



Beyond Energy: Commitment to People, Planet and Value

20
24

SUSTAINABILITY
REPORT



With over

300 km

of pipeline infrastructure, we are supporting
**over 200 industrial and commercial
customers and counting!**



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GCEO STATEMENT



The report highlights the meaningful progress we have made over the past year, demonstrating our dedication to purposeful advancement that balances business success with positive environmental and social impact.

It is an honour, and my privilege to present our 2024 Sustainability Report to you, a reflection of our stewardship and commitment to corporate responsibility and sustainable growth. The report highlights the meaningful progress we have made over the past year, demonstrating our dedication to purposeful advancement that balances business success with positive environmental and social impact.

This report is in line with the core requirements of the Global Reporting Initiative (GRI) Standards, with a specific focus on areas that are material to Axxela, our assets, and stakeholders.

2024 in view

At Axxela, we believe that true progress goes beyond energy delivery. It is about creating long-term value through innovative energy solutions, protecting our planet, and driving sustainable growth. The year 2024 was a testament to this belief, marked by significant milestones that reinforce our commitment to Environmental, Social, and Governance (ESG) excellence, operational resilience, and strategic expansion.

Leading with the future in mind

We began the year by officially joining the United Nations Global Compact (UNGC), a major move towards aligning our operations with globally recognised sustainability principles. This reinforces our commitment to responsible business practices, from human rights and labour standards to environmental stewardship, and anti-corruption efforts. By embracing the ten principles of UNGC, we believe that the thematic areas will play a key role in deepening our sustainability story and aligning us with like-minded organisations for meaningful and systemic changes.

Axxela also received a Gold medal award in the 2024 EcoVadis Sustainability Rating, placing us in the 97th percentile of evaluated companies globally. This recognition speaks to our relentless pursuit of excellence. Equally important, we celebrated 8 million man-hours with no Lost Time Injury (LTI), a remarkable milestone that underscores our disciplined approach to safety.



Expanding Our Footprint

Our organisation continues to play a pivotal role in enabling the Federal Government's Decade of Gas Initiative, contributing actively to Nigeria's transformative agenda aimed at leveraging the country's abundant natural gas resources for sustainable economic growth.

- We took Final Investment Decision (FID) for a gas processing plant in Umuseti, Delta State, Nigeria. The project includes a 12 MMSCF/D modular plant, scalable to 50 MMSCF/D, and a 5 km interconnection pipeline network, supported by other ancillary infrastructure. The facility will serve as a potential hub for upstream players with fields within a 30 km radius to process associated gas.
- We also completed a 5 km pipeline network in Victoria Island connecting Eko Atlantic City to piped natural gas (PNG). The 5 km pipeline network traversing from Outer Marina to Kuramo Beach is the first phase of a 72.5 km pipeline infrastructure project expected to connect customers in Victoria Island and Lekki.
- Additionally, our subsidiary company in Rivers State, Central Horizon Gas Company Limited, completed an additional 5.1 km network expansion, thereby extending our South-South operations and promoting reliable energy access.

Through these efforts, we are actively shaping a gas-powered future, creating lasting value that resonates across industries, communities, and the nation. Our investments in sustainable infrastructure and cleaner energy solutions have yielded significant results, translating into a 30.50% reduction in greenhouse gas (GHG) emissions across our customer operations, while displacing over 734,718 tonnes of CO₂ equivalent in the period.

In 2024, our commitment to society and social impact remained strong.

- We donated a fully furnished administrative building to the Lagos State Sector Command of the Federal Road Safety Corps, supporting its critical mission of saving lives and ensuring safe roads.
- We completed and donated medical equipment to the Igbepa Primary Health Centre in Sagamu, Ogun State.
- We provided scholarship opportunities to 100 pupils in Lagos State as part of our annual 'Back

to School' initiative, reinforcing our belief in education as a catalyst for the future.

As part of our commitment to operational excellence and digital transformation, we upgraded our existing SCADA system by introducing mobile accessibility, enabling real-time infrastructure monitoring and data-driven decision-making anytime, anywhere. We also launched a one-stop Customer Portal, a digital platform that provides real-time information and value-added benefits for improved customer experience.

Despite the challenging macroeconomic environment, we achieved financial close of our 15 billion Series 1 Bond Issuance Programme with an oversubscription of 16.4 billion, reflecting strong investor confidence in our vision. For the third consecutive year, our financial health was further affirmed with an upward review of 'A' with a stable outlook from Augusto & Co., while GCR maintained 'A-' with a revised outlook to positive.

Looking Ahead

As we reflect on 2024, we do so with pride in our accomplishments. While our business will keep evolving to meet future dynamics, our mission remains steadfast: to deliver innovative energy solutions that accelerate Nigeria's shift toward becoming a gas-powered economy. Every pipeline we lay, every solution we innovate, and every partnership moves us closer to a future that aligns business success with environmental responsibility. The year ahead presents unparalleled opportunities to deepen this commitment.

To the exceptional team at Axxela, our partners, and all stakeholders: I must say a big thank you. Your support has made the journey truly remarkable. A journey powered by an unshakable dedication to People, Planet and Value.

Timothy Ononiwu
Group Chief Executive Officer
Axxela Limited



Scope of this Report

Axxela Limited ("Axxela" or "the Group") is pleased to present Axxela's 8th annual sustainability report, detailing our efforts and impact across our business operations for the 2024 calendar year-1 January to 31 December 2024. We developed this report in collaboration with our long-term management advisory partner, CSR-in-Action Consulting.

At Axxela, transparency and accountability are key to our operations, which is why we have included financial statements that have undergone independent audits to ensure accuracy. The scope and focus of this sustainability report align with our financial reporting, providing a clear and consistent view of our progress. Our approach to financial consolidation remains

unchanged, ensuring uniformity which accurately represents all business units.

This report is in accordance with the reporting principles of the GRI Standards, the world's most renowned standard for assessing key sustainability impacts, through robust engagement of stakeholders, and a careful, intentional balance of material, financial and non-financial performance. We also adhere to the International Financial Reporting Standards (IFRS) for Scope 1 and Scope 2 emissions, while demonstrating our commitment to the United Nations Sustainable Development Goals (SDGs) and all national laws relating to governance, the environment and socio-cultural wellbeing.

Additionally, this report has been

externally assured by an independent expert, accredited under the International Standard on Assurance Engagements (ISAE) 3000 to reinforce credibility.

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Who We Are

At Axxela, we take pride in being a trailblazer in the energy and utilities sector in Sub-Saharan Africa. With a strong commitment to innovation, operational excellence, and sustainable development, we are charting the course for the region's energy transition. A company co-owned by Helios Investment Partners LLP and Sojitz Corporation, Axxela is anchored at the intersection of local know-how and international time-tested approaches,

allowing us to deliver forward-thinking solutions that respond to the world's evolving energy requirements.

Our primary mission is the accelerated access to clean, efficient and affordable energy across the continent, and globally. We design, finance, build and operate natural gas and power infrastructure that is critical to improving people's wellbeing and driving sustainable economic development.



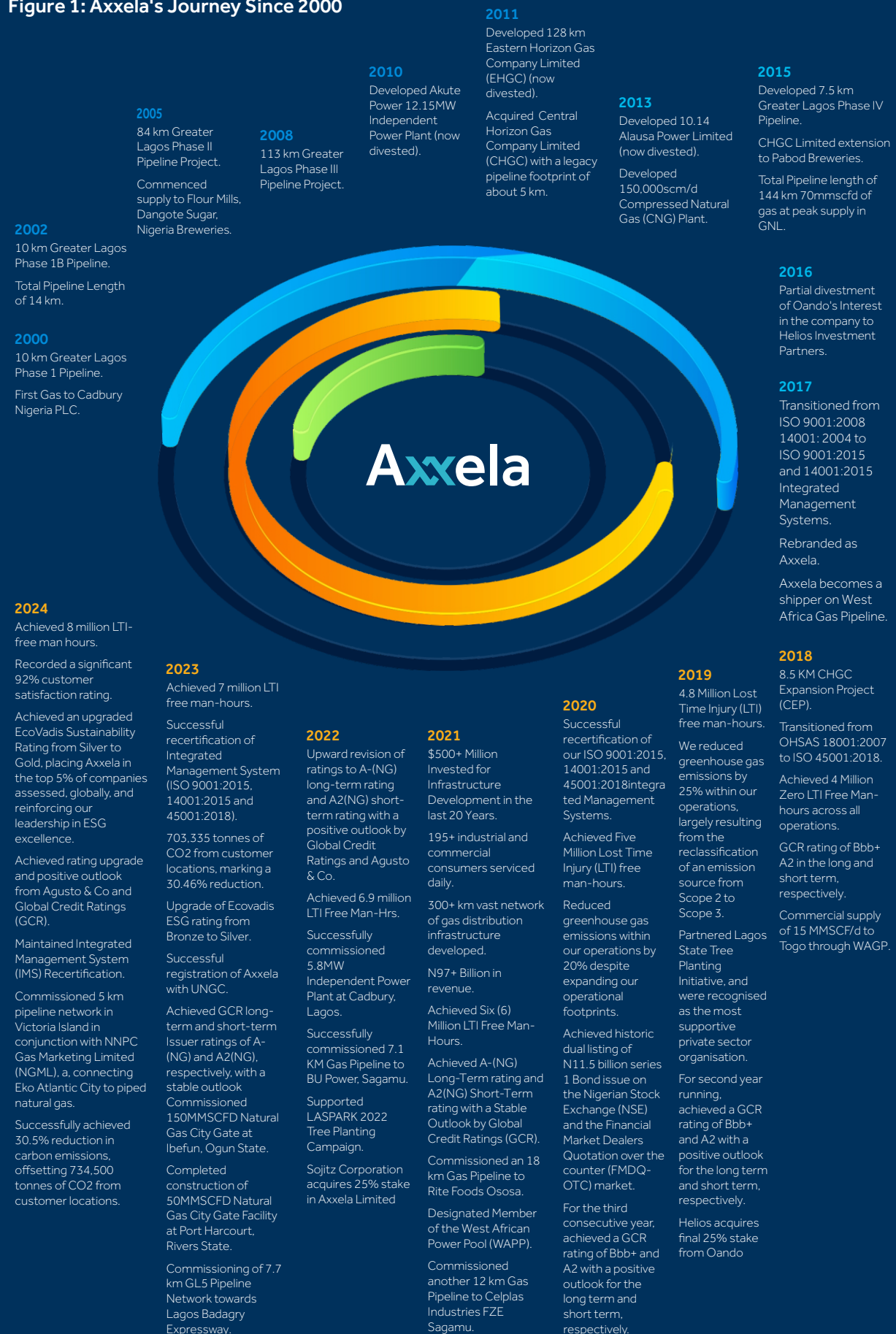
Leadership Transition in 2025

In 2024, Axxela concluded a significant leadership transition and business restructuring exercise. After more than two decades of visionary leadership, Bolaji Osunsanya retired as Chief Executive Officer at the end of the reporting year. Under his stewardship, Axxela recorded remarkable expansion, new market entries across sub-Saharan Africa, and strengthened its position as a leading player in the regional energy sector. Effective January 2025, Axxela began operating as a group structure comprising strategic business units. Timothy Ononiwu formally assumed the role of Group Chief Executive Officer, bringing strategic leadership and deep industry expertise to steer the company into its next phase of sustainable growth





Figure 1: Axxela's Journey Since 2000





OUR SUSTAINABILITY COMMITMENT

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Our Sustainability Commitment

Trailblazing sustainable strategies

Axxela is positioned as a forerunner in natural gas, power, and energy infrastructure development, working assiduously to illuminate the path towards a sustainable future. Through our precise and highly structured supply chain, we facilitate the seamless, efficient, and reliable transmission of natural gas from processing facilities to distribution entities.

Reflecting on our sustainability journey

We have pursued sustainability through deliberate planning and faced various obstacles but succeeded through our dedication to growth and our enhanced effort to integrate Environmental, Social and Governance (ESG) principles into all aspects of our operations. Our journey began with Corporate Social Responsibility (CSR) interventions and has since evolved into a proactive alignment with global sustainability frameworks while we continue to maintain our dual role as a gas and power infrastructure leader and responsible corporate citizen shaping Africa's energy future.

Figure 2: Triple Bottom Line Integration



The sustainability agenda demonstrated multiple milestones of maturity throughout 2024. The company delivered CSR initiatives which is proof of our dedication to building communities through education and infrastructure development and empowerment programs. The use of alternative

fuels increased in 2024, contributing to an improvement in the Thermal Substitution Rate (TSR).

Our internal governance frameworks became more robust through enhanced Risk Control Self-Assessment efforts across business divisions and refined data collection and management practices for sustainability. Our staff became more knowledgeable about ESG through sensitisation work and policy updates which focused on diversity, equity, inclusion, and occupational health and safety.

Our updated materiality assessment was a key achievement that directed our attention to the most important ESG topics for our stakeholders. The information we disclosed in this report was provided by the information we gathered which helped us better align with both GRI Standards and the future IFRS Sustainability Disclosure Standards (S1 and S2) which we plan to implement soon.

Going forward, we are committed to ongoing development and to maintaining transparency. Sustainability demands active leadership and consistent dedication to create enduring value both for stakeholders and the planet through bold action and thoughtful engagement, and that is what we have always aimed to do.

Sustaining our commitment to IFRS and GRI standards in our 2024 report and upholding UNGC principles

Through our 2024 sustainability report, we maintain a strong commitment to delivering complete and fair performance stories along with consistent and reliable disclosure practices. Financial reporting about climate change and reasonable investor interest follows the IFRS structure but our broader sustainability narrative depends on guidelines from the GRI. Our materiality assessment combined with stakeholder engagement demonstrates our transparent approach to overcoming ESG challenges. Axxela continues to lead the sustainability reporting field while establishing new benchmarks for business transparency and innovative practices.



Key milestones in 2024

Sustainability forms the core of Axxela's operations and strategic vision. We are committed to operating according to internationally accepted standards. Our organisation builds strategic relationships with stakeholders to effectively manage and improve the economic, environmental and social impacts of our operations.

Our safety protocols resulted in the achievement of 8 million man-hours, without a Lost Time Injury (LTI) in 2024 which illustrates our strong dedication

to both safety standards and operational efficiency. Our customer-first approach received confirmation through a strong 92% customer satisfaction rating. We attained a significant milestone by advancing our EcoVadis Sustainability Rating from Silver to Gold, positioning us within the top 5% of businesses assessed globally. Our ESG leadership accomplishment demonstrates perfect alignment with our adherence to UNGC principles that steer our corporate sustainability efforts.

Figure 3: Milestones in summary





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Governance and Ethical Leadership

Board and Leadership Oversight

The highest governance authority within Axxela Limited is the Board of Directors. They possess suitable experience levels to tackle these vital areas efficiently. The Group Chief Executive Officer, reports on Environmental, Social, Governance and economic matters during the minimum required four (4) annual board meetings.

The Executive Director who serves as the Chief Executive Officer and seven non-executive directors - including the Chairman and two Independent Directors - formed the Board in the year 2024. To support its governance responsibilities, the Board operates through three key committees: (i) Safety, Audit & Risk Committee; ii) Governance & Remuneration Committee; and (iii) Strategy & Finance Committee. The committees have the responsibility to establish general policies that guide the company's business and operational framework.

During the period under review, the Board consisted of seven male directors alongside one female director. Directors must demonstrate independent decision-making that avoids any external pressures or conflicting interests while executing their board responsibilities. Board members must manage their other professional roles and obligations in a manner that allows them to perform their duties for Axxela effectively.

The selection of Axxela's Board members follows a transparent process where shareholders submit nominations and appoint directors to the Board. The nomination and selection criteria focus on diversity and independence while requiring expertise and experience in economic and environmental areas as well as social issues together with competencies critical to the energy sector.

The appointment of directors to Board committees is a responsibility that rests solely with the Board. Directors regularly rotate between different committees to support the changing requirements of these groups while advancing Axxela's sustainability initiatives.

Directors must demonstrate independent decision-making that avoids any external pressures or conflicting interests while executing their Board responsibilities.

The Board conducts thorough assessments of each director's capabilities and independence when deciding committee membership to maintain strong governance while implementing sustainability principles throughout the organisation.

The Board Charter requires that the Chairman of Axxela hold a non-executive director position. This structure creates distinct responsibilities for both the Chairman and the Chief Executive Officer (CEO) which leads to improved governance and accountability.

While the Board of Axxela Limited establishes fundamental guidelines for sustainability and other critical areas such as environmental operations, health standards, safety protocols, social responsibility, and governance practices, the executive management team takes charge of executing established policies which allows Axxela to monitor and manage related challenges and risks effectively.

The Board approves an annual balanced corporate scorecard containing defined ESG targets and shareholders receive monthly scorecard progress reports for accountability purposes.



BOARD MEMBERS AS OF 31 DECEMBER 2024 WERE:



Omoboyede Olusanya
Chairman



Mobolaji Osunsanya
Chief Executive Officer



Ogbemi Ofuya
Non-Executive Director



Kaat Van Hecke
Independent Non-Executive
Director



Lazarus Angbazo
Non-Executive Director



Nitin Kaul
Non-Executive Director



Jeremy Bending
Independent Non-Executive
Director



Sugiyama Daisuke
Non-Executive Director



Sustainability and Stakeholder Management

Axxela Limited's Board acts as the highest governance authority that oversees the company's economic, environmental, and social responsibilities.

The Board identifies and manages economic, environmental and social factors that directly affect Axxela's business operations, ensuring alignment with Axxela's strategic objectives. The Board holds quarterly meetings to review progress on sustainable goals and to consider outcomes from regular stakeholder consultations. These insights help shape decisions and reinforce Axxela's commitment to responsive and responsible corporate citizenship.

Authority for day-to-day management of economic, environmental, and social impact is delegated to executive and management teams, who ensure full regulatory compliance and incorporate relevant commitments into operational procedures. The Chief Executive Officer presents quarterly reports to the Board, providing updates on sustainability performance, stakeholder engagement, and emerging risks or opportunities.

The Board retains final responsibility for reviewing and approving all reported sustainability information, including disclosures on material topics. This structured oversight guarantees that Axxela's sustainability strategy remains credible, measurable and aligned with Axxela's long-term sustainability goals.

To uphold strong governance and effective oversight, Axxela has established structured processes for evaluating the performance of its Board committees. These assessments specifically review how the Board manages its ESG responsibilities. A culture of continuous improvement is supported by implementing

A culture of continuous improvement is supported by implementing recommendations from self-assessment evaluations which form a vital part of Axxela's governance framework.

recommendations from self-assessment evaluations which form a vital part of Axxela's governance framework.

In addition, yearly assessments from the internal Risk, Internal Control, and Audit team examine whether the Board and its Committees meet both legal requirements and governance standards in their composition and performance.

Independent assessments performed by external experts deliver additional analysis of the Board's operational performance and governance compliance with a focus on economic, environmental and social domains. The external evaluation, concluded in the second half of 2023, provided actionable recommendations, many of which have already been implemented.



TOP MANAGEMENT AS AT 31ST DECEMBER 2024



Bolaji Osunsanya
Chief Executive
Officer



Franklin Umole
Director, Business
Development



Timothy Ononiwu
Chief Financial
Officer



Olufisayo Duduyemi
Chief Strategy &
Services Officer



Kehinde Alabi
Chief Operating
Officer



Tuoyo Ejueyitchie
General Counsel and
Company Secretary



**Oluwadolapo
Ogunmekan**
Head, Sales & Marketing



Uchenna Okpala
Head, Engineering
and Operations



Ngozika Achebe
Head, Human
Resources and Admin



Babatunde Baba-Agba
Head, Business
Stakeholder
Management



Olayide Williams
Head, Business
Origination



Yetunde Demuren
Head, Corporate
Finance and Treasury
Management



Kevin Ezeife
Head, Information
Technology



Aloiyee Aigbononga
Head, Security and
Community Relations



Henry Sanyaolu
Head, Regulatory
Liaison



Tayo Tinuoye
Head, Projects



John Okoro
Head, Environmental
Health Safety and
Quality (EHSQ)



Adebukola Oladapo
Head, Structured
Ventures



Compliance with Guidelines

Through multiple Board and senior management-approved policies, Axxela exhibits its commitment to ethical business practices and global best standards while supporting sustainable development and mitigating negative business operation impacts. The essential elements of these policies include the Corporate Social Responsibility Policy, the Child and Forced Labour Policy, the Anti-Corruption Policy, Gifts and Benefits Policy, the Code of Business Conduct Ethics, the Know Your Customer Policy, and Business Partner Blacklisting Policy.

Figure 4: Compliance with guidelines

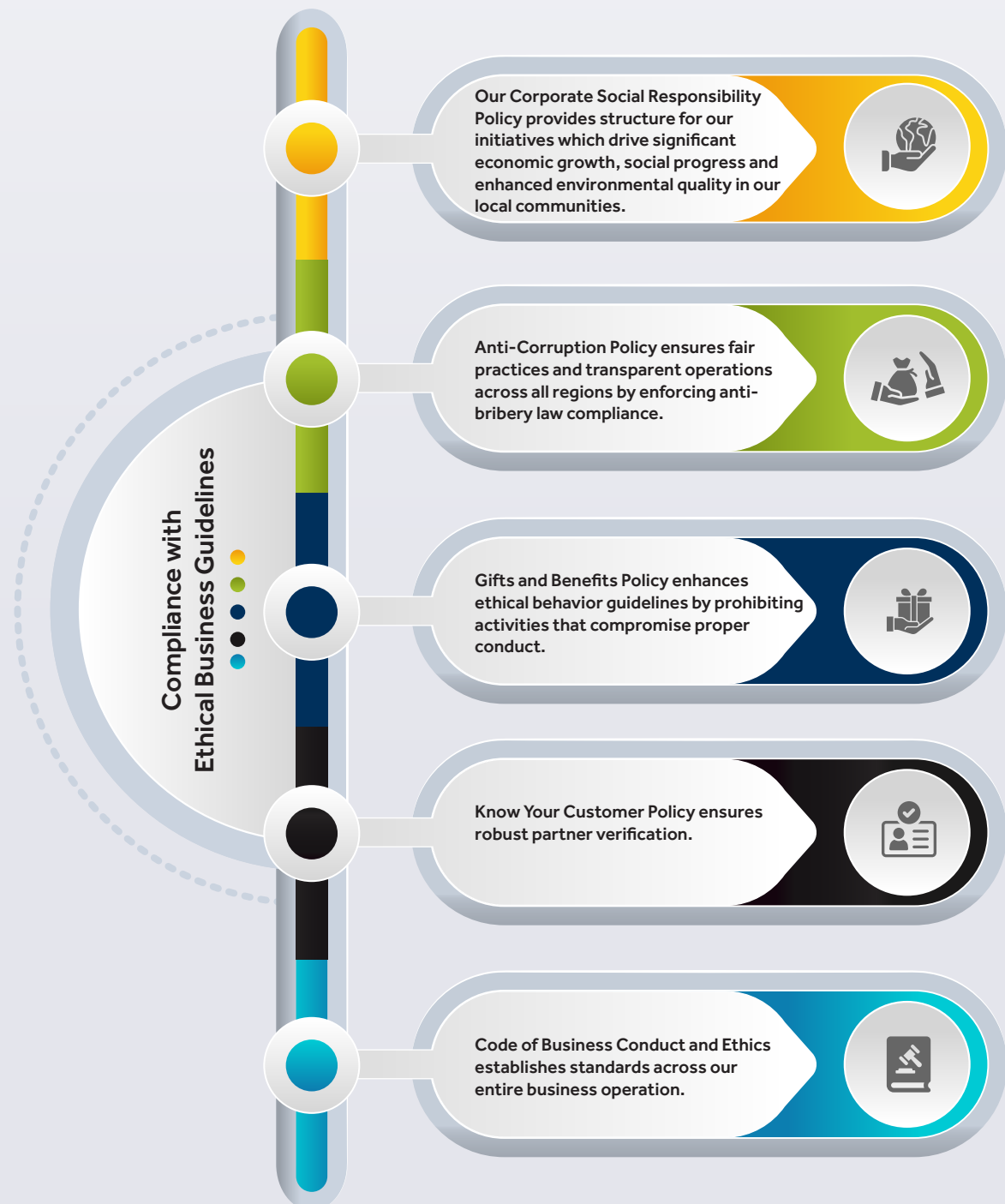




Figure 5: Managing conflicts of interest

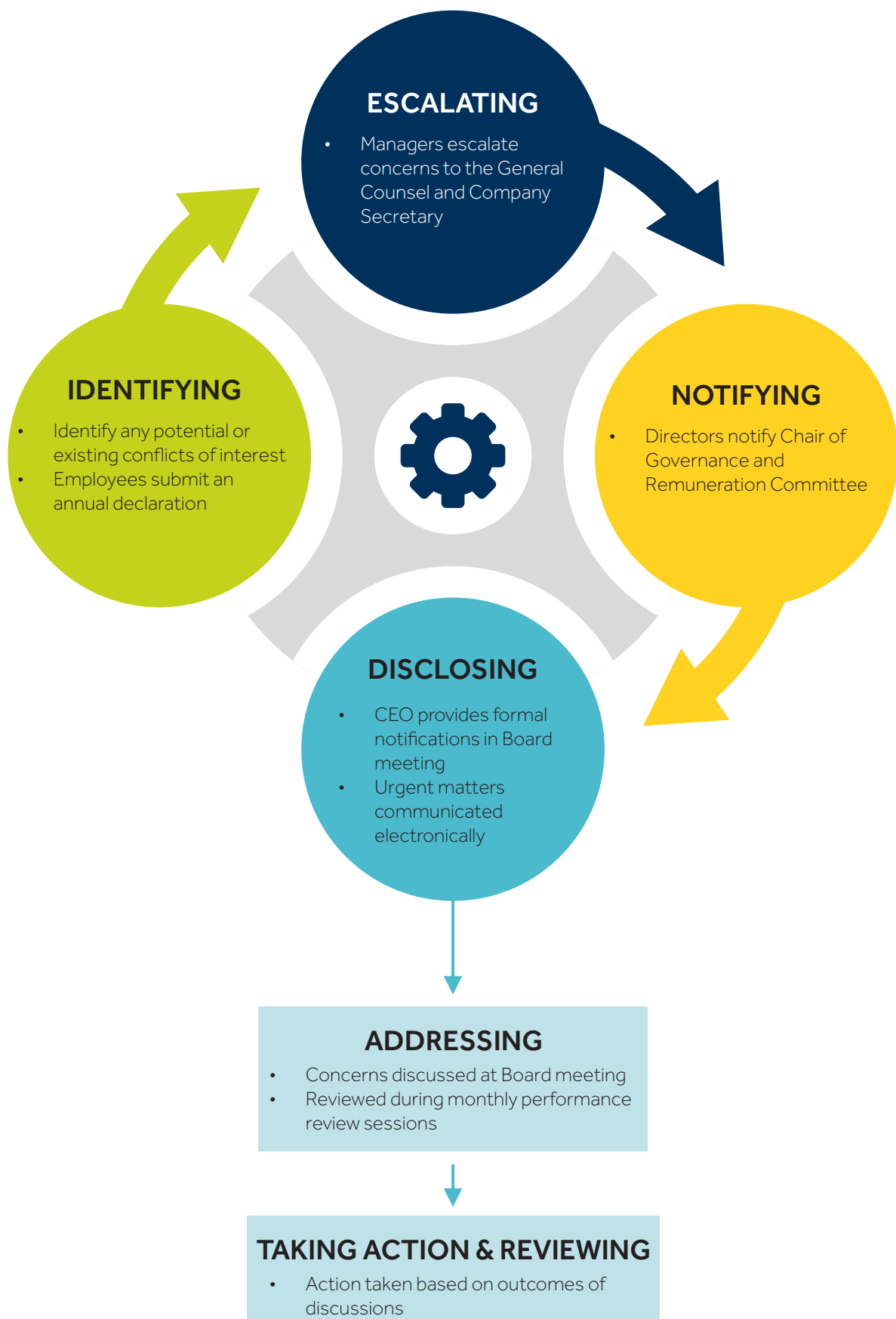




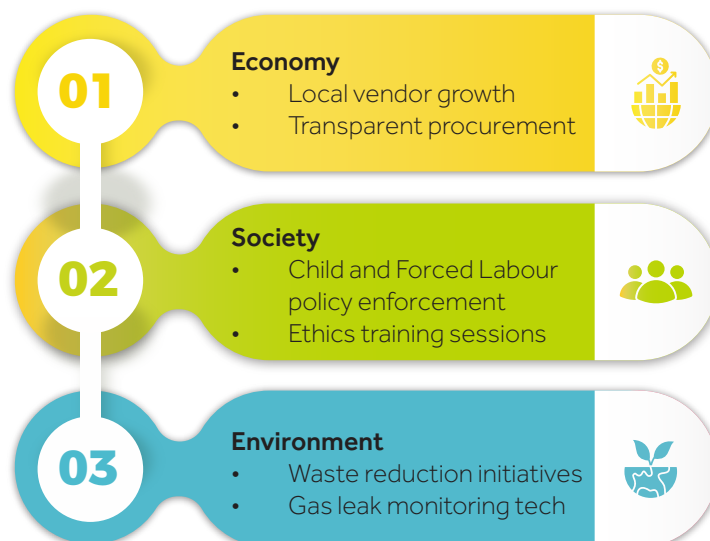
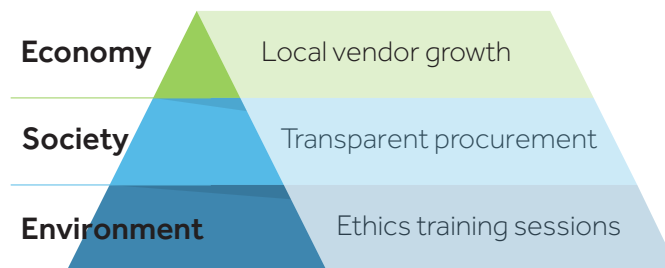
Figure 6: Business with Integrity

At Axxela, ethics is not just a policy - it's our operating system.

Our Policies



Triple Bottom Line

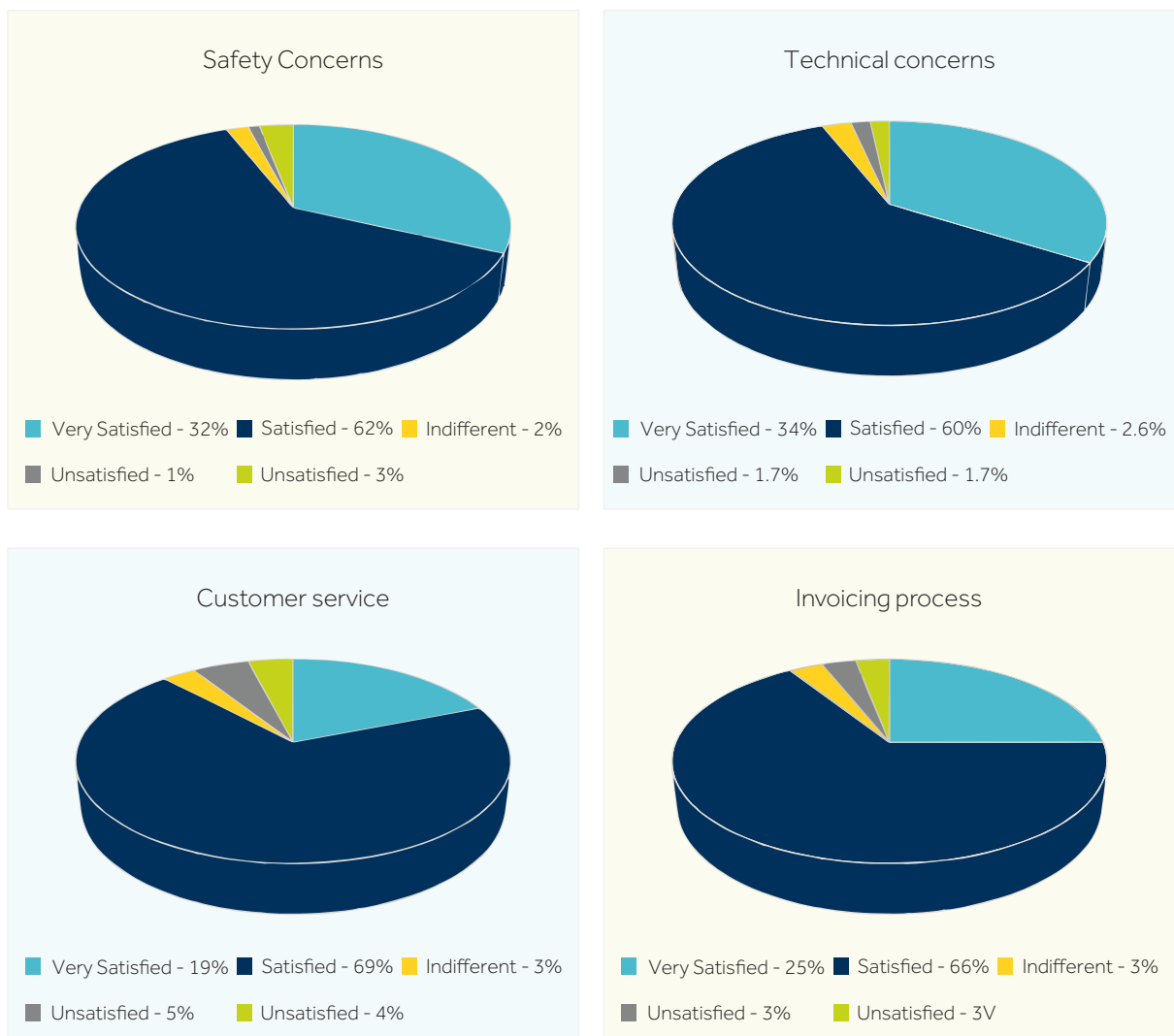




Customer feedback

In 2024, we conducted a customer survey to gather insights into customer satisfaction. The findings revealed high levels of satisfaction across critical areas, including safety concerns, technical concerns, customer service, and the invoicing process.

Figure 7: Customer satisfaction survey (%)





Strategies for Value Creation

Advancing Inclusion

Committed to our core values, at Axxela, we recognise the pivotal importance of stakeholder engagement in driving our operations. Through a diverse array of communication platforms, we maintain consistent connections with stakeholders, leveraging their invaluable insights to enhance and advance our sustainability initiatives. Across all business units, we prioritise meaningful dialogue that thoughtfully addresses the interests and concerns of our customers, employees, and suppliers, fostering collaboration and shared progress.

Table 1: Stakeholder Engagement Matrix

Stakeholders	Engagement Mode	Frequency	Key Issues	Feedback	Action Plan/Target
Customers	Newsletters	Monthly	Supply security	Positive feedback include: 1. Excellent attention to client safety 2. Expanded safety awareness programs for clients 3. Good commercial & technical support/expertise 4. Clean and cheaper source of fuel 5. Energy cost savings 6. Pollution- free environment 7. Reduction in operations and maintenance costs Recommendation for improvement given was: Resolution of gas supply related issues	1. Gas Supply & Related Issues/Provision of back-up for Pipeline Natural Gas: a. Continually engage all stakeholders to enhance the reliability of gas supply b. Ensure the prompt completion of diverse projects aimed at stabilising gas supply 2. Continue routine safety checks: a. Continue expanding Natural Gas Awareness sessions to all clients to ensure first level safety awareness from the client end b. Inspection of client facilities by management personnel in addition to routine safety checks by the operations team 3. Improve communication on gas availability: a. Collaborate with Operations and communicate essential supply information to customers b. Maintain regular communication with upstream partners and other stakeholders to promptly receive updates on supply constraints or availability
	Customer meetings	As the need arises	Gas quality		
	Trainings	As scheduled	Pricing		
	Customer Survey feedback	Annually	Gas education, seminars and periodic/regular training for customers Safety		
Board Members/ Shareholders	ESG Reports	Quarterly	Financial and operating performance	Positive feedback include: 1. Full alignment to relevant IFC Performance Standards 2. An overarching Integrated management system (ISO 9001:2015, 14001:2015 & 45001:2018)	1. Continue to monitor and review implementation of diversity policy 2. Continue to monitor compliance with the Child and Forced Labour policy by vendors and suppliers
	Shareholders Meeting	Annually			
	Business Review Call	Quarterly	Return On Investment, dividend payments, balance sheet strength, and business sustainability	3. Appropriate Human Resources (HR) policies and procedures are in place and periodically reviewed and improved Management commitment to employee welfare	3. Continue to monitor implementation of the stakeholder engagement framework using relevant standards to ensure a consistent approach
	Board Meeting	As the need arises			
	Board Committee Meeting	As the need arises	Safety, Health, Environmental and Social performance	4. Appropriate HSE, vendor management, and procurement policies in place	
	Investor releases	As the need arises			
	Dialogue	As the need arises			



Stakeholders	Engagement Mode	Frequency	Key Issues	Feedback	Action Plan/Target
	Direct engagement	As the need arises	Brand reputation	5. Established Environmental and Social Sustainability Strategies and framework	4. Improve existing waste Management plans to consider waste reduction procedures, chain of custody and tracking procedures, and other good practices, to minimise potential risks to the environment and human health
	Formal correspondence	As the need arises	Ethics & corporate governance	6. Monitoring energy savings and operational emissions	
	Sustainability Reporting	Annually		Recommendations for improvement.	
	ESG Audits	Annually		1. Fill key vacant job positions and enforce a strong safety culture in contractors during project execution	5. Fill key vacant job positions and enforce a strong safety culture in contractors during project execution
				2. Include provisions for training on and adherence to the UN Voluntary Principles on Security and Human Rights within the Community Relations and Security Plan	
Employees	Employee Engagement Survey.	Quarterly Monthly	Safe and healthy work environment	Positive feedback includes: 1. Successfully implemented and actively monitored Remote Work Framework to promote work-life balance and flexibility	1. Continuously evaluate total rewards to align with employee experience, productivity, and evolving market dynamics
	CEO's communique	As the need arises	Strategy and direction of organisation	2. Implemented Salary adjustments based on inflation rates and revenue exchange benchmarks to cushion economic realities	2. Sustain the implementation of structured training programs to foster internal mobility and prepare future leaders
	Intranet	Bi-annually	Flexible Working Option	3. Provision of a fully subsidised lunch for employees to ensure employees stay energised and productive	3. Sustain talent development across all departments to support continuous learning, upskilling, and professional growth
	Newsletters	Annually	Wages, benefits, recognition and commitments	4. Continuous sensitisation on mortgage offerings to support employees on their journey to homeownership	4. Regularly gather and analyse employee feedback on the newly implemented HR Information System (HRIS) to identify areas for improvement and enhance system efficiency.
	Company website/portal , Safety/Town hall meetings		Career Development, workplace agreements, responsible business practices.	5. Conducted Leadership & Succession Planning Development Training to nurture future leaders and drive career growth	5. Close out on not less than 75% of 2025 manning gaps across the board
	Training and Development sessions		Leadership Quality	6. Implemented the approved employee retirement policy	6. Improve readiness levels of identified internal successors by building bench strength
	One on one engagements			7. Updated framework to enhance objectivity, fairness, and inclusivity, ensuring every employee is recognised for their contributions	7. Continue to drive internal communications and employee wellness across board
	Performance Review sessions			8. Expanded the HR Information System with additional modules to streamline processes and make work more seamless and efficient	
	Team meetings and team bonding sessions			9. Improved support for employee health and well-being through periodic health tips and wellness initiatives	
	Corporate retreats				



Stakeholders	Engagement Mode	Frequency	Key Issues	Feedback	Action Plan/Target
				<p>Recommendations for improvement provided were:</p> <ol style="list-style-type: none"> 1. Continue to strengthen the revamped coaching framework to foster employee growth, mentorship, and career development 2. Continuously enhance technology adoption to streamline HR processes, improve efficiency, and elevate the overall employee experience 3. Establish consistent and interactive forums to encourage transparency, employee engagement, and two-way communication 4. Implementation of a 360 degree performance appraisal review system 	
Host Communities	Engagement Sessions Meetings Personal communications	Annually As the need arises As the need arises	Safe and healthy operations/ freedom to operate Jobs and local business opportunities Access to education and skills development infrastructure Indigenous peoples' rights Community wellbeing Reputation and ethics	<p>Positive feedback include:</p> <ol style="list-style-type: none"> 1. Assurance on the safety of our pipeline System 2. Creation of a joint sense of ownership of the assets/projects between the communities and Axxela 3. Employment opportunities created for indigenous communities 4. Knowledge transfer of safety, sustainability and the use of greener fuels (Natural Gas) <p>Recommendation from host communities was more job creation opportunities for indigenes</p>	<ol style="list-style-type: none"> 1. Continue with our CSR support/donations/people empowerment programmes in host communities 2. Ensure cordial and harmonious relationship between Axxela and its host communities 3. Leverage relationships to ensure security of Axxela's assets and information on possible threats and opportunities within host communities
Gas Suppliers/ Offtakers	Proactive & reactive meetings Gas Transportation Agreements Gas Sales and Purchase Agreements Gas Supply Agreements Payment cycle	As the need arises	Reliability of gas supplies Gas quality Reliability of transportation services Credit worthiness of Gas Offtakers. Payment cycle	Prompt settlement of invoices by Off takers Prioritising supplies to Axxela during gas shortages	Timely completion/implementation of various projects and measures to ensure optimal gas supply



Stakeholders	Engagement Mode	Frequency	Key Issues	Feedback	Action Plan/Target
Regulatory Agencies	Workshops	Annually and as the need arises	Permits and licenses	1.Ensure all regulatory requirements are adhered to, regulatory filings are completed, requests for information are responded to	1.Maintain existing register to track all regulatory and statutory compliance obligations and update biannually or on-the-need basis
	Projects Audits Meetings and Official Communications		Taxes and royalties Environmental stewardship	2.Participation in events and fora 3.Collaboration on government/industry campaigns and programs, tours of operations and site visits	2.Carry out annual compliance audits to ensure compliance with all regulatory requirements
Contractors	Vendor forum	Annually	Safe and healthy work environment	Positive feedback: 1. Axxela's continuous improvement in payable days has been laudable	1. Continue Vendor Forum to sensitise vendors on safety requirements, industry standards and partnership opportunities within Axxela
	Vendor appraisals and feedback Meetings and personal communications	Bi-annually As the need arises	Contract terms and conditions Sustainable brand Transparent engagement process Business opportunities Responsible business practices innovation Operating efficiencies Strong partnerships Pay cycles	2. Vendor milestones have been structured to aid financial fluidity for high capital projects 3. High vendor participation at the last vendor forum was commendable Recommendations: 1. Vendors requested to be included in the organisation's training plans 2. Vendors requested real-time information on bid status	2. Engage in bi-annual mechanical vendor meetings to constantly emphasise Axxela's safety requirements and expectations with consequence management 3. Conduct audits on vendor performance and communicate areas of improvement 4) Commence vendor trainings 5) Enhance Procurement teams communications on bid participation status
Media	One-on-one engagement Telephone communications Emails Special forum Company website Digital channels	As the need arises	Financial and Operating Performance Health and Safety Performance Community and Social Performance Environmental Stewardship Government Regulations and Permits	Positive feedback: Our media partners expressed gratitude over continuous support for their activities and initiatives	Continue to cultivate positive relationships with media stakeholders while providing our corporate milestones to them



Our business maintains superior excellence standards and recognises the essential influence of industry associations in developing our organisational values. These associations serve as collaborative platforms that enable advocacy and accountability functions to promote transparency with our external stakeholders. This overview highlights our active involvement with strategic and important industry associations and membership organisations at both national and international advocacy levels.

Figure 8: Strategic Engagement with Industry Association



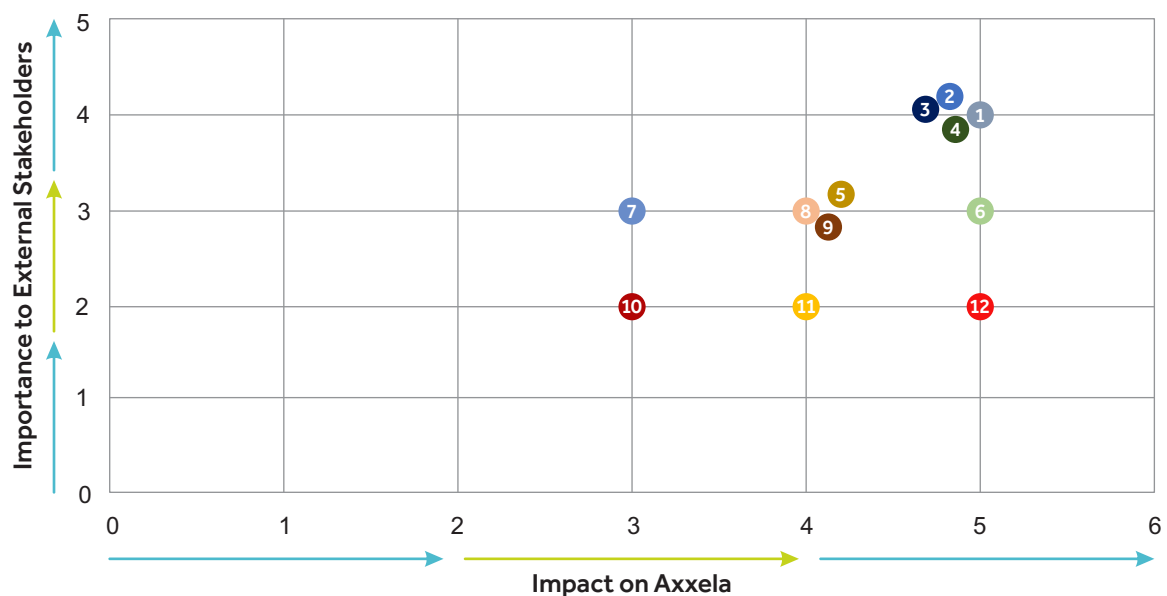


Material Matters

The material topics addressed in this report are from a formal rigorous third-party led 2021 materiality determination process. The exercise assessed both stakeholder perspectives and our organisation's influence on economic, social, and environmental dimensions. The next external assessment is scheduled for 2026. However, to ensure the ongoing alignment of our focus areas with stakeholder needs, we annually assess the feedback given by stakeholders at different touchpoints of our operations.

The most significant material topics outlined in this report were aligned with the GRI's guidelines and standards, along with the IFRS', and were reviewed and approved by the Management Board. While all material topics hold value, this report prioritises insights and updates on the ones deemed most critical by our stakeholders.

Figure 9: Axxela Materiality Matrix



Top 12 Material Topics:

1. Biodiversity Management	7. Diversity and Inclusion
2. Occupational Health and Safety	8. Talent Management
3. Ethics and Compliance	9. Community Investments
4. Emissions Management	10. Water and Effluents
5. Supply Chain Management	11. Employee Remuneration
6. Customer Satisfaction	12. Employee Relations



Figure10: Axxela 2024 Materiality Wheel



Our Commitment to a Sustainable Future

Whilst Table 2 below gives a full picture of our continued sustainability commitment through the year, here is a summary of how we fared:

Figure 11: Our commitment





Table 2: Sustainability commitment

Sustainability Pillar	Sub Pillar Objectives	Key Focus Areas	Approaches	2024 Fiscal Year Targets Made in 2023	2024 Achievements	2025 Fiscal Year Targets
ECONOMIC (Profit)	Product Quality and Innovation	Adoption of relevant technology to promote efficiency in production	Adoption of relevant technology and expertise to design and provide products and services that satisfy our customers and benefit the society	1. Upgrade SCADA System for improved efficiency and extend to clients in West Africa 2. Implement the following business process automation to improve efficiency including the following: (a). QAQC Checklist (b). Document Control Automation (c). Budget Automation Phase 2 (d). Security Operation Centre (SOC) as a service (e). Upgrade of Information Security Management system	1. Upgraded SCADA system including implementation of SCADA Mobile App solution 2. Implemented QAQC Checklist automation 3. Updated Information Security Management Policy	1. Prepaid Meter integration with technology systems 2. D365 FO & CE platforms enhancement/optimisation 3. Extend Business Process Automation to Additional Processes in the Organisation 4. Microsoft Copilot implementation
		Quality, Safety and Regulatory Compliance	Ensure all products and operations are compliant with international quality and safety standards	1. Maintain zero fatalities and LTI 2. Achieve zero penalties by ensuring compliance with regulatory requirements 3. Achieve successful re-certification of Axxela's ISO 9001:2015, 14001:2015, and 45001:2018 Integrated Management Systems certification	1. Successful maintenance of our ISO 9001:2015, 14001:2015, and 45001:2018 Integrated Management Systems certification. 2. Achieved 8 Million LTI-Free Man-Hours 3. Zero penalties as a result of non-compliance with regulatory bodies ^{LA}	1. Maintain zero fatalities and LTI 2. Achieve zero penalties by ensuring compliance with regulatory requirements 3. Successfully maintain Axxela's ISO 9001:2015, 14001:2015, and 45001:2018 Integrated Management Systems certification
	Sustainable operating practice	Procurement/ Supply Chain Management	Supply chain management to ensure alignment with our code of conduct and other social and environmental requirements	1. Ensure our vendors are continuously screened using social and environmental criteria as required by the GRI. 2. Organise annual vendors' forum	1. Vendor Code of Business conduct is now an onboarding requirement. The Routine on-site spot assessments also caters to this while we ensure continuous training through the vendors forum and circulation of newsletters 2. The 2024 Annual Vendor's forum was held on 19 November 2024, with 212 vendors in attendance.	1) Integration of ESG objectives into our SLA and continuous monitoring of vendor delivery to ensure alignment 2) Continue to enhance awareness at vendors forum as pool expansion is on a continuous basis



Sustainability Pillar	Sub Pillar Objectives	Key Focus Areas	Approaches	2024 Fiscal Year Targets Made in 2023	2024 Achievements	2025 Fiscal Year Targets
		Business Continuity	Evidence of business continuity via processes, recognitions, etc.	Achieve GCR long-term and short-term Issuer ratings of A-(NG) and A2(NG)	Achieved GCR Issuer ratings of A-(NG) for the long-term and A2(NG) for the short-term with the outlook upgraded from stable to positive Upgrade of A- to A by Augusto & Co with a Stable Outlook	1.Process/Policy Review and Update: Conduct a thorough review and update of all Standard Operating Procedures (SOPs) to maintain alignment with IMS Standards and ensure their effectiveness within our new organisational structure 2. BCM System Finalisation: Finalise updates to the Business Continuity Management System 3. Desktop Drills: Conduct desktop drills for at least two Strategic Business Units
		Increased Customer Base	Formed/Progressed strategic alliances with partners	1. Expand our existing distribution network in Ogun State 2. Expand our operations in West Africa 3. Extend our footprint in the GNL(VI-Lekki) and CHGC	1. Increased Customer base of PNG network in TGNL and GNL 2. Expanded our footprint in the Victorial-Lekki axis in Lagos	1. Expand our existing distribution network in Ogun State 2. Expand our operations in West Africa 3. Extend our footprint in TGNL, GNL (VI-Lekki) and CHGC
		Climate Change	Ensure our business strategies not only take into account long term trajectory of climate change but also sufficiently flexible to respond to inevitable changes in the business environment	Upgrade Ecovadis Sustainability rating from silver to Gold	Upgraded EcoVadis Sustainability Rating from Silver to Gold	Maintain a Gold Rating in the 2025 EcoVadis Assessment
SOCIAL (People)	Community Investment	Community Education and empowerment	Support the communities in which we operate after formal engagements to ascertain their needs	To provide scholarship opportunities to 100 indigent pupils around GNL Host Communities	Provided scholarship opportunities to 100 indigent pupils around GNL Host Communities	To provide scholarship opportunities to 100 indigent pupils around GNL Host Communities



Sustainability Pillar	Sub Pillar Objectives	Key Focus Areas	Approaches	2024 Fiscal Year Targets Made in 2023	2024 Achievements	2025 Fiscal Year Targets
		Provision of social amenities and infrastructure		<ol style="list-style-type: none"> 1. Completion of the block of six classrooms for St. John Anglican Primary School, Ilado. 2. Procurement of Classroom furnitures for St. John Anglican Nursery and Primary School, Ilado, Ogun 3. Completion of the Igbepa Primary Health Center, Sagamu, Ogun. 4. Renovation of the Kuje Palace, Amuwo Odofin LGA Lagos State. 5. Construction of Water Borehole for Kuje community, Amuwo Odofin LGA Lagos State. 6. Construction of two water boreholes for Ado community, Amuwo Odofin LGA Lagos State 7. Renovation of Amuwo Odofin town hall, Amuwo Odofin LGA Lagos State 8. Construction of water borehole for Amuwo Odofin community, Amuwo Odofin LGA Lagos State 9. Provide assistance for the ongoing building project at the Amuwo Odofin Local Government Council 	<ol style="list-style-type: none"> 1. Completed the block of six classrooms for St. John Anglican Primary School, Ilado. 2. Procured the Classroom furnitures for St. John Anglican Nursery and Primary School, Ilado, Ogun. 3. Completed the Igbepa Primary Health Center, Sagamu, Ogun 4. Supplied Medical equipments to Igbepa Primary Health Center, Sagamu, Ogun 5. Constructed Water Borehole for Kuje community, Amuwo Odofin LGA Lagos State. 6. Constructed two water boreholes for the Ado community, Amuwo Odofin LGA Lagos State 7. Supplied 325 student's desks and chairs to Government Secondary School, Elekahia, Port Harcourt, Rivers State 8. Constructed water borehole for Amuwo Odofin community, Amuwo Odofin LGA Lagos State 	Renovation of Classrooms for Comprehensive Secondary School, Ososa, Ogun State
		Welfare Support		Provide seasonal welfare support to select members of host communities	Provided seasonal welfare support to select members of host communities	Provide seasonal welfare support to select members of host communities
	Employee Engagement and Relations	Training and Staff Development	Foster a continuous learning environment and encourage employees to develop and advance their careers in Axxela	<ol style="list-style-type: none"> 1. Ensure employees have at least 30 hours of productive/relevant training for career advancement 2. Confirm effectiveness of trainings administered necessary feedback channels 	<ol style="list-style-type: none"> 1. Achieved a 2024 average of over 20 hours of productive training per employee 2. Completed all employee post training evaluations 	<ol style="list-style-type: none"> 1. Ensure employees have at least 30 hours of productive/relevant training for career advancement 2. Confirm effectiveness of training through administered necessary feedback channels



Sustainability Pillar	Sub Pillar Objectives	Key Focus Areas	Approaches	2024 Fiscal Year Targets Made in 2023	2024 Achievements	2025 Fiscal Year Targets
		Communication and employee relations	Provide a supportive, pleasant and healthy workplace for our staff, and foster a caring community in our working environment	<ol style="list-style-type: none"> 1. Progress the execution of a culture transformation program geared towards improving employee engagement in 2024 in line with the approved program 2. Schedule 2 cohorts of Service delivery training for new hires in 2024 3. Implement town hall sessions as aligned in the HR plan 	<ol style="list-style-type: none"> 1. Delivered the HR newsletters, effectively enhancing employee awareness of HR initiatives, organisational updates, and external trends to foster engagement 2. Launched an updated coaching framework organisation-wide, aligning it with strategic talent development priorities 3. Revised the Diversity and Inclusion policy, integrating global best practices tailored to Axxela's unique needs and values. 4. Completed 100% Service delivery training for targeted cadre and functional roles in 2024 5. Conducted a company-wide town hall session and addressed key feedback areas from the session 	<ol style="list-style-type: none"> 1. Develop an employee all-inclusive consultative framework to foster inclusivity in organisational design and effectiveness 2. Deliver quarterly HR newsletter, effectively enhancing employee awareness of HR initiatives, organisational updates, and external trends to foster engagement 3. Facilitate quarterly town hall meetings across board to foster employee experience and feedback
		Health and Safety	Enhance healthy staff relations through various communication channels and staff activities	<ol style="list-style-type: none"> 1. Deliver a monthly employee wellness campaign in H1 2024 2. Drive the achievement of 50% annual medical checks compliance by Axxela employees in 2024 	<ol style="list-style-type: none"> 1. Delivered periodic employee wellness clinic/campaigns to support general employee health and well-being 2. Achieved over 70% annual medical check compliance for all staff in 2024 	<ol style="list-style-type: none"> 1. Deliver quarterly employee wellness campaign in H1 2025 2. Drive the achievement of 50% annual medical checks compliance by Axxela employees in 2025
		Labour and human Rights		<ol style="list-style-type: none"> 1. Continue to monitor compliance with Child and Forced Labour policy by vendors and suppliers 2. Review and explore implementation of additional human right policies in line with international conventions 	Ensured Child and Forced Labour policy was complied with by vendors.	Continue to monitor compliance with Child and Forced Labour policy by vendors and suppliers



Sustainability Pillar	Sub Pillar Objectives	Key Focus Areas	Approaches	2024 Fiscal Year Targets Made in 2023	2024 Achievements	2025 Fiscal Year Targets
ENVIRONMENTAL (Planet)	Environmental Sustainability	GreenHouse Gas Emission	Reduce GHG Emissions and improve Energy Efficiency while ensuring the majority of our emission sources are accounted for	<ol style="list-style-type: none"> 1. Adopt environmentally friendly technology and new techniques for reduction of GHG Emission 2. Intensify actions for identifying and tracking scope 1, 2 & 3 emissions 	<ol style="list-style-type: none"> 1. Ensured all required power for our on-site SCADA equipment for existing and new facilities are from renewable energy sources 2. Continuous tracking of energy consumption from Renewable Energy Sources 3. Reviewed and updated our Scope 1 emission register 	<ol style="list-style-type: none"> 1. Intensify actions for identifying and tracking scope 1, 2 & 3 emissions
		Biodiversity Management	Reduce the impact of our operations on the environment	<ol style="list-style-type: none"> 1. Continue implementation of Environmental and Social Management Plan and achieve reinstatement of affected habitat along our Right of Way during pipeline construction activities 2. Complete Environmental and Social impact Assessment for upcoming projects and obtain regulatory approvals 3. Commence Environmental Compliance Monitoring for newly commissioned projects 4. Use of advanced technology methods such as Horizontal Direction Drilling for pipeline crossings and minimise impact on biodiversity 5. Continue annual tree planting campaign activities and other partnership programs with stakeholders and interest groups to foster biodiversity protection and environmental conservation 	<ol style="list-style-type: none"> 1. Ensured all bio life along our Right of Way (ROW) affected during construction were reinstated 2. Secured Environmental and Social impact Assessment (ESIA) approval and commenced Impact Mitigation Monitoring (IMM) activities for ongoing projects and Quarterly Environmental Compliance Monitoring (ECM) for Operational areas 3. Use of advanced technology methods such as Horizontal Direction Drilling (HDD) for pipeline crossings and minimise impact on biodiversity 4. Carried out a green campaign and commissioned a green playground at Temidire Nursery and primary School through LASPARK Annual Green Initiative 	<ol style="list-style-type: none"> 1. Continue implementation of Environmental and Social Management Plan and achieve reinstatement of affected habitat along our Right of Way (ROW) during pipeline construction activities 2. Complete Environmental and Social impact Assessment (ESIA) for upcoming projects and obtain regulatory approvals 3. Commence Environmental Compliance Monitoring (ECM) for newly commissioned projects 4. Use of advanced technology methods such as Horizontal Direction Drilling (HDD) for pipeline crossings and minimise impact on biodiversity 5. Continue annual Green Initiatives and tree planting campaign activities and other partnership programs with stakeholders and interest groups to foster biodiversity protection and environmental conservation



From Pipelines to **Changing Lives**





OUR PERFORMANCE

36 Environmental responsibility

37 Preserving biodiversity and natural habitats

37 Water conservation and responsible usage

37 Emission reduction strategies

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42 Waste management and circular economy practices



Our Performance

Environmental Responsibility

Environmental matters are at the core of our operations at Axxela, so we welcome the additional recommendations by the IFRS in addition to our previous GRI and local and international government and bodies' commitments.

In light of this, we took a critical look at climate risk and opportunity, particularly as it relates to our climate, Nigeria, and included the summary analysis below in Table 4. This table contains climate-related information about:

- risks/opportunities
- its likelihood
- financial impacts
- mitigation actions.

Table 3: Climate related information

Risk/Opportunity	Likelihood	Financial Impacts	Mitigation Impacts
Transition risk – Carbon pricing or CO ₂ taxes	High	Increased cost of operations and reduced margins due to emissions-related taxes	Accelerate fuel-switching programs; invest in carbon reduction initiatives
Transition risk – Stricter ESG and climate disclosure regulations (local/international)	High	Compliance costs; limited access to capital if ESG reporting is inadequate	Enhance ESG reporting systems and integrate IFRS S2 disclosures into governance
Physical risk – Damage of Infrastructure due to 3rd party activities and community unrest	High	Asset downtime, repair costs, disruption of gas supply.	Improve material resilience, remote monitoring, and invest in climate-resilient design
Physical risk – Flooding or heavy rainfall (affecting infrastructure)	Medium	Asset downtime, repair costs, disruption of gas supply, Increased maintenance and pipeline failure risks; insurance cost increases	Climate-adapted infrastructure planning, improve drainage and protection in flood zones
Opportunity – Growing demand for cleaner alternatives to diesel/coal in Nigeria	High	Revenue growth from increased gas offtake for industrial/transportation customers	Expand distribution networks and customer acquisition for fuel-switching programs
Opportunity – Carbon finance from flare gas capture or methane reduction projects	Medium	Potential carbon credit revenue and enhanced sustainability profile	Implement certified emission reduction projects and explore voluntary carbon markets
Opportunity – Access to green finance and ESG-aligned investors	High	Lower cost of capital; improved investor relations	Strengthen ESG performance and transparency to attract sustainable investors



Preserving biodiversity and natural habitats

We have robust processes that reduce potential ecosystem impacts of our operations. We accomplish this through a multi-faceted approach that conducts both environmental impact and social assessments in the planning and pre-construction stages of new opportunities. Our environmental protection measures include regular impact monitoring along with environmental audits and compliance checks, which take place every three to six months. Independent environmental consultants carry out these assessments and audits following both statutory requirements and international best practices.

The locations of our operational facilities avoid protected areas, which could affect biodiversity, and our operations have no effect on biodiversity except during the conversion of one acre of land to provide space for our gas facility. We make effective use of the existing federal government transport infrastructure, which helps us to avoid creating new environmental disturbances. Also, our operations produce no atmospheric pollutants and prevent invasive species and pathogens from entering the environment, nor do they result in any species reduction or distort natural variation limits of ecological processes.

Water conservation and responsible usage

Water resource usage in our operations supports only necessary administrative functions and produces no significant environmental effects. Essential activities such as office cleaning, drinking water provision, handwashing procedures, and sanitary functions define the scope of water usage limits. We obtain drinking water responsibly from underground sources through boreholes and from vendors.

Table 4: Total energy consumption within the organisation from renewable sources

Element	Joules
	2024
Solar	135,859,507,200 ^{LA}

Renewable energy sources, specifically solar power, are utilised to sustain the operation of our SCADA systems at customer locations.

In the previous report, solar energy was reported based on total generation rather than actual consumption. This year, the methodology has been revised to reflect only the energy utilised. Past data has not been adjusted, so comparisons with prior years may not be directly comparable. Future reports will follow the updated approach.

Emission reduction strategies

Axxela performs regular assessments and evaluations of its environmental and social impacts to maintain sustainable and responsible business operations. The evaluation considers real environmental damages like natural gas emissions and CO₂ emissions from electricity use while considering potential human health threats from greater natural gas emissions and fire incidents.

In response to these challenges, we implement multiple mitigation strategies. We also minimise energy usage inefficiencies and perform Baseline Integrity and Pipeline Leak Surveys to deliver closed-loop facilities, while supporting LASPARK's tree-planting and green programs financially over the previous six years for improved carbon sequestration. Our ESG targets and objectives receive annual updates to direct our operations while we collect GHG data every quarter to maintain goal alignment. A custom GHG Emissions Framework merges basic calculations with specialised parameters to deliver accurate emission estimates, and the emergency response team remains on 24-hour standby process to respond quickly to any gas leaks.

Engaging stakeholders resulted in process enhancements through contact marker installations along our RoW and annual safety awareness sessions for stakeholders, as well as working with government entities to prevent ROW encroachments and establishing a ROW monitoring team to maintain safety and operational efficiency.

The diagrams below illustrate our company's energy and emissions information.



Table 5: Total fuel consumption within the organisation from non-renewable sources

Element	Joules			
	2024	2023	2022	2021
Gas	52,503,000,000 ↓ 74.79% ↓ 92.33%	208,273,000,000 ↑ 125.61% ↓ 69.59%	92,315,000,000 ↓ 82.52%	684,907,000,000
Diesel	2,378,020,174,734.17 ↓ 10.07% ↓ 37.12%	2,644,784,053,946 ↓ 17.4% ↓ 30.08%	3,201,897,650,000 ↓ 15.35%	3,782,713,200,600
Petrol	1,629,761,661,549.3 ↑ 122.97% ↑ 78.8%	730,920,768,338 ↑ 13.94% ↓ 19.81%	641,488,400,000 ↓ 29.62%	911,459,640,000
Total	4,060,284,836,283.46 ^{LA} ↑ 23.30% ↓ 24.51%	3,583,977,822,284 ↓ 8.94% ↓ 33.37%	3,935,701,050,000 ↓ 26.83%	5,379,079,840,600

■ Comparison between reporting year and previous year

■ Comparison between base year and reporting year

Energy consumption across all operations increased by 13.3% between 2023 and 2024. This marginal increase is noteworthy given the growth in staff strength from 107 to 122 during the same period.

Figure 12: Total electricity consumption



Figure 14: Energy consumption outside of the organisation



Figure 13: Total energy consumption within the organisation



We maintain our commitment to environmental sustainability by consistently upgrading our GHG emissions management approach to match contemporary global standards. The update enhanced Natural Gas Emissions calculations while including a new facility into our operations to maintain compliance with current global emissions standards. We achieved accurate results by using the (SI) - Conversion Factors for General Use manual alongside Axxela's GHG Emissions Framework document. Our Global Warming Potential (GWP) values were sourced from the IPCC's Fifth Assessment Report (AR5) which contains the latest updates published by the Intergovernmental Panel on Climate Change (IPCC).



Throughout the year we maintained detailed emission monitoring practices and delivered quarterly reports to our board and shareholders, who support our emission reduction strategy. Active implementation of emission reduction procedures continues alongside persistent efforts to establish environmental responsibility among employees. Through these initiatives, we demonstrate our dedication to achieving significant emission reduction and tracking tangible advances.

Table 6: Standards, methodologies, assumptions, and/or calculation tools used for emissions data

Element	Co ₂ e
Natural Gas Burned (SCM)	1.93
Natural Gas Emitted (SCM)	22.428
Natural Gas Emitted (KG)	28
Electricity (kWh)	0.43
Diesel (Litre)	2.69
Petrol (Litre)	2.39

Table 7: Direct (Scope 1) GHG emissions

Element	Co ₂ e
2024	
Gas	10,030,484kg
Diesel	165,251.21kg
Petrol	120,966.78kg
Total	10,316,701.51kgCO₂ = 10,316.701tCO₂^{LA}

In 2024, we developed a new facility, the Cadbury IPP Plant. Accordingly, we established a new baseline year for our GHG emissions reporting, given that the facility contributes a substantial amount of Scope 1 emissions, necessitating the re-baselining to ensure accurate and transparent reporting of our emissions profile.

Table 8: Energy indirect (Scope 2) GHG emissions

Entity	Co ₂ e
2024	
GNL	31,267kg
CHGC	3,193kg
Head Office	72,854kg
TGNL	11,527kg
Total	118,841 kgCO₂ = 118.841 tCO₂^{LA}

Figure 15: Energy intensity based on sales



Figure 16: Emissions intensity

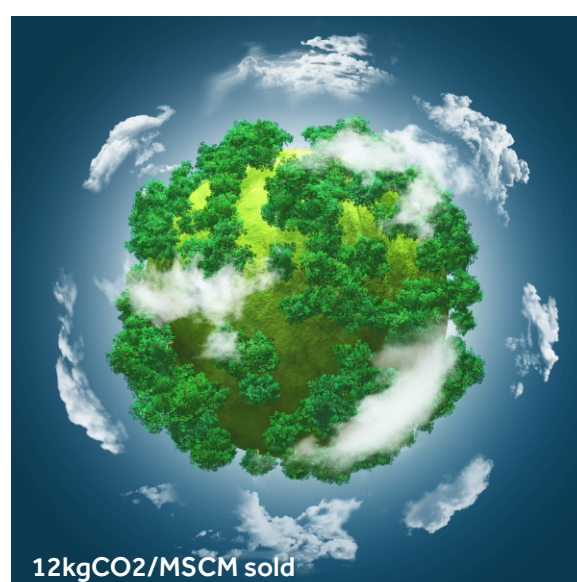




Table 9: GHG emissions by entity

Entity	YTD CO2 Equivalent (KG)		% Difference
	2024	2023	
GNL	253,434.03	180,247.07	↑ 40.60%
CHGC	64,250.82	35,683.69	↑ 80.06%
GNSL	39,703.59	34,806*	↑ 14.07%
Head Office	155,875.63	97,157.04	↑ 60.46%
TGNL	79,366.96	109,347.65	↓ 27.42%
Cadbury	9,842,911.22	0	
Total	10,435,542.25^{LA}		

*Restatement

Scope 1 emissions for 2023 have been restated following the reclassification of diesel consumption associated with third-party-owned trucks.

Previously, GNSL's total reported Scope 1 emissions of 287,679.01 kgCO₂e included 253,574.64 kgCO₂e attributable to diesel usage by a third-party logistics vendor. During the reporting year, this portion was reviewed and appropriately reclassified under Scope 3 emissions in line with GHG Protocol accounting principles.

Consequently, GNSL's revised Scope 1 emissions for 2023 are 34,806 kgCO₂e.

The increase in staff strength and operational activities contributed to the overall increment of GHG emissions. We account for our greenhouse gas emissions using the operational control approach, which includes all facilities and activities where we have the authority to implement operational policies and procedures'.



Methane Management and Climate Action

Our operations are grounded in a commitment to sustainability and environmental responsibility, with particular attention to the management of methane emissions. Methane, a by-product of natural gas, serves as a key source of revenue, and we are determined to minimise emissions to levels as low as reasonably practicable. Methane emissions primarily originate from pipeline gas leaks and operational activities.

To address these emissions, our short-term strategy centres on Phase 1 of our ESG Strategy, which encompasses energy efficiency measures, such as upgrading equipment and processes to reduce energy waste and optimise usage. Cleaner fuel transitions, including shifting to natural gas and renewables where feasible, further support emissions reduction. Regular equipment maintenance ensures optimal performance while mitigating emissions, and employee training programmes build awareness and foster participation in energy-saving practices.

Axxela Group also actively participates in regulatory compliance and policy advocacy to support emissions reduction and cleaner energy transitions.

Our long-term strategy focuses on renewable energy integration and the continued development and active investment in natural gas infrastructure to broaden our energy portfolio, support a just energy transition, and deliver cleaner, more reliable, and affordable energy solutions. We support the advancement of carbon pricing systems that incorporate emission costs and promote reductions. We maintain sustainable supply chain management as our top concern through collaborative supplier relationships, which aim to enhance transportation efficiency and emissions reductions to implement sustainable practices across our value chain. The Axxela Group also actively participates in regulatory compliance and policy advocacy to support emissions reduction and cleaner energy transitions.

Table 10: Methane emissions in 2024

Description	Measurement
Methane Emissions from Scope 1	184.834tCO ₂ ^{LA}
Global scope 1 emissions	10,316.7tCO ₂ ^{LA}
% of Scope 1	1.79%

Table 11: Emission reduction target

2024 Emissions	Emissions Targets
10,435.5tCO ₂	11,000tCO ₂

The mechanisms for achieving the target include fuel switching, improving energy efficiency, installing renewable energy systems, and raising employee awareness.

Table 12: CO₂ emissions

CO ₂ Emissions
2024 (Baseline year)
10,435,542.25tCO ₂

We anticipate a steady improvement in our financial performance over both the short and long term, driven by strategic investments in sustainability. Our plans include targeted investments in natural gas projects across the midstream and upstream sectors, aimed at curbing CO₂ emissions from gas flaring. In addition, we are committed to expanding our presence in the renewable energy space exploring both established and emerging opportunities. We also plan to participate in sector-specific programmes that incentivise emissions reductions, contributing to enhanced revenue generation and stronger brand equity. To support these initiatives, we expect to raise capital primarily through bonds and equities, providing a solid financial foundation for our continued alignment with global standards and pursuit of sustainable growth.

**Table 13: GHG emissions reductions from our customers switch to natural gas**

	Gas Consumed (scm)	Co ₂ kg (Natural Gas)	Co ₂ kg (Displaced Fuels)	Displaced Co ₂ Emission (kg)	Displaced Co ₂ (Tonnes)	% Savings
GNL	556,297,858	1,073,654,866	1,539,192,732	465,537,866	465,538	30.25%
CHGC	79,953,633	154,310,512	221,182,495	66,871,983	66,872	30.23%
CEET	153,970,204	297,162,494	434,474,262	137,311,768	137,312	30.60%
GNSL	8,325,275	16,067,780	23,061,011	6,993,231	6,993	30.32%
TGNL	69,051,304	133,269,017	191,272,115	58,003,098	58,003	30.32%
Total	867,598,274	1,674,464,669	2,409,182,615	734,717,946	734,718	30.50%

Waste management and circular economy practices

We recognise the significance of managing material topics and their associated impacts. Our operations have identified potential negative impacts such as pollution, while positive impacts include recycling initiatives and revenue generation. To address these aspects, we ensure adequate disposal of waste through government-approved agencies and prioritise the recycling of waste. We also maintain a Memorandum of Understanding with waste disposal companies for the management of both recyclable and non-recyclable waste.

Through diligent management of waste generation and disposal, we minimise the potential for environmental harm. To effectively track and manage waste, we have implemented a Waste Management Disposal Process, which is utilised across our entities. The effectiveness of our efforts is overseen by the Axxela Board, which receives quarterly ESG reports detailing the minimal amount of waste generated and its disposal.

In the reporting period, the total waste generated across our operations amounted to 11.012 metric tons. This represents the waste recorded across all facilities and office locations.

Table 14: Volume of generated wastes by type (tons)

Waste Type	Weight (Tons)			
	2024	2023	2022	2021
E-waste	-	-	-	0.55146
Plastic	0.602 ↓ 66.69%	1.0034 ↑ 100.34%	0.500859	-
Paper	0.02 ↓ 829.5%	0.1859 ↑ 79.27%	0.1037 ↑ 21.43%	0.0854
Solid	1.66 ↑ 57.64%	1.0529 ↑ 5.11%	1.001718 ↑ 373.54%	0.21154
Others	8.73 ↑ 8,737.45%	0.0988 ↓ 37.60%	0.158336 ↑ 36.09%	0.116347
Total	11.012 ↑ 370.41%	2.341 ↑ 32.67%	1.764613 ↑ 82.91%	0.964747

In 2024, we experienced a notable increase in waste production due to high liquid by-products.



PEOPLE AND WORKPLACE CULTURE

44 Employee engagement and wellbeing

46 Prioritising employee health and safety

49 Freedom of association and professional development

49 Compensation, benefit and employee support:

51 Advancing diversity, equity, and inclusion (DEI)



Employee Engagement and Wellbeing

The company maintains its focus on employee well-being by implementing programs which address physical health, emotional stability and financial security. Our initiatives allow the workforce to take charge of their well-being while focusing on priorities to ensure a secure and fulfilling future.

Our workforce during the reporting period was made up of 122 people which included 100 permanent employees along with 22 temporary staff members. The demographics of our employees are explained in the illustrations that accompany this report.

Figure 17: Total number of employees by gender

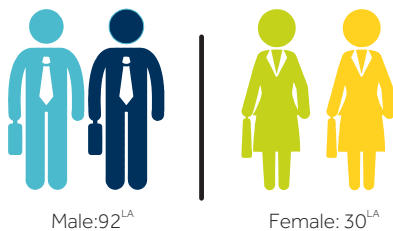


Figure 18: Total number of permanent employees by gender

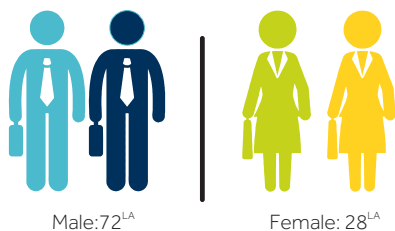


Figure 19: Total number of permanent employees by region



Figure 20: Total number of temporary employees by gender

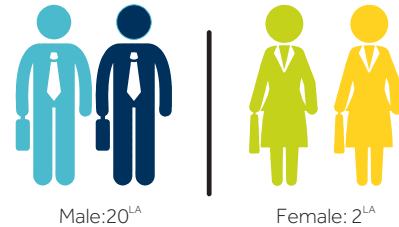


Figure 21: Total number of temporary employees by region



There were no significant fluctuations in employee numbers throughout the year, as the workforce remained relatively stable. Only a handful of exits occurred, which were offset by replacement recruitments during the 2024 fiscal year. The attrition rate for the period was only 4%.

Figure 22: Total number of new employee hires by gender

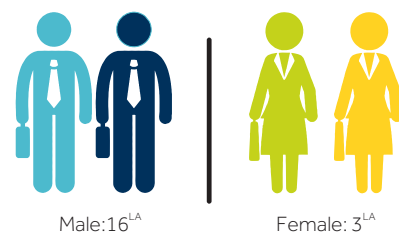


Figure 23: Total number of new employee hires by age group

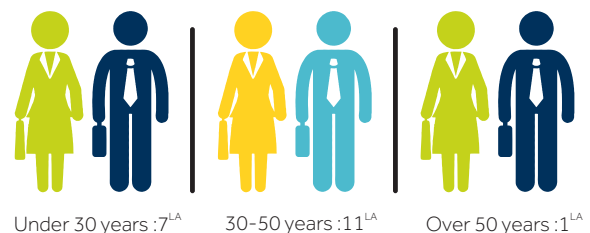




Figure 24: Total number of new employee hires by region



Figure 26: Total number of employee turnover by age group



Figure 25: Total number of employee turnover by gender

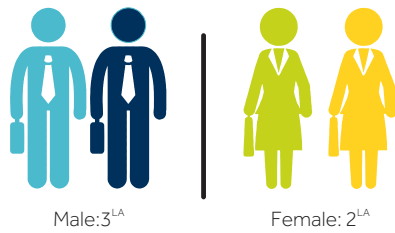


Figure 27: Total number of employee turnover by region





Prioritising Employee Health And Safety

Axxela prioritises environmental protection and health and safety measures throughout its entire operational framework. In adherence to the tenets of NIS ISO 14001: Through adherence to NIS ISO 14001:2015 and ISO 45001:2018 Standards, Axxela mandates active participation from its staff in refining its Environmental, Occupational Health and Safety Management System.

This policy aims to maintain a secure and environmentally clean workplace by identifying and controlling potential hazards and their risks. The framework requires businesses to follow statutory legislation and approved codes of practice along with applicable standards to maintain compliance. Axxela establishes and implements proven safe working practices for every activity to demonstrate its dedication to health, safety, and environmental preservation.

Our business prioritises setting measurable objectives while monitoring their achievements and establishing best practices to enhance EHS standards continuously. Incidents receive thorough reporting and investigation, which together ensure prevention of future occurrences and performance improvement. We are committed to ensuring that our operations along with the activities of contractors and subcontractors, do not cause harm to the environment or pose risks to assets and people.

Axxela's Occupational Health Services fall under the supervision of the HR and Environmental, Health, Safety,

Sustainability and Standards (EHSSS) departments with joint management from the Risk, Internal Control and Audit (RICA) Department. The services function to detect workplace dangers and remove them while also ensuring risks remain low. We provide emergency medical facilities in tandem with monitoring staff health and advising on occupational health, safety and hygiene practices and ergonomic measures and

protective equipment. Axxela performs yearly evaluations of vendors who deliver these services to sustain quality standards.

We perform internal Occupational Health and Safety-related employee surveys every year. The feedback obtained from these surveys undergoes analysis to determine its implementation in the following year.

Our employees undergo sufficient occupational health and safety training each year.



**ISO 45001
Internal Auditor
Training**



**First Aid
Training**



**Fire
Prevention
and Safety**

Axxela





The programs became part of our yearly training schedule upon discovering deficiencies in essential OHS knowledge and skills. We collaborate with experienced professionals and specialised organisations to provide the necessary training for filling these gaps. We fund training sessions, which typically take place during work hours unless the trainer arranges a different schedule.

Through our solid Health Maintenance Organisation (HMO) infrastructure, the Company demonstrates its commitment to maintaining employee health and well-being. This initiative grants employees and their dependents access to medical and healthcare services to tackle various non-occupational health risks. Qualified staff conduct thorough evaluations of HMO options and engage in collaborative decision-making to identify the most suitable partner for delivering quality care. Employees participate in town hall meetings where they provide feedback and suggestions which the organisation evaluates when deciding on the HMO selection.

Periodic health assessments

help us detect health risks early
and prevent major medical issues.



The company gives free full-body medical examinations every year to employees who are at least 40 years old.

Employees under 40 receive health assessments at minimum intervals of three years.



Table 15: HSE statistics for our human resources

Category	2020	2021	2022	2023	2024
Fatalities — employees	0	0	0	0	0
Fatalities — contractors	0	0	0	0	0
Fatal accident rate — total workforce (per 1,000,000 work hours)	0	0	0	0	0
Lost-time incident rate — employees (per 200,000 work hours)	0	0	0	0	0
Lost-time incident rate — contractors (per 500,000 work hours)	0	0	0	0	0
Restricted Workday Case — employees (per 500,000 work hours)	0	0	0	0	0
Total recordable Case Frequency — contractors (per 500,000 work hours)	0	0	0	0	0
Total recordable Case frequency — employees (per 500,000 work hours)	0	0	0	0	0
First Aid Case	0	0	0	0	0
Waterborne illness recorded	0	0	0	0	0
Gas leaks resulting from 3rd party damage and vandalism	3	4	3	2	2

Our certified Integrated Management System, which includes ISO 45001:2018 (Occupational Health and Safety Management System), covers all permanent and temporary, and controlled workforce operations. The principles of this system align seamlessly with our Environmental Occupational Health, and Safety (EOHS) objectives, which are mandatory for all mechanical vendors engaged in construction projects. The safety and well-being of everyone we work with—employees, contractors as well as domestic and commercial clients—is our utmost priority.

Ensuring that clients use our products safely is equally as important as maintaining a secure work environment for our employees and contractors. We conduct regular assessments to evaluate the health and safety implications of our products and services, ensuring we meet required standards and drive continuous improvement.

During the reporting period, we can confirm that no health or safety-related non-compliance was reported regarding our products or service.

Talent development and workforce empowerment

Axxela provides growth opportunities for employees through specific training programs which enhance leadership abilities, management skills, and specialisation. Our well-being support includes career development opportunities and

counselling services for our employees. During this reporting period, we deepened our dedication to professional development by executing structured performance and career evaluations throughout all organisational levels and made sure to provide personalised guidance for each employee's growth path.

Figure 28: Average hours of training by gender

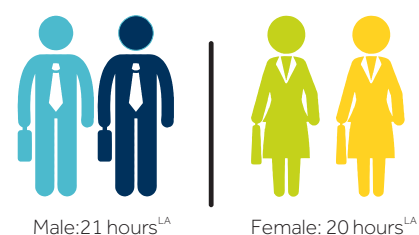


Figure 29: Average hours of training per employee category





Freedom of association and professional development

We prioritise the professional development and well-being of our employees by encouraging them to join industry-based associations and professional organisations. This supports continuous professional advancement, structured social dialogue, and improved working conditions. Additionally, we promote a healthy and socially connected workforce by offering annual subscriptions to health, fitness, and social clubs, recognising the value of physical and mental wellness alongside the benefits of networking opportunities.

Compensation, benefits and employee support

Axxela recognises the importance of cultivating a high-performing and motivated workforce through a structured combination of fixed and variable pay. The fixed remuneration is positioned between the 50th and 75th percentiles, as determined through credible market survey analyses. The variable remuneration component is predicated upon the attainment of clearly defined annual performance benchmarks and encompasses the Annual Performance Bonus, Multi-Year Bonus Scheme, and Awards.

Moreover, Axxela provides a comprehensive array of benefits and perquisites to its employees. These provisions are inclusive and extended to all personnel across the organisation.

Axxela strategically employs sign-on bonuses to attract highly specialised talent. These bonuses are applied with specific constraints to ensure fairness and maintain internal equity among new hires within the organisation.

The notice period for employees exiting the organisation is determined by their hierarchical level within the company. Senior staff are required to serve a notice period of one month, while management and executive employees must serve a notice period of three months. Beyond statutory pension contributions, Axxela operates a gratuity scheme, which is paid to employees upon their exit from the organisation.

Employees at all levels of employment at Axxela receive their allowances upfront but must return any unearned funds when they stop working for the company. Axxela also follows the Pension Reform Act by contributing 10% and 8% from

Annual Gross Salaries to employees' Retirement Savings Accounts as employer and employee portions respectively. The organisation provides benefits for both mandatory retirement and voluntary retirement plans.

A major milestone was achieved at Axxela in the reporting year. In tandem with our vision to promote work-life balance, Axxela revised its Parental Leave Policy to provide 10 days of parental leave for men. The company's understanding of the value of family care is reflected in this strategic move, which supports our workers' well-being during significant life changes.

Axxela's corporate objectives, established by the Board of Directors, are cascaded to senior executives and subsequently throughout the organisation. These objectives are monitored and assessed via a Performance Management System. The remuneration of senior executives is structured to reflect both individual achievements and the organisation's overall performance.





For the reporting cycle, the ratio of the total annual compensation of the highest-paid individual to the median compensation of all employees stood at 27.16. Furthermore, the ratio of the percentage increment in the total annual compensation of the highest-paid individual compared to the median

percentage increment for all employees was recorded at 13:1. These figures were primarily influenced by the prevailing Annual Gross Salary (AGS) and Cost of Living Adjustments (COLA) applicable to personnel.

Table 16: Parental leave

Parental Leave Data by Gender	Male	Female	Total
Total number of employees who were entitled to parental leave	92	30	122 ^{LA}
Total number of employees who took parental leave	6	0	6 ^{LA}
Total number of employees who returned to work in the reporting period after parental leave ended	6	0	6 ^{LA}
Total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	6	0	6 ^{LA}
Return to work and retention rates of employees that took parental leave.	100%	NA	100%

Table 17: Benefits applicable to staff

Benefit	Beneficiary
Life Insurance	All categories of staff
Healthcare	All categories of staff
Disability and Invalidity Coverage	All categories of staff
Parental Leave	All categories of staff
Retirement Provision	Permanent employees, only
Others (Status Car and Car Grant)	All categories of staff



Advancing diversity, equity, and inclusion (DEI)

Diversity and inclusion bring multifaceted benefits to our people. By embracing diverse perspectives, decision-making processes are enriched, supportive and flexible work practices are fostered, and unconscious biases are actively addressed. Furthermore, our commitment promotes gender and cultural diversity across all levels of the organisation.

We recognise, however, that unintended negative consequences can arise, such as the reinforcement of stereotypes, heightened legal liabilities, and the risk of perpetuating discrimination. To address these challenges, the Axxela Diversity Policy incorporates a comprehensive strategy. This includes vigilant monitoring of policies, enforcing appropriate sanctions for non-compliance, and implementing regular evaluation metrics to ensure adherence.

Our dedication to diversity objectives is reflected through customised job applications, focused training, and targeted development programs. These initiatives aim to prevent adverse impacts and drive meaningful progress. Significantly, there were no reported incidents of discrimination during the reporting year. The Board and key stakeholders remain actively engaged in monitoring and enhancing diversity performance.

The diversity statistics for both the Board and employees are illustrated in the diagrams below:

Figure 30: Board categorisation by gender

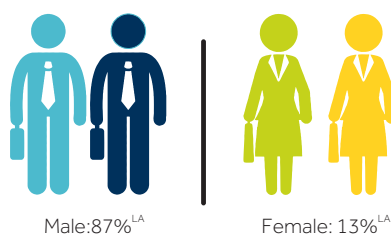


Figure 31: Board categorisation by age group

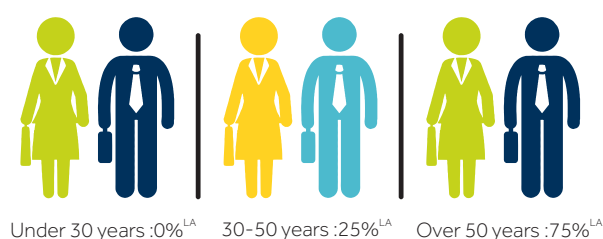
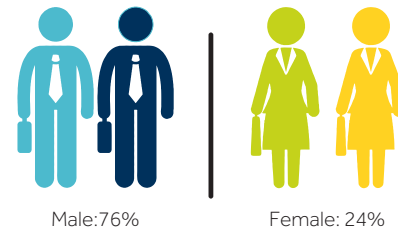


Figure 32: Employee categorisation by gender



Information Security

Axxela's Information Security Management Policy provides a robust framework to ensure that information is protected based on its sensitivity, criticality, and value. This protection extends across all media storage, whether processed through manual or automated systems or distributed through any method.

In 2024, the organisation continued to prioritise safeguarding information assets by investing in infrastructure, resources, and measures to enhance security. Axxela also maintained its commitment to employee sensitisation programs, emphasising information security, the acceptable use of assets, data confidentiality, records retention, and other relevant data protection policies.

Furthermore, no ethical issues or information security-related incidents were reported across Axxela's whistleblowing channels for 2024.



Axxela

Minimising our **carbon footprint**
is at the core of our operations.



COMMUNITY EMPOWERMENT

55 Spotlight on 2024 CSR initiatives

60 Supplier engagement and responsible sourcing



Axxela's Corporate Social Responsibility (CSR) initiatives promote positive economic, social, and environmental changes in communities where we operate. These initiatives focus on three priority areas outlined in the CSR policy: Health Care, Education, and the provision of potable water. Additional areas are considered based on the specific needs of the local community.

In the 2024 reporting period, Axxela invested N156,671,521.82 toward CSR projects, reflecting of our commitment to inclusive growth and long-term value creation for our stakeholders. Our goal remains to strengthen the social fabric of our host communities while aligning our operations with the broader Sustainable Development Goals.

The company operates its pipeline network with strict adherence to natural gas safety standards and best practices in pipeline asset management.

Axxela's CSR policy directly benefits local communities and encourages employee participation in socially responsible projects. To monitor progress and ensure effective management, CSR activities are logged in a database that tracks the each project's location, budget location, nature, and status. The database is updated monthly as part of the reporting process.

During the reporting period, there were no identified violations involving indigenous people's rights. We have established a comprehensive grievance handling procedure to facilitate and coordinate responses to grievances from Host Communities and Stakeholders in its areas of operation. This procedure ensures that all grievances are documented and managed in an organised and systematic manner.



2024 in Pictures



Commissioning of NNPC CNG Plant, Ilasa



Axxela Series 1 Bond Signing



2024 IWD engagement with Top Management



2025 Gastech Conference in Houston



NGA Award for Excellence



MOU Signing with 21st Century



Axxela and UNGC Signing Ceremony



Axxela at the UNGC Human Rights Conference in Kenya





Axxela 2024 EHSQ Day



Commissioning of VI-Lekki Phase 1A Pipeline Network



Commissioning of FRSC Building Donated by Axxela



CEO Retirement



CEO Retirement



Axxela 2024 End of Year Party



Axxela 2024 End of Year Party



Completed Green Playground at Temidire Nursery and Primary School





Supplier Engagement and Responsible Sourcing

Axxela ensures that vendors and business partners align with its EHSSS policies, enforcing adherence to globally accepted practices. The company works to reduce emissions from site construction activities thereby minimising its carbon footprint. Compliance with Nigeria's local content laws means supporting local suppliers, promoting industrialisation, and creating employment opportunities, thus positively impacting host communities. During the reporting period, no negative impacts were identified as a result of Axxela's activities or business relationships.

Axxela implements policies such as EHSSS, Child and Forced Labour, and the Code of Business Conduct to ensure supply chain compliance. Quarterly newsletters, annual vendor forums, and regular site visits reinforce adherence. Effectiveness is monitored through spot

assessments, vendor site inspections, and after-action reviews. Vendor appraisals and engagement sessions are conducted annually or as required.

Axxela demonstrates its commitment to local sourcing by allocating 99.5% of its procurement budget for significant locations of operation to local suppliers in Nigeria. In 2024, we successfully registered 35 new suppliers, each undergoing thorough screening based on environmental and social criteria.



CONTRIBUTIONS TO SUSTAINABLE ECONOMIC DEVELOPMENT

62 Human and labour right

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63 Managing sustainability risks

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Our gas sales increased by 4% in 2024, rising from an average of 833MMSCM in 2023 to 869MMSCM. The growth resulted from our active management of strategic business partnerships alongside our work to reduce adverse impacts from the business environment. Our strategic plan to boost infrastructure usage and pipeline network expansion across current and potential markets resulted in the successful completion of several major projects. The commissioned projects consisted of the Eko Atlantic Valve Pit to the Polystar Plaza Pipeline and the SGDZ Phase 3 pipeline system along with spurlines directed to Nigerian Breweries Limited, Ijebu-Ode, BUA IRS 2 and Plaster of Paris Plant, Port Harcourt.

Our operations maintained strict adherence to IFC Performance Standards because we remain firmly dedicated to safety, health, and quality standards. Our strict compliance with safety standards resulted in an additional 948,564^{LA} thousand LTI-free man-hours in 2024, resulting in an outstanding cumulative of 8.63 million LTI-free man-hours to date.

Our ongoing commitment to fostering economic inclusion among our local communities remained a top priority. Financial donations and scholarships enabled us to eliminate financial obstacles to education which led to an increase in school enrolment rates. The 2024 "Back-to-School" program successfully expanded educational access for 100^{LA} students who gained improved access to quality learning opportunities.

Axxela recognises the increasing impact of climate-related events, particularly flooding, which have become more frequent and severe in parts of Nigeria. These physical climate risks have the potential to disrupt our operations and value chain. For instance, heavy rainfall and flooding can damage critical infrastructure such as gas pipelines and affect access to key sites. In addition, rising temperatures, though less extreme, may affect the performance of equipment and increase the likelihood of incidents such as gas leakage, especially in densely populated communities. These risks, if not properly managed, could pose both operational and reputational challenges.

Water scarcity presents another challenge, particularly for facilities that rely on water-intensive cooling systems. Additionally, climate

events affecting upstream supply partners—even when Axxela's infrastructure remains intact—can reduce the availability of gas volumes for onward delivery to customers.

Failure to properly address climate-related risks leads to regulatory repercussions, including fines and license suspensions due to non-compliance with mandatory standards. Financial consequences of unmanaged climate risks are significant because they include shareholder capital depletion along with reduced earnings, operational cost increases and regulatory penalties.

During extreme weather events, power demand increases which presents opportunities for business expansion and revenue growth through active management. Our comprehensive planning and risk management strategies help us reduce potential risks while taking advantage of available opportunities. Our risk management strategies comprise adequate insurance programmes, business continuity and emergency recovery plans, comprehensive health insurance for employees, the adoption of standard compliant materials, and equipment and stringent health and safety practices. Our organisation operates separate water and power generation units to strengthen resilience capabilities.

Our commitment to diminishing our climate change impact involves following sustainable performance benchmarks, established policies and procedures, and development objectives. Our benchmarks cover environmental (CO₂ emissions, electricity consumption, gas leaks, noise generation, waste, water usage), social (occupational health and safety) practices and governance (risk management).

Human and Labour Rights

Axxela is dedicated to creating a fair, transparent, and socially responsible environment that upholds and protects human rights across all areas of its operations. In alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPHR), the organisation ensures that respect for human rights is embedded within its policies, practices, and communications.

Our enterprise integrates these principles into operational processes and embeds them within its governance framework. Axxela's human rights and



labour policies establish specific standards to guide implementation procedures monitoring processes, and continual enhancement. The policies target vital topics which include banning child and forced labour while promoting diversity and inclusion and ensuring employee well-being. The policies incorporate provisions for fair wages healthcare benefits, initiatives to support families, and welfare programmes.

Through the principle of Free, Prior and Informed Consent principle, the Company engages stakeholders to prevent potential human rights violations. Employee surveys and training sessions happen regularly to evaluate policy performance and drive improvements while keeping all members informed.

Axxela recorded no human rights standards violations during the reporting period both within its operations and its external engagements. Axxela maintains its core principles of Professionalism and Partnership together with Excellence while maintaining strong corporate governance alongside ethical leadership practices.

Identifying Sustainability Risks and Opportunities

The Company's strategic direction and overarching objectives are shaped by its sustainability-related risks and opportunities which exist across many areas. We face sustainability risks that range from environmental issues like climate change and carbon emissions to operational difficulties with infrastructure transitions and energy mix changes combined with commercial challenges from green financing and political risks due to changing laws and regulations in business.

Axxela finds sustainability-related opportunities by enhancing our process efficiency to reduce emissions and environmental impact while expanding business activities through renewable energy investments and green financing, as well as participating in sustainability programmes that utilise resource efficiency and recycling mechanisms.

The duration needed for these risks and opportunities varies. Reputational damage resulting from environmental harm represents a

long-term risk in addition to resource consumption threats and market competition from alternative products, and so we work assiduously to counteract that.

Axxela uses established time frames to assess when sustainability risks will emerge so they can implement timely mitigation strategies and capture opportunities that strengthen their long-term sustainability goals.

Managing Sustainability Risks

Axxela implements structured processes to manage risks related to sustainability and to maximise potential opportunities. Risk assessment and prioritisation, together with monitoring processes, depend on incident logs and vendor audits as well as environmental reports as data sources. The data gathered from various sources reveals crucial information about operational problems related to waste management, noise control and compliance with safety and ESG standards.

Through both qualitative and quantitative assessments, the organisation determines the characteristics and potential consequences of risks while evaluating their probability. The Group uses severity and probability assessments to prioritise risks which allows for targeted mitigation measures. Through regular audits, dashboards and periodic reviews we maintain continuous oversight and risk management effectiveness.

Our economic impact

Table 18: Economic impact

Description	N'000
Turnover	466,574,396
Government (Total Tax Paid)	25,111,118
Local Purchases	400,112,909
Employees	11,411,565
Retained in Business	55,036,414



Tax integrity and transparency

Through a comprehensive tax approach, Axxela focuses both on understanding applicable tax laws, and using them to their advantage. Tax strategies established by our business can be found in publicly accessible documents such as the Finance Acts and Value Added Tax (VAT) and Withholding Tax (WHT) gazettes along with the Federal Republic of Nigeria's laws. The tax strategies developed by the company cover essential areas such as Company Income Tax (CIT), Value Added Tax (VAT), Withholding Tax (WHT), stamp duties, Personal Income Tax and Capital Gains Tax.

Axxela maintains its tax strategies through punctual payment and submission of VAT, WHT, CIT, and Education Tax to prevent late filing penalties. The company files Transfer Pricing forms in a timely fashion to maintain full compliance, and we make good use of tax-free periods as outlined in section 39(1a) of the Companies Income Tax Act to optimise its tax requirements.

The Financial Controller (FC) and Chief Financial Officer (CFO) constitute the tax compliance governance structure by performing monthly reviews and approvals of tax filings and payments. The Chief Executive Officer (CEO) must give additional approval for any payments that surpass the established threshold.

Axxela demonstrates its commitment to regulatory compliance by strictly following statutory deadlines and maintaining a zero-tolerance approach towards non-compliance. Our approach follows the organisation's statutory framework and relies on national laws for support.

A Standard Operating Procedure (SOP) directs our tax governance and control framework. Our Financial Controller prepares this document, which receives review input from both the Chief Financial Officer and the Head of Risk, Internal Control and Audit before receiving approval from our General Counsel and Company Secretary, and then final approval from our CEO.

We spread our tax governance strategy throughout all organisational functions to acquaint and then familiarise all teams to their tax compliance roles. In our Finance Department, the Account Receivable Officer adds VAT to customer invoices whereas the Account Payable Officer holds back VAT and WHT amounts from payments to send to the government. Our Tax Officer or the assigned personnel such as a Finance Analyst or Officer makes sure all taxes are remitted and filed on time. Our Finance Department's chartered accountants and chartered tax practitioners collaboratively handle required interactions with tax authorities. The Financial Controller, Chief Financial Officer, and Chief Executive Officer provide support for these engagements according to the required level of involvement.

Our SOP clearly outlines our approach to the identification and management of tax risks through a structured process for evaluation. We evaluate our compliance with the tax governance and control framework using internal control evaluations, statutory audits, annual Revenue Authority audits, verification exercises and periodic desk reviews.

Our business conduct and integrity, related to tax matters, are managed through established mechanisms that address any related concerns. Our Internal Control Team, statutory auditors, and revenue authority reviews, form the basis for evaluating these mechanisms. Our dedication to transparency is verified through appreciation letters from the revenue authority which in the year 2024, recognised our tax disclosures as compliant with statutory requirements.

Professionalism forms the core of our tax policy advocacy which guarantees our actions meet the highest standards and preserve our organisation's reputation. We gather stakeholder perspectives and address their issues through multiple communication methods. New laws get published through finance acts, gazettes, newspapers, social media platforms and professional bodies along with other sources.

Table 19: Tax figures

Description	N'000
Total Tax Paid (CIT, WHT, VAT, PAYE)	23,656,728



Independent Practitioner's Limited Assurance Report on Selected Key Performance Indicators in Axxela Limited's Sustainability Report for the year ended 31 December 2024

To The Directors of Axxela Limited

We have conducted a limited assurance engagement on the selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report of Axxela Limited for the year ended 2024 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "LA" on the relevant pages in the Report.

The selected KPIs described below have been prepared in accordance with the Global Reporting Initiative Standards, supported by internally developed reporting criteria, which is disclosed on page 65 of the sustainability report ("the reporting criteria").

SN	Key Performance Indicators	Unit of measurement	Values	Reporting Criteria	Location in the Sustainability Report
A	Planet				
1	Total energy consumption within the organisation	GJ	5,191	GRI 302-1	Pg 38
2	Total energy consumption within the organisation from renewable sources (Solar)	J	135,859,507,200	GRI 302-1	Pg 37
3	Total electricity consumption	J	994,945,680,000	GRI 302-1	Pg 38
4	Total fuel consumption within the organisation from non-renewable sources	J	4,060,284,836,283.46	GRI 302-1	Pg 38
5	Direct (Scope 1) GHG emissions	tCO2e	10,316.70	GRI 305-1	Pg 39
6	Energy Indirect (Scope 2) GHG emissions	tCO2e	118.841	GRI 305-2	Pg 39
7	Methane Emissions	tCO2e	184.834	GRI 305-1	Pg 41
8	GHG Emissions by Entity	KgCO2e	GNL – 253,434.03 CHGC – 64,250.82 GNSL – 39,703.59 HO – 155,875.63 TGNL – 79,366.96 Cadbury – 9,842,911.22	GRI 305-4	Pg 40

B	People				
1	Total number of employees by gender	Number	Male- 92 Female- 30	GRI 2-7	Pg 44
2	Total number of permanent employees by gender	Number	Male- 72 Female- 28	GRI 2-7	Pg 44
3	Total number of permanent employees	Number	Lagos -93	GRI 2-7	Pg 44



	by region		Abuja – 1 Port Harcourt- 6		
4	Total number of temporary employees by gender	Number	Male- 20 Female- 2	GRI 2-7	Pg 44
5	Total number of temporary employees by region	Number	Lagos -20 Abuja – 1 Port Harcourt- 1	GRI 2-7	Pg 44
6	Total number of new employees hires by gender	Number	Male- 16 Female- 3	GRI 401-1	Pg 44
7	Total number of new employees hires by age group	Number	Under 30 years- 7 30-50 years- 11 Over 50 years- 1	GRI 401-1	Pg 44
8	Total number of new employees hires by region	Number	Lagos -16 Abuja – 0 Port Harcourt- 3	GRI 401-1	Pg 45
9	Total number of employee turnover by gender	Number	Male- 3 Female- 2	GRI 401-1	Pg 45
10	Total number of employee turnover by age group	Number	Under 30 years- 0 30-50 years- 5 Over 50 years- 0	GRI 401-1	Pg 45
11	Total number of employee turnover by region	Number	Lagos -5 Abuja – 0 Port Harcourt- 0	GRI 401-1	Pg 45
12	Total number of employees that were entitled to parental leave	Number	122	GRI 401-3	Pg 50
13	Total number of employees that took parental leave	Number	6	GRI 401-3	Pg 50
14	Total number of employees that returned to work in the reporting period after parental leave ended	Number	6	GRI 401-3	Pg 50
15	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Number	6	GRI 401-3	Pg 50
16	Board categorisation by gender	Percentage	Male- 87% Female- 13%	GRI 405-1	Pg 51
17	Board categorisation by age group	Percentage	Under 30 years- 0% 30-50 years- 25% Over 50 years- 75%	GRI 405-1	Pg 51
18	Average Hours of training by gender	Hours	Male- 21 Female- 20	GRI 404-1	Pg 48
19	Average hours of training per employee category	Hours	Permanent staff- 24 Contract staff- 7	GRI 404-1	Pg 48
20	Number of scholarships to underserved homes.	Number	100	GRI 413-1	Pg 62

C	Profit				
1	Number of lost time injury (LTI) free man hours	Hours	948,564,000	Internally Developed Definition	Pg 62
2	Zero penalties as a result of non-compliance with regulatory bodies	Number	0	GRI 2-27	Pg 29

Directors' Responsibilities

The Directors are responsible for the selection, preparation, and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements,



material issues, commitments with respect to sustainability performance and design, implementation, and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) issued by the International Federation of Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte & Touche, Nigeria applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Axxela Limited's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Axxela Limited.



The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Axxela Limited's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Axxela Limited 's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 2024 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

The maintenance and integrity of Axxela Limited's website is the responsibility of Axxela Limited 's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Axxela Limited's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Axxela Limited in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Axxela Limited for our work, for this report, or for the conclusion we have reached.

Deloitte & Touche

Omobolanle Onawumi
Chartered Accountant
Assurance Partner
FRC/2013/ICAN/00000001345

14 November 2025



A full list of partners and directors is available on request.
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



Appendices

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IFRS Used	IFRS S1: Sustainability-related Financial Information 2023 IFRS S2: Climate-related Disclosures 2023					
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Assured Key Performance Indicators

Key Performance Indicator	Unit of Measurement	Definition
Planet		
Total energy consumption within the organisation	GJ	This represents the total energy consumed by GNL, TGNL, GNSL, HO, and TGNL, comprising non-renewable energy, renewable energy, and electricity consumed or generated, minus any electricity sold.
Total energy consumption within the organisation from renewable sources (Solar)	J	This represents the total energy utilized by Axxela from its solar installation at GNL, TGNL, and CHGC.
Total electricity consumption	J	This represents the total electricity consumed by GNL, TGNL, HO, and CHGC from the National Grid.
Total fuel consumption within the organisation from non-renewable sources	J	This represents the total amount of fuel consumed by GNL, TGNL, GNSL, HO, and CHGC, comprising diesel, petrol and natural gas. This is estimated as Non-renewable fuel consumed + Renewable fuel consumed + Electricity, heating, cooling, and steam purchased for consumption + Self-generated electricity, heating, cooling, and steam, which are not consumed minus Electricity, heating, cooling, and steam sold
Direct (Scope 1) GHG emissions	tCO2e	This represents the gross direct scope 1 GHG emissions from GNL, TGNL, GNSL, HO, CHGC and the Cadbury plant. These are the GHG emissions from sources that are owned or controlled by Axxela.
Energy Indirect (Scope 2) GHG emissions	tCO2e	This represents the gross location-based energy indirect scope 2 GHG emissions from GNL, TGNL, HO, and CHGC. These are the GHG emissions from the generation of purchased electricity consumed by Axxela.
Methane Emissions	tCO2e	This represents the estimated amount of natural gas emitted at GNL, TGNL, GNSL, and CHGC during routine maintenance operations. They are from direct methane gas leaks and operational emissions.
GHG Emissions by Entity	Kg Co2e	This represents the total Direct (Scope 1) GHG emissions and Energy Indirect (Scope 2) GHG emissions by GNL, TGNL, GNSL, HO, CHGC and the Cadbury plant.
Greenhouse Gas		Gas that contributes to the greenhouse effect by absorbing infrared radiation
Energy Intensity		Total energy consumption (Joules)/ the organization-specific metric (Gas volumes);
Emissions Intensity		Total GHG Emissions (KGC02)/ the organization-specific metric (Gas Volumes);
People		
Total number of employees by gender	Number	This represents the total number of employees by male and female according to national law or practice - Labour Act, CAP L1, (LFN) 2004.
Total number of permanent employees by gender	Number	This represents the total number of permanent employees by male and female according to national law or practice - Labour Act, CAP L1, (LFN) 2004.
Total number of permanent employees by region	Number	This represents the total number of permanent employees broken down by region
Total number of temporary employees by gender	Number	This represents the total number of temporary employees by male and female according to the national law.



Key Performance Indicator	Unit of Measurement	Definition
Total number of temporary employees by region	Number	This represents the total number of temporary employees broken down by region
Total number of new employees hires by gender	Number	This represents the total number of newly employed staff by male and female
Total number of new employees hires by age group	Number	This represents the total number of newly employed staff categorized by age group
Total number of new employees hires by region	Number	This represents the total number of newly employed staff categorized by region
Total number of employee turnover by gender	Number	This represents the total number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service, broken down by male and female.
Total number of employee turnover by age group	Number	This represents the total number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service, broken down by age group.
Total number of employee turnover by region	Number	This represents the total number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service, broken down by region.
Total number of employees that were entitled to parental leave	Number	The total number of benefits which are standard for employees of the organization, like parental leave.
Total number of employees that took parental leave	Number	The total number of employees that took parental leave
Total number of employees that returned to work in the reporting period after parental leave ended	Number	This is calculated as: Total number of employees that did return to work after parental leave divided by Total number of employees due to return to work after taking parental leave
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Number	This is calculated as: Total number of employees retained 12 months after returning to work following a period of parental leave divided by Total number of employees returning from parental leave in the prior reporting period(s)
Board categorisation by gender	Percentage	This represents percentage of individuals within the organization's governance bodies categorized into male and female
Board categorisation by age group	Percentage	This represents percentage of individuals within the organization's governance bodies categorized by age group
Average hours of training by gender	Hours	Average hours of training (training or education pursued externally and paid for in whole or in part by an organization) that the organization's employees have undertaken during the reporting period, categorized by gender into male and female.
Average hours of training per employee category	Hours	Average hours of training (training or education pursued externally and paid for in whole or in part by an organization) that the organization's employees have undertaken during the reporting period categorized into permanent and temporary workers.
Number of scholarships to underserved homes.	Number	This represents the total number of pupils or people from underserved homes awarded scholarships as a support from the company or organization



Key Performance Indicator	Unit of Measurement	Definition
Scholarship		This represents financial commitment for the education of identified indigent students from underserved homes
Gender		Gender, in the context of our organization, refers to the classification of individuals as male or female, primarily for the purposes of workforce data reporting, diversity tracking, and gender-based policy analysis. While this definition reflects current organisational practice, it is recognised that gender is a broader social construct encompassing a spectrum of identities. Future updates to policies and reporting frameworks may reflect this evolving understanding (especially if the culture in the region we operate changes), in line with global standards and inclusivity goals.
Region		Region, in the context of Axxela's operations, refers to a geographic and operational zone within Nigeria where the company has established infrastructure, commercial presence, or service delivery activities. Each region serves as an administrative and logistical base for project execution, stakeholder engagement, regulatory compliance, and operational performance monitoring.
Parental Leave		Parental leave is a job-protected period of time that employees are allowed to take off work to care for a newborn child, a newly adopted child, or in some cases, a child placed in their custody. Includes both Maternal and Paternal Leave
Employee		Individual who is in an employment relationship with the organization according to national law or practice.
Permanent Employee		A permanent employee is someone who has an ongoing employment relationship with an organization — without a predetermined end date — and is typically entitled to full employment benefits and protections.
Temporary Employee		Employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)
Employee turnover		Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service
Profit		
Compliance with laws and regulations (Zero penalties as a result of non-compliance with regulatory bodies)	Number	Penalties refer to any consequence for non-compliance with laws or regulatory directives, including fines, sanctions, or legal action against executives.
Work-related injuries (Number of lost time injury (LTI) free man hours)	Hours	This represents the total number of hours a person worked without injuries for GNL, TGNL, GNSL, HO, and TGNL, comprising contractors, internal staff (staff, senior staff, third party staff, interns, cleaners, mopols/military, security, drivers, consultants, etc.). It is calculated using a standard formula that multiplies the number of workers by the number of working hours per day and the number of working days in a week.



Abbreviations

AGS	Annual Gross Salary
ALDG	Association of Local Distributors of Gas
CFO	Chief Financial Officer
CHGC	Central Horizon Gas Company
COLA	Cost of Living Adjustments
CSR	Corporate Social Responsibility
ECM	Environmental Compliance Monitoring
EHSQ	Environmental Health Safety and Quality
EOHS	Environmental, Occupational Health, and Safety
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social impact Assessment
FPIC	Free, Prior and Informed Consent
GCR	Global Credit Rating
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HDD	Horizontal Direction Drilling
HMO	Health Maintenance Organisation
HR	Human Resource
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMM	Impact Mitigation Monitoring
IMS	Integrated Management System
IPCC	Intergovernmental Panel on Climate Change
IPP	Independent Power Project
ISMS	Information Security Management System
KYC	Know Your Customer
LA	Limited Assurance
LCCI	Lagos Chamber of Commerce & Industry
LNG	Liquefied Natural Gas
LTI	Lost Time Injury
MAN	Manufacturers Association of Nigeria
NGA	Nigerian Gas Association
NGIC	Nigeria Gas Company and Marketing Company
ROW	Right of Way
SLAs	Service Level Agreements
SOC	Security Operation Centre
UNGC	United Nations Global Compact
UNGPBHR	United Nations Guiding Principles on Business and Human Rights
UNIDO	United Nations Industrial Development Organisation
WAGP	West Africa Gas Pipeline



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