that supporting and developing our people is key to helping us achieve our strategic objectives as a Company.

We have created key policies, procedures, systems and controls to drive positive change across our teams in Nigeria, Niger and the United Kingdom. Through a comprehensive programme of training, our people are regularly engaged to ensure they reach their potential during their time with the Company.

Our performance in 2021

Savannah employed a total of 230 people as at end 2021 (end 2020: 211), a 9% increase year on year. We did, however, see a reduction in our number of contractors to 16 (2020: 34).

Employee and contractor numbers



Our HR business partners work with our in-country teams to recruit the best talent for each role. We have a range of vendors in place locally that support our strategic objectives around diversity, helping us reach talent from disadvantaged groups. We work with the Sequoia Platform, a not-for-profit organisation, which looks to provide employment opportunities, together with entrepreneurship and education support for young people from diverse and underrepresented backgrounds in the UK. In 2021, we offered internships to two recent graduates via the Sequoia Platform, one of whom has since gone on to have a permanent position with us, while the other was offered an opportunity to extend his internship, combining it with his university studies. We participate in local school and university initiatives to reach the next generation of talent. We offer tailored training programmes, both external and 'on-the-job', for new starters and experienced hires alike. Despite the ongoing

disruption due to Covid-19, we recorded 6,104 working hours on training (2020: 3,897), an increase of 57%. This translates into an average of 27.6 hours per person per year (up from 18.5 hours in 2020), delivered through a mix of in-person and online channels.

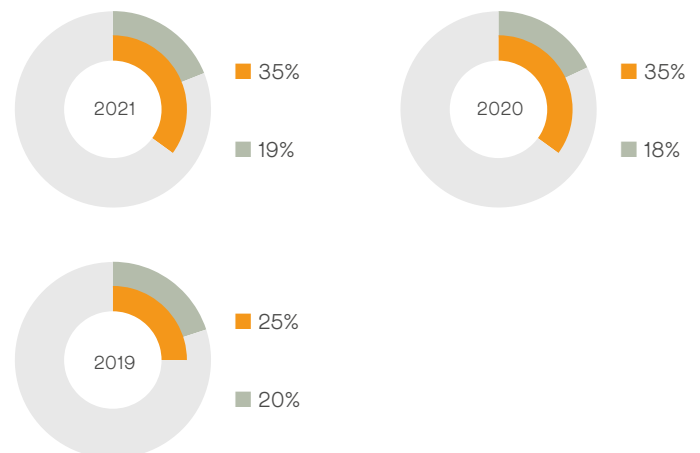
Creating a diverse workplace

Savannah strongly believes that diversity throughout the organisation builds a strong workforce and improves business performance. We are committed to being an equal opportunities employer, with policies in place to ensure that the best person, irrespective of gender, race, disability, ethnicity, religious belief or sexual orientation, is appointed to a particular role or position within the organisation. We maintained 35% in senior management female gender diversity in 2021, while our gender diversity for the organisation as a whole increased slightly last year, with our female representation across the Company rising from 18% to 19%. Post-year end three new female Non-Executive Directors are joining the Board which will result in a 33% female representation on the Board.

Against the background of our growth, we maintained our commitment to local content, prioritising the hiring of local talent with 99% local employees in Nigeria and 100% local employees in Niger. (2020: 99% and 100%). In our operations in the United Kingdom, we increased our ethnic minority representation across the Company from 19% in 2020 to 24% in 2021, something we are proud of as the 2011 UK census benchmark for a non-white ethnic background is around 14%.

Gender diversity

- Senior management: female
- Group: female





“As Head of Compliance I focus on fostering strong ethical behaviours supported by clear guidelines, policies and training for all employees and contractors.”

Titilayo Okoye
Group Chief Compliance Officer

Building an inclusive culture

At the centre of our efforts to create an inclusive workplace is our engagement with our employees. We have open, collaborative and inclusive management that leads on employee engagement. We approach this in two ways: through a continuous feedback performance management process, with structured career conversations and regular touchpoints to monitor career progression; and through wider communication tools such as town hall sessions, our intranet and employee surveys.

We foster strong ethical behaviours and as part of that Savannah sets clear guidelines on what's acceptable and what's not. Our Anti-Corruption and Bribery Policy, for instance, and our Group Code of Ethics, set out responsibilities shared between the Company and the employee to uphold high standards of behaviour. We provide a confidential whistleblowing hotline where employees can report unethical behaviour without fear of penalty or punishment.

Values

Our five core SEE-IT values of Sustainability, Excellence, Entrepreneurialism, Integrity and Teamwork represent the essence of Savannah and fundamentally underpin our corporate culture.

They represent what we want our company to be known for, how we want others to remember us, our core competitive advantages and the basis upon which our staff are rewarded.

Contributing to the UN SDGs

Our approach to training and development in the workplace makes a contribution to achieving UN SDG 4 Quality Education. Our commitment to delivering a full programme of on-the-job and classroom-based learning, inside and outside the Company, maintains the focus on life-long learning and equips our people for their development, wherever it may take them.

Looking ahead to 2022

Savannah is committed to supporting and developing its people. For 2022, we will:

- Set targets on the most appropriate and relevant 2023 key performance indicators in this area.

Strategy in action



Mfon Udobia, Graduate Intern, Deborah Ekpa, Graduate Intern, Uquo Central Processing Facility, Nigeria.

Case study

Helping our people to reach their potential

Our main focus is on empowering colleagues across Savannah to reach their potential. One of the main priorities for 2021 and 2022 is the further training of our people to help them grow and develop. We can already see the impact of that in 2021 with an increase in training hours.

In 2021, we set up partnerships with prestigious international business schools to sponsor Executive MBAs, further enhancing the skillset of some of our key executives. Our first cohort of four executives from Nigeria and the UK joined the programmes in September and we expect to offer this exciting opportunity to more executives across the Group in 2022 and beyond.

We also provided a range of sustainability training to executives to foster our ambitious plans in this area and, with an ever-increasing presence in French-speaking Africa, one of our focus areas in 2021 was to provide employees in both the UK and Nigeria with the opportunity to improve their French language skills – something we see as key to increasing collaboration across Savannah.

For 2022 we are focusing on providing training for all people leaders globally; this will not only give our managers the skills needed to support our ambitious growth plans, but will positively impact our organisation's culture, employee engagement and retention.

4 Respecting the environment



Savannah believes that fossil fuels have a critical role to play in the energy transition in Africa. Recognising the threat of climate change, we are committed to the responsible stewardship of our assets and operations – both existing and those we seek to acquire in the future – by reducing our greenhouse gas (“GHG”) emissions where possible and managing our other impacts, such as biodiversity and water.



2021 performance

- Our total direct GHG emissions (Scope 1) increased by 19% to 108,778 tonnes of CO₂e in 2021 (2020: 91,507)
- Our total indirect GHG emissions (scope 2) increased by 29% to 88.2 tonnes of CO₂e in 2021 (2020: 68.2)
- Our carbon intensity ratio increased by 4% to 13.3 kg CO₂e/boe in 2021 (2020: 12.8)
- Our gCO₂eMJ⁻¹ carbon intensity ratio was broadly stable at 54.6 in 2021 (2020: 54.5)
- In the United Kingdom, we consumed 164,638 kWh of energy in 2021 (2020: 144,000), a year-on-year increase of 14%.
- Zero hydrocarbon spills (2020: zero)
- 5,359 m³ of freshwater usage



2022 objectives

- Set targets on the most appropriate and relevant sustainability key performance indicators in this area
- Improve the performance and efficiency of the gas compressor at Uquo in Nigeria



Strategic objectives

1 2 3



Principal risks

12 14



Contribution to UN SDGs



Reporting metrics

- Scope 1 GHG emissions in CO₂e
- Scope 2 GHG emissions in CO₂e
- Carbon intensity ratio in kg CO₂e/boe
- Carbon intensity ratio in g CO₂e MJ⁻¹
- Energy consumption in the United Kingdom in kWh
- Number of hydrocarbon spills
- Freshwater usage

MANAGING our environmental impacts

Our approach

Our ambition in the fourth pillar of our sustainability strategy is to minimise our greenhouse gas (“GHG”) emissions and manage our impacts on biodiversity and water. As an energy producer, we recognise that our impacts extend beyond our direct operations to the transport and use of our end-products. Whilst our approach is currently focused on what is under our direct control – referred to as our Scope 1 and Scope 2 emissions – in the future we recognise that this may also include our products, which contribute to Scope 3 emissions.

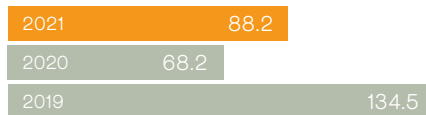
Our GHG emissions consist of a range of gases and they are all included in our carbon inventory. But we realise that our environmental impacts extend beyond our GHG emissions and also track other aspects such as biodiversity, waste and water impacts. Our focus is on meeting our regulatory obligations across Nigeria, Niger and the United Kingdom through a robust framework of policies, procedures, processes and controls.

Scope 1 CO₂ and CO₂e combined GHG emissions (tonnes)

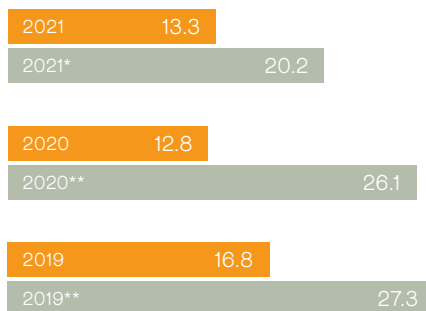


Scope 2 CO₂ and CO₂e combined GHG emissions (tonnes)

Emissions resulting from the purchase of third-party electricity or national grid company electrical power related to Savannah’s offices and headquarters in our three principal countries of operation.



Savannah vs. Supermajors’ carbon intensity (kg CO₂e/boe)



- Savannah
- Supermajors

* Note: based on the latest published data by Eni which reports its carbon intensity ratios on this basis.

** Note: Based on the published data reported by BP, ConocoPhillips and Eni.

Carbon intensity (tonnes of CO₂e/’000 tonnes of hydrocarbons)



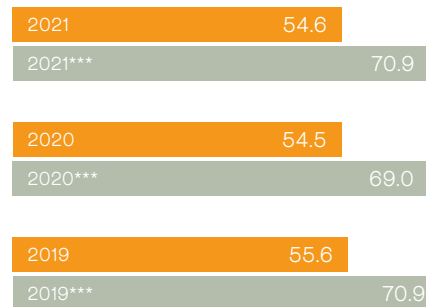
Carbon intensity (kg CO₂e/boe)



Carbon intensity (g CO₂e MJ⁻¹)



Savannah vs. Supermajors’ carbon intensity (g CO₂e MJ⁻¹)



***Note: based on the published data by Royal Dutch Shell, Total and Eni, which reported their carbon intensity ratios on this basis.

“We are focused on ensuring that we manage our operations as efficiently as possible to respect the environment.”

Peter Spalding
ESG Manager

Our performance in 2021

After the disruption of Covid-19 in 2020, our focus in 2021 was to increase production in line with growing demand. Our total direct GHG emissions (Scope 1) increased by 19% to 108,778 tonnes of CO₂e in 2021 (2020: 91,507). This is a direct result of an increase in production in the year 2021; our average production per day increased by 14% from 19.5 to 22.3 kboe/day.

Our total indirect GHG emissions (Scope 2) increased by 29% to 88 tonnes of CO₂e in 2021 (2020: 68). As these impacts are related to emissions from our electricity consumption in our offices, this can be explained by the gradual return to the office of our people after the Covid-19 pandemic. Our emissions are not yet back to a pre-pandemic level as there were still disruptions in 2021 for our office-based personnel; for instance, due to government regulations, there was a shutdown of our office in Niger for the last three months of 2021 and there were intermittent lockdowns in the United Kingdom too.

The carbon intensity of our Scope 1 and Scope 2 emissions increased slightly, by 4%, to 13.3 kg CO₂e/boe in 2021 (2020: 12.8). With our emissions predominantly associated with our business in Nigeria, we are focusing on a project to reduce flaring which contributed to over 50% of our Scope 1 emissions in 2021.

Mitigating our environmental impacts

Beyond our GHG emissions, we recognise that oil and gas production can have other environmental impacts. We are pleased to report that in 2021 we had zero (2020: zero) hydrocarbon spills as defined by not greater than one barrel reaching the environment. We remain focused on avoiding any unplanned discharge that has negative environmental impacts.

We used around 5,359 m³ of freshwater water in 2021 from boreholes and mains supply. We do not have our 2020 performance as we measured this metric for the first time in 2021 as part of our new sustainability performance and reporting framework.

We aim to minimise our negative impacts on biodiversity. We operate four sites (2020: four) near or adjacent to protected areas of specific biodiversity value. As a result, we have put in place Biodiversity Action Plans to minimise any impacts from our operations.

SECR data

Scope 2 emissions in CO₂e

2021	35.0
2020	33.6
2019	76.9

Energy consumption in kWh

2021	164,638
2020	144,000
2019	330,000

Carbon intensity kWh/person

2021	3,829
2020	4,645
2019	13,750

Our performance in the United Kingdom

In accordance with the Streamlined Energy and Carbon Reporting (“SECR”) regulations, we specifically provide an overview of our environmental performance in the United Kingdom. Our reporting covers the 2021 financial year and relates to our operations in the United Kingdom. Last year, we did not have any direct Scope 1 GHG emissions. From an indirect Scope 2 point of view, we consumed 164,638 kWh of energy in 2021 (2020: 144,000), translating to 35.0 metric tonnes of CO₂e (2020: 33.6). Whilst our absolute emissions are up due to the phased return of our people to the London office, our carbon intensity decreased by 14% to 3,829 kWh/person in 2021 (2020: 4,645). Our energy consumption has not yet reached pre-pandemic levels due to changed patterns of work in our London office in 2021.

Contributing to the UN SDGs

Our approach to respecting the environment makes a contribution to achieving UN SDG 13 Climate action. We are committed to minimising our GHG emissions and this makes a direct contribution to tackling climate change, which is a cornerstone of the climate action goals.

Looking ahead to 2022

Savannah is committed to respecting the environment. For 2022, we will:

- Set targets for the most appropriate and relevant sustainability key performance indicators in this area
- Improve the performance and efficiency of the gas compressor at Uquo in Nigeria

Strategy in action



Julian Horn, Head of the Renewable Energy Division

Case study

Developing renewable energy in Africa

“I was appointed Head of Savannah’s newly-created Renewable Energy Division in 2021. One of our first projects in development that we announced post-year end is the Parc Eolien de la Tarka wind farm project in Niger, not only a first for Niger but which also has the potential to become one of the largest wind farms in Africa. We proposed and created this project with the support of the Ministry of Petroleum, Energy and Renewable Energies of the Republic of Niger.

Parc Eolien de la Tarka will produce up to 600 gigawatt hours per year of electricity. The construction phase is expected to create over 500 jobs, while it has the potential to reduce the cost of electricity for Nigeriens and avoid over an estimated 400,000 tonnes of CO₂ emissions annually. The wind farm will significantly diversify the energy mix in Niger and represents the first of several large-scale greenfield renewable energy projects that Savannah expects to announce over the course of the next twelve months.

This project was then shortly followed by the signing of an agreement in May 2022 with the Ministry of Petroleum and Energy of the Republic of Chad for the development of up to 500 MW of renewable energy projects supplying electricity to the Doba oil project and the towns of Moundou and Doba in Southern Chad, and the capital city, N’Djamena. The Centrale Solaire de Komé and Centrales d’Energie Renouvelable de N’Djamena projects represent the second and third large-scale greenfield renewable energy projects that we have announced this year, with Centrale Solaire de Komé expected to be the largest solar and battery storage project in sub-Saharan Africa, while the Centrales d’Energie Renouvelable de N’Djamena project is expected to more than double the existing installed power generation capacity supplying Chad’s capital city. As such, both of these projects have the potential to contribute to a transformative change in Chad’s GDP over the course of the coming years, as well as bringing the significant quality of life benefits associated with access to regularised power in the form of clean energy to the regions in which the projects are situated.”

Definitions

-
- (a) **Total Revenues** are defined as the total amount of invoiced sales during the period. This number is seen by management as appropriately reflecting the underlying cash generation capacity of the business as opposed to Revenue recognised in the Consolidated Statement of Comprehensive Income. A detailed explanation of the impact of IFRS 15 revenue recognition rules on our Consolidated Statement of Comprehensive Income is provided in our 2020 Annual Report in the Financial Review section on page 56. Note that Total Revenues is not an audited number.
- # In order to compare performance on a like-for-like basis the 2020 Total Revenues have been represented to exclude the impact of an advance payment of US\$20 million received from Lafarge Africa on entering an amended and extended gas sales agreement.
-
- (b) **Remaining life of contact revenues** estimated on a maintenance adjusted Take or Pay basis including contributions from three of our customers: Calabar Generation Company Limited (owner of the Calabar power station), Ibom Power Company Limited (owner of the Ibom power station) and the Lafarge Africa PLC (owner of the Lafarge Mfamosing cement plant). Note this is not an audited number.
-
- (c) **Adjusted EBITDA** is calculated as profit or loss before finance costs, investment revenue, foreign exchange gains or loss, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, taxes, transaction costs, depreciation, depletion and amortisation and adjusted to include deferred revenue and other invoiced amounts. Management believes that the alternative performance measure of Adjusted EBITDA more accurately reflects the cash-generating capacity of the business.
- # In order to compare performance on a like-for-like basis the 2020 Adjusted EBITDA has been represented to exclude the impact of an advance payment of US\$20 million received from Lafarge Africa on entering an amended and extended gas sales agreement.
-
- (d) **Total contributions** to Nigeria and Niger defined as payments to governments, employee salaries and payments to local suppliers and contractors. Where total contributions refer to the period 2014–2021 they include contributions to Nigeria during the period pre-acquisition of the Nigerian assets by Savannah.
-
- (e) **Investment grade** indicates credit support from an entity which holds an investment grade rating from either Standard & Poor's, Moody's or Fitch Ratings.
-
- (f) **Adjusted Net debt** is defined as Net debt adjusted for US\$75.5 million (2020: US\$48.0 million) equivalent held in Naira that is set aside to cover interest payments. This measure recognises the fact that when interest is paid the Net debt will rise.
-
- (g) **Group Operating expenses plus administrative expenses** are defined as total cost of sales, administrative and other operating expenses excluding royalty and depletion, depreciation and amortisation.
-
- (h) **Interest cover ratio** is Adjusted EBITDA^(c) divided by Finance costs excluding (i) unwinding of a discount on a long-term payable, (ii) unwind of discount on contract liabilities and (iii) unwinding of decommissioning discount, less Interest Finance Income.
-
- (i) **Net debt** is defined as Borrowings less Cash at bank and Restricted cash.
-
- (j) **Cash collections** are defined as the amount of cash received from customers.
- # In order to compare performance on a like-for-like basis the 2020 Cash collections have been represented to exclude the impact of an advance payment of US\$20 million received from Lafarge Africa on entering an amended and extended gas sales agreement.
-

(k) **Leverage** is defined as Net debt divided by Adjusted EBITDA.

(l) **Adjusted Leverage** is defined as Adjusted net debt divided Adjusted EBITDA. This measure thus excludes sums held to pay interest from the calculation in parallel with Adjusted net debt.

(m) **the proposed acquisitions of the Chad and Cameroon Assets:** means the assets to be acquired on completion of the Exxon Acquisition (being a 40% participating interest in the Doba OFDA in Chad, and a 40.19% and 41.06% shareholding interest in Tchad Oil Transportation Company and Cameroon Oil Transportation Company (respectively) which own and operate the Chad-Cameroon pipeline and FSO), and the assets to be acquired on completion of the PETRONAS Acquisition (being a 35% participating interest in the Doba OFDA in Chad, and a 30.16% and 29.77% shareholding interest in Tchad Oil Transportation Company and Cameroon Oil Transportation Company (respectively) which own and operate the Chad-Cameroon pipeline and FSO).

Exxon Acquisition the acquisition of Esso Pipeline Investments Limited and Esso Exploration and Production Chad Inc.

PETRONAS Acquisition the acquisition of PETRONAS Carigali Chad Exploration & Production Inc., PETRONAS Carigali (Chad EP) Inc, Doba Pipeline Investments Inc. and PETRONAS Chad Marketing Inc.

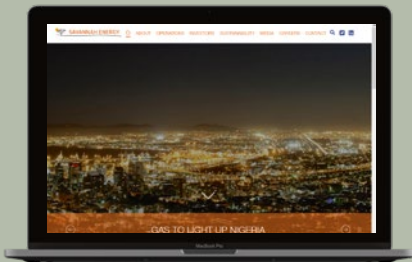
Glossary

2P Reserves	the sum of proved plus probable reserves;
2C Resources	the best estimate of Contingent Resources;
3D seismic	geophysical data that depicts the subsurface strata in three dimensions. 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic;
Accugas Midstream Business	the business currently operated by Accugas Limited, comprising a 200 MMscfpd gas processing facility and approximately 260 km gas pipeline network and associated gas processing infrastructure;
Barrels or bbl	a unit of volume measurement used for petroleum and its products (for a typical crude oil 7.3 barrels = 1 tonne; 6.29 barrels = 1 cubic metre);
Bscf	billion standard cubic feet;
Bscfpd	billion standard cubic feet per day;
best estimate	the middle value in a range of estimates considered to be the most likely. If based on a statistical distribution, can be the mean, median or mode depending on usage;
block	an area defined for exploration licensing;
boe	barrels of oil equivalent. One barrel of oil is approximately the energy equivalent of 6 Mscf of natural gas;
condensate	light hydrocarbon compounds that condense into liquid at surface temperatures and pressures. They are generally produced with natural gas and are a mixture of pentane and higher hydrocarbons;
Contingent Resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies;
Cameroon Pipeline Company	Cameroon Oil Transportation Company S.A.
Chad Pipeline Company	Tchad Oil Transportation Company S.A.
Cretaceous	geological strata formed during the period 140 million to 65 million years before the present;
crude oil	hydrocarbons that at atmospheric temperature and pressure are in a liquid state, including crude mineral oil, asphalt and ozokerites, and liquid hydrocarbons that are obtained by separation treatment, processing or extraction;
debottlenecked	process of identifying specific areas and/or equipment in oil and gas facilities that limit the flow of product and optimising them so that overall capacity in the plant can be increased;
EBITDA	Earnings before interest, tax, depletion, depreciation and amortisation;
E&P	exploration and production;
exploration well	a well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or natural gas reservoir;
fault or faulting	a displacement (vertical, inclined or lateral) below the earth's surface that acts to offset rock layers relative to one another. Faulting can create traps for hydrocarbons;
field	an area consisting of either a single reservoir or multiple reservoirs, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition;
formation	a layer or unit of rock. A productive formation in the context of reservoir rock;
full tensor gravity	a form of gravimetric survey;
geophysical	measurement of the earth's physical properties to explore and delineate hydrocarbons by means of electrical, seismic, gravity and magnetic methods;
gross resources	the total estimated petroleum that is potentially recoverable from a field or prospect;
GSA	gas sales agreement;
HSE	health, safety and environment;
HSSE	health, safety, security and the environment
hydrocarbon	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate;
investment grade	a rating that indicates that a municipal or corporate bond has a relatively low risk of default;

Kboepd	thousands of barrels of oil equivalent per day;
Kbopd	thousands of barrels of oil per day;
km	kilometre;
km²	square kilometres;
lead	an identified opportunity with sufficient support from geological analogues and the like to encourage further data acquisition and/or study on the basis that hydrocarbon accumulations may be found in the future;
licence	an exclusive right to search for or to develop and produce hydrocarbons within a specific area and/or a pipeline licence, as the context requires. Usually granted by the State authorities and may be time limited;
M	thousand;
MM	million;
MMboe	millions of barrels of oil equivalent;
MMbopd	millions of barrels of oil per day;
MMscf	million standard cubic feet;
MMscfpd	millions of standard cubic feet per day;
MMstb	millions of standard stock tank barrels of oil;
Mtoe	million tonne of oil equivalent
Mscf	thousand standard cubic feet;
Mscfe	thousand standard cubic feet of gas equivalent;
natural gas	hydrocarbon that at a standard temperature of sixty degrees Fahrenheit (60°F) and a standard pressure of one atmosphere are in a gaseous state, including wet mineral gas and dry mineral gas, casing head gas, residual gas remaining after separation treatment, processing, or extraction of liquid hydrocarbons;
Nigerian assets	the interest in the Uquo Gas Project owned by SEUGL, the interest in the Stubb Creek Field owned by Universal Energy Resources and the interest in the Accugas Midstream Business owned by Accugas Limited;
oil equivalent	international standard for comparing the thermal energy of different fuels;
operator	the entity that has legal authority to drill wells and undertake production of hydrocarbons found. The operator is often part of a consortium and acts on behalf of this consortium;
petroleum	a generic name for hydrocarbons, including crude oil, natural gas liquids, natural gas and their products;
play	a project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects;
prospect	a project associated with a potential accumulation of oil or natural gas that is sufficiently well defined to represent a viable drilling target;
prospective resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects;
PSC	Production Sharing Contract;
reserves	those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions;
reservoir	a subsurface body of rock having sufficient porosity and permeability to store and transmit fluids. A reservoir is a critical component of a complete petroleum system;
resources	deposits of naturally occurring hydrocarbons which, if recoverable, include those volumes of hydrocarbons either yet to be found (prospective) or if found the development of which depends upon a number of factors (technical, legal and/or commercial) being resolved (contingent);
seal	a relatively impermeable rock, commonly shale, anhydrite or salt, that forms a barrier or cap above and around reservoir rock such that fluids cannot migrate beyond the reservoir. A seal is a critical component of a complete petroleum system;
seismic survey	a method by which an image of the earth's subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata. Such surveys can be done in two or three-dimensional form;
stratigraphic	a mode of trapping hydrocarbons which is not dependent on structural entrapment;
Stubb Creek Field	the Stubb Creek marginal field located in the OML 14 block onshore Nigeria;
Tscf	trillion standard cubic feet;
Tertiary	geological strata formed during the period from 65 to 1.8 million years ago.
Uquo Gas Project	the gas project at the Uquo Field;

Produced by

designportfolio



Find out more about us online at:
www.savannah-energy.com

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