



Focus on sustainability

Tullow Oil plc Sustainability Report 2019



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Shared prosperity

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Equality and transparency

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Responsible operations

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Front cover: Orsam's relationship with Tullow Ghana began in 2010 with the Jubilee Phase 1 project when they won a contract to fabricate well jumpers; over 80 well jumpers have been fabricated for both Jubilee and TEN fields, in addition to other critical piping and subsea structures provided to date – a demonstration of "Made in Ghana".

About this report

This is Tullow Oil's first standalone Sustainability Report for some years, and it complements our 2019 Annual Report and provides further details of our environmental and social performance over the past year. In prior years, we have reflected sustainability content in our Annual Report. For 2019, the Executive Team decided to publish this dedicated Sustainability Report as a stronger reflection of our continuing commitment to playing a positive role in society and of our desire to respond to the increasing information needs of our stakeholders.

This Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards (2016) core option. GRI Standards represent the most widely used sustainability reporting framework in the world today. GRI principles have informed our reporting approach: materiality (the issues relevant to our most significant impacts and which are of most importance to stakeholders), stakeholder inclusiveness (responding to stakeholder expectations and interests), sustainability context (presenting our performance in the wider context of sustainability issues) and completeness (inclusion of all the information which reflects significant economic impacts to enable stakeholders to assess our performance). In considering the content for this Sustainability Report, we also consulted the International Petroleum Industry Environmental Conservation Association

(IPIECA) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.

Quantitative data in this report relates to the 2019 calendar year and covers our global operations unless otherwise stated. This report has been extensively verified internally and selected indicators have been externally assured. You can find a link to the assurance statement here. Our basis for reporting (all data collection methodologies) are noted in a separate document available for download here.

We welcome your feedback and invite you to send comments to:
sustainability@tulloil.com



Tullow supports the following standards and partnerships:



About Tullow Oil

Tullow is a well-established, recognised oil and gas explorer and producer operating across Africa and South America

Our focus is on finding and monetising oil in Africa and South America. Our key activities include exploration and appraisal, selective development projects and growing our low-cost production. We are headquartered in London and our shares are listed on the London, Irish and Ghana Stock Exchanges. In 2019, we employed 879 people, most of whom are local nationals in our countries of operation. We are committed to delivering shared prosperity in all of the communities where we operate.

For our full financial results and information about our corporate governance, see our Investor Relations website.



Discover more about Tullow's approach to sustainability
tulloil.com/sustainability/



Message from our Executive Chair

While Tullow's cost base has been significantly reduced, this has not compromised our focus on the safety of our people and our operations. Despite now having a smaller team, we also remain dedicated to sharing the prosperity of the industry through a commitment to localisation, local capacity building and working with local businesses within our supply chain.



Dear Reader

2019 ended with significant operational and financial challenges for Tullow, resulting in changes to our executive leadership and a sharp reduction in our share price. We have disappointed our shareholders and other stakeholders, but we are determined to learn from the lessons of 2019. The Board and I are committed to doing what is necessary to rebuild trust.

Part of rebuilding trust is enhancing our transparency to all stakeholders. For the past three years, we have included substantial sustainability disclosure in our Annual Report, but, conscious of the growing need of investors, government, host communities and Tullow's own staff for information on matters important to them, we have taken the decision to enhance and expand our sustainability reporting with this separate report which complements the disclosure in our 2019 Annual Report and Accounts.

We have always believed developing the oil and gas of emerging economies is a privilege and one where we have both an opportunity and an obligation to share the prosperity in the local economies and communities in which we operate.

In this report, we describe the social and economic contribution that Tullow makes in our host countries in Africa and the investment we have made in capacity building, local suppliers, education, infrastructure development and community support. In the past year, we have spent more than \$350 million with local suppliers in Kenya and Ghana, bringing our total spend with local suppliers in Africa to more than \$2 billion over the past eight years.

Alongside this important contribution to Africa's economic development, we have continued to show leadership in protecting human rights, operating safely, investing in and developing our people, including African locals, and managing our environmental impacts responsibly.

Climate change is clearly also an issue of growing concern among all our stakeholders, including Tullow's Board, and we are maturing our own response to this existential threat to both our sector and the world at large. Tullow supports the goals of Article 2 of the Paris Agreement and recognise, in doing so, the need to play our part in global carbon emissions peaking as soon as possible and then declining to reach net zero in the next 30-50 years.

While fossil fuels are expected to continue to make a significant contribution to meeting the world's growing energy needs during this time, the overall decarbonisation of the global economy presents oil exploration and production companies with some fundamental new challenges. For these reasons, we have designated climate change as a principal category level risk and have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in preparing this report. You can read our first assessment of our

climate resilience in line with TCFD in full in our 2019 Annual Report and Accounts, a summary of which can be found in this report.

I hope you find this report informative and useful. Please share any feedback you have by emailing sustainability@tullowoil.com.

Dorothy Thompson, Executive Chair

Our sustainability framework

In 2019, we reviewed our sustainability framework, following an analysis of the primary interests of our investors host countries and communities, as well as colleagues throughout our business.

We considered the topics and issues most important to all our stakeholders, alongside our strategy, and expectations of oil and gas companies reflected in the work of our industry association, IPIECA. We also took into account the UN's Sustainable Development Goals (SDGs). Our sustainability strategy consists of four pillars which combine all these inputs and expectations.

Strategic pillar	Responsible operations	Shared prosperity	Environmental stewardship	Equality and transparency
Key themes	Safety and wellness Responsible production	Local content and capacity Developing local skills Social investment	Climate resilience Protecting ecosystems	Good governance Promoting equality
Material topics	Employee health and safety Process safety	Local content and capacity Community development Shared infrastructure Social investment	Biodiversity Climate change Water Spills Energy efficiency	Compliance Anti-corruption Human rights Tax transparency Public advocacy
SDG alignment	 	  	  	 

Aligning and supporting the UN Sustainable Development Goals (SDGs)

The areas in which we can make the most significant contribution through our work and our sustainability framework align with the following ten SDGs:

				
<p>Supporting health and wellness programmes in Kenya and Ghana, and also advancing wellbeing programmes for our Tullow employees around the world.</p> <p> Discover more 12</p>	<p>Contributing to vocational education in Kenya and Ghana through TechnoServe and Field Ready initiatives, among others.</p> <p> Discover more 21</p>	<p>Upholding responsible business practices, human rights and localisation for African nationals throughout our business.</p> <p> Discover more 30</p>	<p>Enabling new access to global energy markets for African countries and supporting local content by empowering small and diverse enterprises.</p> <p> Discover more 23</p>	<p>Shared prosperity and localisation in Africa.</p> <p> Discover more 17</p>
				
<p>Investing in safety and process safety in our operating locations and managing our operations transparently, in dialogue with stakeholders, reporting on our performance.</p> <p> Discover more 14</p>	<p>Conducting risk assessments in line with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and taking action to reduce carbon emissions from our operations.</p> <p> Discover more 27</p>	<p>Protecting oceans and seas through risk assessments and conservation activities around our offshore operations.</p> <p> Discover more 29</p>	<p>Ensuring environmental and biodiversity protection through environmental impact assessments and conservation and remediation activities.</p> <p> Discover more 29</p>	<p>Operating in line with the highest standards of governance, compliance and ethics and enforcing similar rules throughout our supply chain.</p> <p> Discover more 31</p>

Primary stakeholders of Tullow Oil

We use a range of ways to engage with our primary stakeholders so that we understand their concerns and expectations.

This table shows our stakeholder engagement overview in 2019:

Host communities



Primary means of engagement

Stakeholder engagement processes in each community through our local teams.

Key expectations

Safe, responsible practices and positive impact on daily life, safeguarding the environment and protecting community life. Our activities should lead to improved quality of life and livelihoods for families and communities.

Progress in 2019

See section: Meaningful stakeholder engagement for overview of activity in 2019. See also the other sections in the Shared prosperity chapter, covering socio-economic investment and local initiatives.

Host country regulators



Primary means of engagement

Stakeholder engagement processes in each community through our local teams.

Key expectations

Compliance, transparency and collaboration to resolve regulatory issues in ways that benefit the national and local interest. The development of local content and capacity is of prime importance.

Progress in 2019

See section: Promoting equality.

Host country enterprises



Primary means of engagement

Regular outreach, procurement tenders and business reviews.

Key expectations

Opportunities for local suppliers and vendors to participate on fair and equitable terms.

Progress in 2019

See section: Optimising local content for details of engagement with local enterprises.

Colleagues



Primary means of engagement

A range of internal communications channels throughout the year.

Key expectations

Meaningful work, fair compensation, ability to learn and develop and fair and ethical treatment. The opportunity to advance professionally for African nationals in their country.

Progress in 2019

See section: Localisation for details of progress in advancing local colleagues.

Opinion formers and industry



Primary means of engagement

Regular dialogue and meetings.

Key expectations

Collaboration and sharing of non-competitive information for the benefit of the industry and our stakeholders, responsible citizenship and contribution to industry initiatives.

Progress in 2019

See our support for the Voluntary Principles on Human Rights and the Extractives Industries Transparency Initiative (EITI).

Shareholders and investors



Primary means of engagement

Annual meetings and dialogue with investors and analysts.

Key expectations

Return on investment, reliable financial and production forecasts, strong governance and responsible and ethical conduct.

Progress in 2019

See our Investor Relations – Events web page.

Non Governmental Organisations



Primary means of engagement

Stakeholder engagement processes and responses to issues.

Key expectations

Environmental and social contribution, mitigation of negative impacts, engagement and dialogue on matters important to them.

Progress in 2019

See section: Promoting equality for details of our Stakeholder Engagement Plan in Kenya.

Sustainability highlights in 2019

Responsible operations

- Achieved top industry quartile safety performance, against the benchmark of the International Association of Oil and Gas Producers (IOGP).
- Zero lost time incidents in our Ghana facilities.
- Aligned with the IOGP Life-Saving Rules and trained our staff and contractors.
- Developed and adopted a new Process Safety Management Standard, based upon the requirements of the High Level Framework for Process Safety Management (PSM framework) published by the Energy Institute.

Shared prosperity

- Increased spend with local suppliers in Ghana by 28 per cent and in Kenya by 41 per cent.
- Implemented security operations in Kenya with a local security provider, enhancing local capabilities.
- Supported the creation of 88,000 jobs and access to >\$4.5 million in financing for local businesses through our work with Invest in Africa.
- Launched Cohort 3 of our engineering and technical Field Ready educational programme in Ghana.
- Launched Cohort 4 of our entrepreneurship programme with TechnoServe in Kenya, supporting local businesses.
- Completed upgrade of the Takoradi Airport Airforce Base in Ghana to benefit Ghana's domestic air travel.

Environmental stewardship

- Board commitment to net zero emissions.
- Climate change designated principal risk owned by Board.
- Assessed our business and deemed it robust to International Energy Agency (IEA) scenarios.
- Below sector average on carbon emissions intensity on IOGP benchmarks.
- Completed an assessment using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.
- Achieved a 3.6 per cent improvement in overall emissions intensity.

Equality and transparency

- Became the first oil company to publicly support contract transparency in our industry at EITI's eighth global conference.
- Developed a safe sea access framework with local fishermen using the Voluntary Principles on Security and Human Rights (VPs).
- Recognised for our leading disclosure on modern slavery by the Transparency in Supply Chain Report.
- Published our proposed Stakeholder Engagement Plans (SEPs) for the Environment and Social Impact Assessment (ESIA) for upstream oil production in Kenya.
- Appointed two female non-executive Directors, bringing female Board representation to 38 per cent.
- Achieved over 20 per cent target of African representation on the Board.

Responsible operations

Responsible operations is a core pillar of our sustainability framework and provides a commitment to safe working, safe processes and effective emergency response.

“We can never be complacent about safety. It is our core responsibility to ensure safety is first and foremost in people’s minds as they engage in their daily duties, and that a disciplined framework for managing the integrity of our operations is in place based on good design principles, engineering and operating and maintenance practices to minimise safety risk at all times. We owe this to our colleagues and our communities.”

Mark MacFarlane, Chief Operating Officer



Occupational health, safety and wellness

Safety at work is a top priority and we are committed to continuing to embed a positive safety culture throughout our operations, to protect our own colleagues, and all those who visit our sites, as well as our neighbouring communities. We strictly adhere to all laws and regulations governing safe working and, in many cases, our internal standards go above the requirements of the law.

Tullow's safety performance in 2019 for lost time injury rate (LTIR) and Total recordable injury rate (TRIR) remained within the top industry quartile of the International Association of Oil and Gas Producers (IOGP) benchmark, in line with our safety goal, but it remains a priority for us to further improve our performance.

High potential incidents (HiPos) are defined as any incident or near miss that could, in other circumstances, have realistically resulted in one or more fatalities. We look forward to further improve our safety performance, particularly the avoidance of HiPos, through the effective implementation of the IOGP Life-Saving Rules at our worksite locations.

Lost time injury rate*



Notable occupational safety achievements in 2019

- Zero lost time injuries (LTIs) at our Ghana offshore assets Maersk Venturer Rig, TEN and Jubilee floating production storage and offloading facilities (FPSOs)
- Zero lost time injuries in our Kenya facilities
- 365 days of lost time injury-free days milestone achieved, in mid-2019, at our TEN FSPO in offshore Ghana

Despite these positive aspects of our safety performance, during 2019, we experienced several HiPos. Although we work to avoid HiPos, transparent reporting of them is important and actively supported at Tullow, so that we can continually learn from mistakes and make improvements.

* Injuries per million working hours (employees and contractors).

Sadly, we recorded a third-party fatality in Kenya, when one of our contracted trucks, transporting crude oil from Lokichar to Mombasa as part of the Early Oil Pilot Scheme, was involved in a road traffic accident. We continuously work with our haulage contractors to find and implement additional measures to reduce the prevalence of accidents arising from risks associated with land transportation.

In September, the management held a global safety stand down event in 16 locations across 10 countries to raise safety awareness, a positive reflection of Tullow's safety culture across the organisation. This was followed by the development of safety improvement plans targeted at safety critical activities and risks across each Business Unit as well as the implementation of the IOGP's Life-Saving Rules and dedicated training for all employees and contractors. Although we continue to remain vigilant and drive towards zero incidents, Tullow is proud that our key safety performance indicators in 2019 (LTIR – 0.09 and TRIR – 0.56), remain in the top industry quartile when benchmarked with IOGP.



“Transitioning to the IOGP Life-Saving Rules has really engaged our teams on the importance of safety. Speaking the same language as our contractors and getting behind rules that have been created from insights based on years of safety data are big advantages.”

Esi Tunde-Anjous, Environment, Health, Safety and Asset Protection Manager, Tullow Ghana

Implementing new Life-Saving Rules

During 2019, we adopted the IOGP Life-Saving Rules, replacing our existing internal safety rules. The IOGP Life-Saving Rules were created following the analysis of 10 years of fatal accident data and provide an industry-wide common approach to safety. This means that contractors who work for different companies operate to the same guidelines with a common language that makes achieving consistent and reliable safety implementation and monitoring more effective.

Assuring occupational health

We continue to monitor key health risks related to our operations and take preventive action where possible. A known risk, for example, is malaria and we recorded one non-immune case in 2019, the first in the last three years.

Advancing wellness and resilience

We aim to support our colleagues with tools to improve health, wellbeing and resilience in the workplace. In 2019, we held wellbeing and resilience workshops in the UK, Ghana, Kenya and South Africa and more than 150 colleagues participated.

Bypassing safety controls

Obtain authorisation before overriding or disabling safety controls



Confined space

Obtain authorisation before entering a confined space



Driving

Follow safe driving rules



Energy isolation

Verify isolation and zero energy before work begins



Hot work

Control flammables and ignition sources



Line of fire

Keep yourself and others out of the line of fire



Safe mechanical lifting

Plan lifting operations and control the area



Work authorisation

Work with a valid permit when required



Working at height

Protect yourself against a fall when working at height



Process safety

Process safety relates to the prevention of major accident hazards, such as explosions, fires, and toxic releases associated with the use of chemicals and petroleum products. Tullow addresses process safety through policies, standards and risk management activities covering all our operations from planning to decommissioning. In 2019, under the guidance of our Process Safety Steering Committee, led and attended by senior executives and local Operations Directors, we made further progress in improving process safety management.

A new Process Safety Management Standard

In early 2019, Tullow developed and adopted a new proprietary Process Safety Management Standard, based upon the requirements of the High Level Framework for Process Safety Management (PSM framework) published by the Energy Institute. During the year, operations in Kenya and Ghana completed analyses of their current systems against the requirements of the new Standard and developed plans to close identified gaps.



“Our new Tullow PSM Standard is a series of minimum expectations for the business, defining who is responsible and accountable and what procedures and mechanisms they should put in place. Using guidance available in the industry, we created this mandatory Standard, specifically adapted to our operations, to ensure we leave no loophole as far as process safety risk is concerned.”

Andy Edgar, Group & Ghana Developments & Projects Engineering Manager

This builds on ongoing efforts to improve process safety. In Ghana for example, following an audit in 2017, 37 specific actions had been completed by the end of 2019, with a small number of additional actions planned for 2020. We have observed a reduction in the number of Losses of Primary Containment (LOPC) in 2019 due to these actions.

Process safety performance in 2019

Overall, our process safety performance in 2019 improved with a 24 per cent reduction in the number of process safety events (PSE) related to LOPC releases. However, we experienced one Tier 1 process safety event caused by a crude oil overflow from a ‘bitutainer’ storage tank to a bunded area at our onshore production facility in Kenya. We also recorded three Tier 2 process safety events. Two of these were offshore on the Jubilee FPSO – one relating to a release of crude storage tank inert gas, the second relating to a flame inside the housing of a gas turbine start-up.

Process safety events (PSE)	2018	2019
Tier 1	0	1
Tier 2	2	3
Total	2	4

These events were controlled and mitigated by the on-board safety systems and resulted in no harm or injury to any individual, and no environmental damage. The third Tier 2 release occurred during drilling operations when the Maersk Venturer released 1,700 bbls of water-based drilling fluid from a booster line to sea; again there was no harm or injury to personnel and the environmental effect was assessed as short term with no harm to the function of the ecosystem. Corrective actions were immediately implemented to prevent recurrence of these incidents.

In 2019, Tullow’s entire operational workforce, including selected contractors, participated in more than 1,000 hours of process safety training.

Managing spills and releases

We take every precaution to minimise the risk of spills at our facilities or in transit and operate in accordance with the highest process safety standards. We maintain oil spill response plans and on-site spill response capabilities, enabling us to act quickly to contain and minimise damage should uncontrolled releases of any material occur.

A Tier 1 PSE is a LOPC with the greatest consequence. This involves an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials, that results in serious injury or fatality, community evacuation, fire or explosion causing significant financial impact etc.

A Tier 2 PSE is an LOPC with lesser consequence. This involves an unplanned or uncontrolled release of any material that results in a recordable injury, fire or explosion causing lower financial impact etc.

A full definition of Tier 1 and 2 PSE can be found online at the IOGP website.

Supporting industry programmes in process safety

As active members of the International Association of Oil and Gas Producers (IOGP), we have been participating in a working group to develop a set of process safety fundamentals (PSF). These aim to influence the behaviours of the front line workforce so they follow safe systems of work and good practices and recognise and report hazards and to reduce risk from process safety events. We are helping to draft the PSF and are using feedback from our workforce to make sure it provides the most appropriate and useful guidance for member companies.

Asset protection and emergency response

Operating in an industry with significant potential threats to life and the environment, we must be able to rapidly adapt and respond to unforeseen events in order to maintain business continuity and minimise negative impacts on people, the environment, our physical and intellectual assets, and our reputation. We do this through asset protection policies, standards and plans incorporating corporate security, business continuity, and crisis and emergency management (CEM), to maintain the highest possible levels of protection and response protocols to any major emergency.

We regularly train our colleagues and contractors using credible emergency scenarios in CEM preparedness exercises across the business. We carry out at least four crisis management exercises per year, supported by our Crisis Management Team and in-country Incident Management Teams. In 2019, our specific focus was on cyber resilience and so we conducted cyber security workshops for key personnel. For additional details relating to asset protection risks, see the Principal Risks section of our 2019 Annual Report.

In Ghana, Tullow Ghana partners with Oil Spill Response Ltd and key local stakeholders to conduct regular emergency response exercises both onshore and offshore with Field Response Teams.

67%

reduction in lost time injury rate (LTIR) in 2019

24%

reduction in Process Safety Events in 2019



“We cannot underestimate the importance of working safely. Tullow’s investment in safety ensures we are vigilant at all times and confident to speak out if something doesn’t look right.”

Anthony Pearce, Head of Operations,
Tullow Ghana

A look to the future

We will continue our investment in responsible practices including:

Continuous improvement in occupational safety and process safety through reinforcement of our safety culture through awareness initiatives, effective implementation of Life-Saving Rules and further training and risk management.

Full implementation of the Tullow Process Safety Management Standard and effective assurance and monitoring of management systems.

<0.42

stretch target for total recordable injury rate in 2020

ZERO

stretch target for Tier 1 and 2 Process Safety events in 2020



Discover more
Tullow Safe and Sustainable Operations Policy

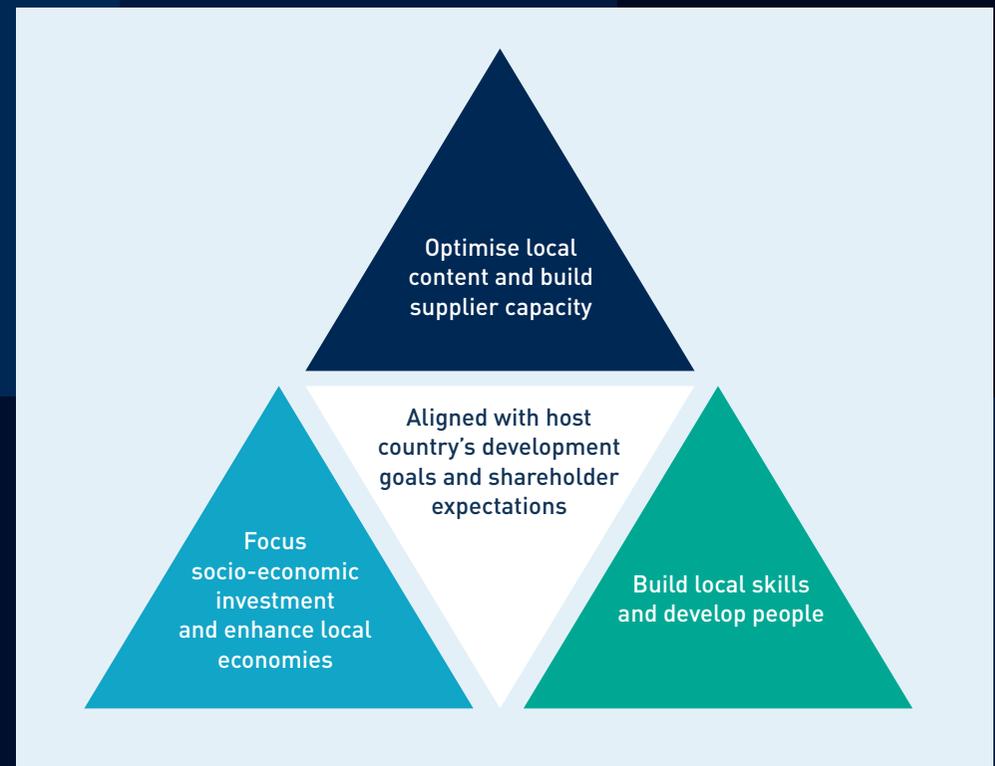


Shared prosperity

Shared prosperity is at the heart of our sustainability framework and represents our aspiration to ensure that all we do in our host countries brings not only business benefits for Tullow, but also lasting improvements in the quality of life and the ability to generate better livelihoods in all the communities touched by our operations. Our shared prosperity approach includes three broad elements:

- optimising local content and developing supplier capacity;
- building local skills and developing people; and
- driving socio-economic investment that enhances local economies and local communities.

Our shared prosperity approach requires that we understand and manage our impacts on local communities and the environment. Establishing and maintaining effective relations with our stakeholders is central to our success and local teams update host communities and engage with them on a regular basis.



Meaningful stakeholder engagement

We know we need to understand how we affect local communities both through the benefits we can bring and the impacts which raise concerns. To do this, we employ dedicated local teams who are focused on providing effective engagement and response. All our local engagement team members are trained in our country-specific community and stakeholder engagement processes and practices. In Kenya, for example, Tullow and external consulting teams have been consulting with a range of stakeholders nationally and in Turkana since the start of the Environmental and Social Impact Assessment (ESIA) process.

Conversations in the field



Left: Elijah Boye-Ampah, Social Performance Adviser, Tullow Ghana.

Right: Alice Charem, Social Performance Adviser, Tullow Kenya.

What's important to you in this role?

Elijah: The thing I like is that my work is using my initiative, collaborating with local partners in creative ways and helping to achieve positive solutions for all. If I don't do my job well, we are likely to lose our social licence to operate.

Alice: My role is challenging but very

rewarding. I am here to support building and maintaining trust and long-lasting relationships with local communities. My role also gives me an opportunity to advance the fair sharing of benefits in our host communities in a way which both complies with regulations and respects our communities.

What qualifies you for this role?

Elijah: When I joined Tullow in 2010, I had been a youth leader in the fishing communities where Tullow is active here in Ghana, so I understood the issues, had many local connections and spoke the local dialect. Since then, I have developed my skills in strategic stakeholder engagement and am proud of the results we have achieved. My background in statistics and data analysis has also played a significant role in the development of our safe sea access framework.

Alice: I have been with Tullow for nine years and have gained much experience in ways of engaging with stakeholders and organisations in different circumstances. But, I think, my knowledge and appreciation of the local social structures, language and culture, and also my passion for this role, are just as important as formal skills.

What stands out for you from your activities in 2019?

Elijah: 2019 was largely dominated by the 4D seismic survey for the TEN field in Ghana, supporting our operational expansion. This was a success which I believe was because of our detailed planning and engagement at all levels – advanced consultations and continuous engagement. At each stage of the process, we were conscious of the impacts on local fishermen and maintained dialogue in real time, so they were always updated and able to discuss issues important to them. I also proactively worked with the Grievance Resolution Committee to amicably resolve 12 cases that were registered during the survey.

Alice: 2019 was another busy and exciting year. For me, the highlight was the delivery of the Early Oil Pilot Scheme (EOPS) and the first consignment of crude oil from Mombasa. We worked so hard to ensure a smooth transportation process. It was wonderful to see our President flag off the shipment, marking a milestone for Kenya as an oil-exporting country. Following this, I was involved in extensive engagement with our local host community to manage new expectations arising as a result of the first oil having been shipped.

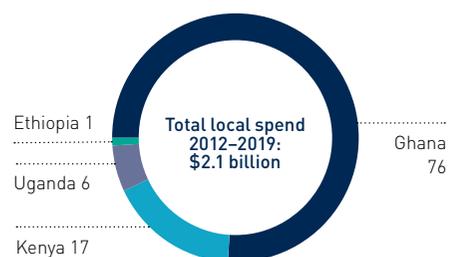
Optimising local content

We work to create business opportunities for local entrepreneurs and small businesses in our host countries. Our aim is to support their long-term capacity and growth and expand their participation in the local economy, to generate local value for people and communities. We engage at different levels with local suppliers, vendors and entrepreneurs, including through initiatives such as supplier training workshops and Invest in Africa (IIA), a non-profit organisation we helped establish with seed funding in 2012, to work with leading corporations, including Tullow, to improve access to markets, finance and skills for local suppliers in Ghana, Kenya and Senegal.

Since 2012, we have purchased goods and services from local suppliers worth more than \$2 billion, injecting needed economic value into the local communities.

The largest portion of our local spending supports our operations in Ghana and Kenya, where, in 2019, 28 per cent and 41 per cent respectively of total spend was local. In 2019, Tullow Ghana's overall supplier spend was up by 24 per cent compared to 2018 due to increased drilling activities, the Turret Remediation Project and continued efforts to award contracts to indigenous or incorporated Joint Venture companies. In Kenya, local spend increased by 37 per cent due to increased Early Oil Pilot Scheme trucking activities. Focus has continued on enhanced capacity building to enable more

Local supplier spend by country %



suppliers to engage with Tullow Kenya, as described below.

Building local security capabilities in Kenya

A clear example of how we optimise local content is our security contract in Kenya where we engaged a local provider and then supported the selected company to achieve the standards we require and, in parallel, develop its own business capacity and reach.

Ekosowan Security Express Services (ESES) Limited, a private security firm in Turkana County, founded by seven retired army captains, established its operations with Tullow Oil in 2019, after winning Tullow Oil's 2018 tender for the supply of security services for its offices and oil fields. Since starting to work with Tullow, Ekosowan has added 200 employees to its workforce and, in a process designed by Tullow, is now striving to achieve ISO 18788 and International Code of Conduct for Private Security Companies Association certification – both significant

steps needed to meet the international security industry standards required by Tullow and other potential global customers.

The key innovative feature of this capacity building process is the partnership between Ekosowan and a more experienced international company designed to help deliver the project to industry standards whilst concurrently establishing Ekosowan as a healthy and compliant business partner. The Joint Venture between Ekosowan and KK Security, a GardaWorld company, is progressing well and attracting considerable interest from industry observers and policy makers alike.



“It is important for us to grow our business to meet the strict standards of international companies and take advantage of new opportunities emerging from new local investment, especially in the oil and gas industry. Our contract with Tullow Oil helps us provide employment and stable incomes for individuals, their families and the community.”

Retired Captain Merimug,
Operations Manager, ESES Limited

Local Tullow Oil suppliers thriving in Kenya and Ghana

Bentworth Investments Ltd., a Kenyan oil and gas service company, first began to work with Tullow Kenya as a subcontractor to Baker Hughes during Tullow's second drilling campaign in Kenya. Bentworth provided cementing and downhole tools services for nine wells and other supplies and services. Bentworth is committed to providing opportunities for locals and undertakes training, mentorship and collaboration with Kenyan universities to create an upcoming cadre of local oil and gas workers.



"We are proud to be an award-winning company in our sector. Our recent Local Content Award in the 2019 Upstream Awards is an endorsement of our dedication to working to international standards and raising the bar for local industry; for example, the extensive cementing services to several wells we conducted for Tullow Oil in the past year."

Carey Ngingi, Chairman and CEO,
Bentworth Investments Ltd.

Orsam Oil & Gas Limited is an engineering, energy and environmental services company in Ghana which has been supporting Tullow Ghana since 2010 in both our Jubilee and TEN operations. The biggest challenge faced by Orsam Oil & Gas has been securing qualified and experienced staff. Part of the Company's mission, therefore, has been to develop local skills, investing to train hundreds of Ghanaians in welding, fabrication, coating and more. This has been key to Orsam Oil & Gas' continued expansion which includes adding further capacity and a \$2.5 million investment planned for 2020.



"Working with Tullow Ghana has enabled Orsam Oil & Gas to execute projects with the support of local suppliers and contractors to supply goods and services which are 'Made in Ghana' and meet internationally recognised standards, at competitive rates."

Kofi Nyame-Mensah, Business
Development Manager,
Orsam Oil & Gas Limited

The results of our collaboration with Invest in Africa (IIA) include:

262

businesses received technical and entrepreneurship training

167

contracts were secured by small businesses after IIA training

>\$4.5m

in financing has been accessed by small businesses participating in IIA programmes

88,000

local jobs created

One of the companies which has benefited is AB Engineering, a Ghanaian engineering company, which has created more than 200 new jobs and won several new contracts after being mentored by a manager at Tullow Ghana as part of the IIA programme.



Building local skills

Education and skills development are critical to emerging economies. We support both our local colleagues and communities by providing science, technology, engineering and mathematics (STEM) education to enhance employability and also offer vocational training for youth and women to further their chances of gaining employment.

Creating employable technicians and engineers in Ghana

Tullow Ghana is a corporate partner and funder of Field Ready, a programme launched in Ghana with Takoradi Technical University in 2015. It is designed to produce highly employable technicians and engineers and aims to achieve full gender balance among programme participants. The course lasts up to 12 months and is taught by instructors from licensed educational institutions; Tullow provides opportunities for graduates in entry-level engineer, technician and operator roles. The programme has been very successful with both graduates and companies and is providing Ghana with skilled people who have the practical skills employers need.

Field Ready fast facts

- 100 per cent of Cohort 1's 15 graduates gained employment in engineering or technical roles in Ghana
- there was a 46 per cent female participation in Cohort 3 (2019), up from 25 per cent in Cohort 2 (2018)
- Over 450 students from eight different universities and technical institutions across Ghana applied for one of the 24 places in Cohort 3 which started in 2019
- Three additional countries have created local Field Ready programmes – Mozambique (Cohort 1 has started) and Nigeria and Senegal (launching in 2020)

92.3%

of students surveyed in 2019 agreed or strongly agreed teaching and learning sessions were interesting and engaging

51

students in the Field Ready programme to date in Ghana (including 2019 Cohort 3)



Discover more about Field Ready
www.getfieldready.com

Training Kenya's entrepreneurs for better business results

Giving local people the knowledge they need to build their own business is a powerful way of sharing prosperity and we have a number of programmes which support entrepreneurs. Since 2017, Tullow Kenya has worked with TechnoServe, an international not-for-profit partner, to provide a three-month business and entrepreneurship course to local business owners in Turkana County. The training takes place in weekly meetings at Tullow Kenya's local Enterprise Development Centre and covers a range of requirements for running a successful business. Graduates from the course are offered a mentor and can apply for financial support from a fund that helps micro and small businesses grow and compete effectively.

Kenya Entrepreneurship Programme fast facts

- 586 micro, small and medium sized enterprises (MSMEs) and 10 SMEs trained on business management skills since July 2017
- 152 MSMEs trained in business compliance
- 537 MSMEs (92 per cent of total trained) have received business mentorship
- 71 per cent of programme graduates are women
- 66 MSMEs have accessed over \$5,000 in financing
- 19 new businesses started
- 48 new full-time and 49 part-time employment opportunities created
- 40 per cent growth on daily average sales revenues from continuous monitoring sales of businesses owned by programme graduates

Developing people with external secondments

Ranvir Soennessardien, a secondee from Suriname's national oil company Staatsolie, is working at Tullow Oil in Dublin. After 12 months of learning advanced skills and being mentored by senior managers, Ranvir will return to Suriname with the knowledge and experience to add real value to Staatsolie's operations.



71%
of programme graduates are women

40%
growth on daily average sales revenues from continuous monitoring sales of businesses owned by programme graduates

19
new businesses started

Driving socio-economic investment

We support socio-economic investment initiatives focused on STEM education, local business development and shared infrastructure and logistics. Within shared infrastructure and logistics we invest in areas such as water, energy or waste, by adapting and leveraging existing infrastructure plans and projects to benefit local communities.

Upgrading aviation infrastructure in Ghana

In 2019, Tullow Ghana completed construction work at the Takoradi Airport Air Force Base in Ghana, considerably upgrading its ability to support national and commercial aviation and the growth of Ghana's offshore petroleum industry, while providing an enhanced operational base for our own activities in Ghana. The upgrades we funded resulted in:

- 22,692 m² of reconstructed tarmac for aircraft parking
- 4,140 m² of renovated roads and vehicle parking areas
- 55 workstations in a newly constructed office block, replacing two former office buildings
- One refurbished exclusive terminal for Tullow Ghana's helicopter and fixed wing operations

The projects were executed by local contractors, commenced at different periods, and took between eight and twelve months to complete each phase of the work. The Takoradi Airport Air Force Base now has a much-improved safety and accessibility profile, and congestion has been significantly reduced.

Enhancing water infrastructure in Kenya

Access to water in drought-afflicted Turkana County in Northern Kenya is the key to delivering food security, reducing disease and enhancing livelihoods through livestock and agriculture. However, as most water supplies are underground, investment is required to access it. Tullow has therefore funded drilling and rehabilitation of more than 30 boreholes around the county and provided transportation of water to areas under severe water stress, benefiting more than 67,000 people.



Discover more about enhancing water infrastructure

“Wherever possible, we create shared prosperity through shared project infrastructure solutions specifically targeted at improving life and livelihoods for local communities. Whether it’s water, energy, waste or logistics, we aim to create long-term social value wherever we operate.”

Caroline Onger, Group Shared Prosperity Manager



“The Takoradi Apron project is a recognition of the growth in Ghana’s aviation sector, which has been driven by the burgeoning oil and gas industry. Tullow Oil and our partners are proud to have invested in a project that serves the government of Ghana, the Ghana Airforce and the travelling public in line with the highest safety standards.”

Kweku Awotwi, Executive Vice President, Tullow Ghana

Local initiatives for community prosperity

In addition to the initiatives in our shared prosperity strategy, we support local causes and help meet community needs in a variety of different ways. A selection of our activities in 2019 include:



Tullow Ghana

Tullow Ghana and our local Joint Venture Partners held a free health screening exercise in coastal communities in Ghana's Western Region, benefiting close to 2,000 fishermen and community members. The programme was supported by 120 health officers and specialists.



Tullow UK

At Tullow plc in the UK, 12 members of staff collected more than 60kg of litter in a plastic clean up along the River Thames in partnership with Brentford FC Community Sports Trust.



Tullow Charity Challenge

Again in 2019, Tullow held its annual Charity Challenge with events organised across four teams – Ghana, East Africa, New Ventures and Corporate (UK). Tullow colleagues logged exercise and volunteered with local charities to earn points and a share of the \$100,000 charity fund for their chosen charities.

A look to the future

We will continue to develop the initiatives in our shared prosperity strategy aligning it with our business strategy and the Sustainable Development Goals (in particular, Goals 4, 8 and 9). This will include:

- Increasing access to employment and entrepreneurship opportunities in targeted communities as measured, for example, by an increase in people working in STEM related areas and an increase in the number of local suppliers/entrepreneurs.
- Improving access and performance in STEM subjects at primary, secondary and tertiary levels in local communities as measured, for example, by the number of students accessing employment through our supported initiatives, or improved performance in state exams.
- Identifying opportunities to enhance infrastructure for the benefit of our host countries and neighbours.

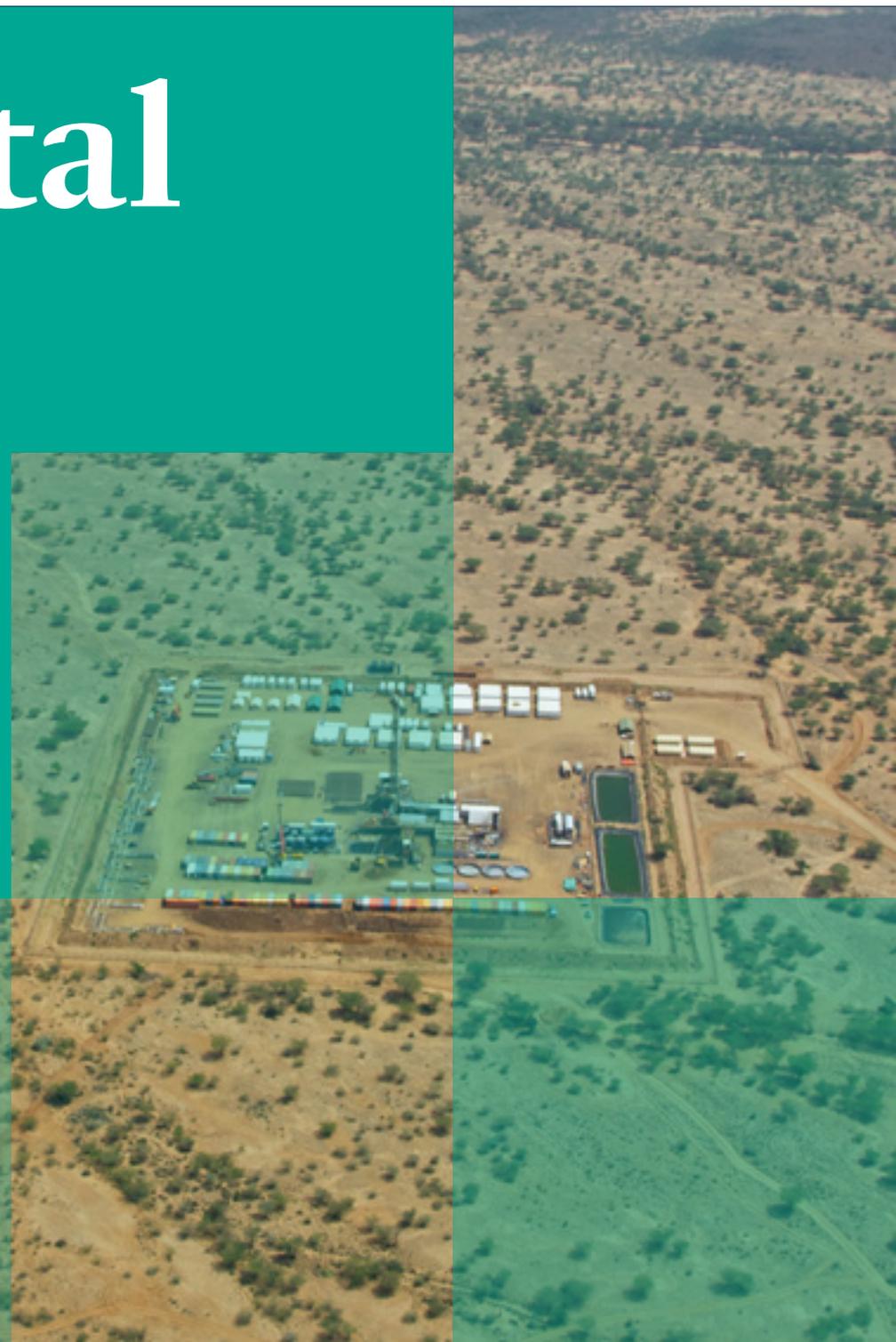


Environmental stewardship

Tullow is committed to acting as a responsible steward of the environment and ensuring robust systems are in place for assessing and managing environmental risk.

We subscribe to the precautionary principle established in the Rio Declaration on Environment and Development in 1992 and promote sustainable development through our operations. Our corporate headquarters are certified to ISO 14001 Environmental Management System, ensuring that the systems and processes which we apply to our business are consistently maintained. We aim to comply with all environmental laws and regulations in all the countries in which we operate.

As an oil and gas company, our major impacts are the greenhouse gas (GHG) emissions we emit that contribute to global warming and the direct impact in our areas of operations. We regularly disclose our actions and performance in these areas. Additionally, we aim to minimise our impacts relating to water and waste as well as any unplanned releases or spills to the environment.



Climate resilience

In 2018, we undertook a series of benchmarking exercises to assess and review our position regarding climate change in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The results of this analysis were discussed with the Executive Team and, in 2019, we put in place plans to improve our operational performance and transparency regarding climate resilience. The plans included operational reviews of the sources of emissions and opportunities for reduction in our Ghana operations. For a full disclosure in line with the TCFD recommendation, please see our 2019 Annual Report (page 25).



Discover more about our Annual Report tulloil.com/annualreport

Key elements of our TCFD

Tullow recognises that climate change and the decarbonisation of the global economy represent fundamental strategic risks to our business. We are therefore proactively taking action to mitigate these risks by:

- complying with emerging climate change legislation and regulation and reducing our GHG emissions as far as is reasonably practical;
- minimising the GHG emissions potential of our activities and implementing reduction initiatives;

- adopting a business strategy that is responsive to applicable regulatory developments designed to address climate change; and
- maintaining transparency and openness in our engagement about climate change.

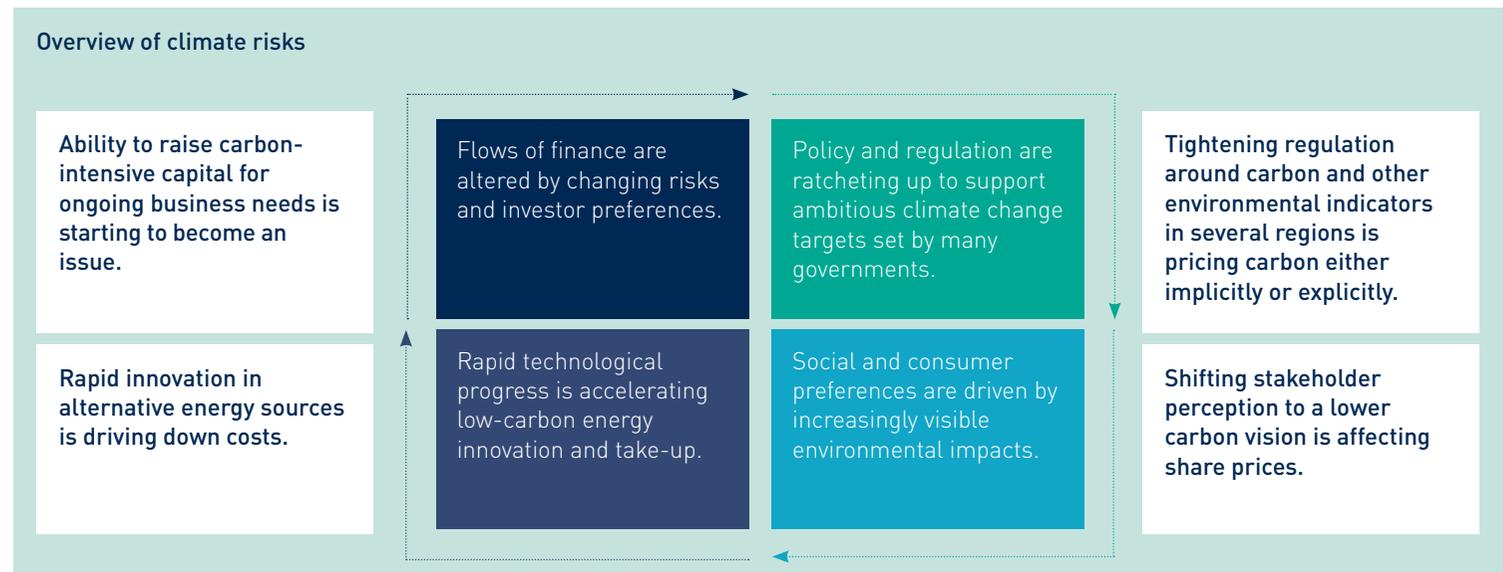
Governance – Board oversight of climate-related risks and opportunities:

- Our Executive Chair, Dorothy Thompson, is currently designated as the owner of climate-related risk. The Board of Directors approves and authorises

Tullow’s carbon management and performance, including targets for emissions reductions, and receives updates relating to host governments’ energy transition and climate resilience plans as well as requests for support for private sector initiatives in those countries.

Strategy – climate-related risks and opportunities:

The diagram below highlights the key climate-related risks for Tullow:



Greenhouse gas emissions performance in 2019

Tullow's Scope 1 emissions in 2019 totalled 1.26 million tonnes, of CO₂e (2018: 1.22 million tonnes), a 3.2 per cent increase, mainly due to drilling campaigns with the Stena Forth and Maersk Venturer rig and also due to seismic and exploration activity in Guyana and the Comoros, and the Early Oil Pilot Scheme in Kenya. Despite this increase we realised a 3.6 per cent reduction in emissions intensity relative to production, from 139 tonnes (2018) to 134 tonnes (2019) of CO₂e per 1,000 tonnes of hydrocarbon produced.

The vast majority of Tullow's Scope 1 emissions are from our operated assets in Ghana, from the FPSOs and the rigs. In 2019 flaring accounted for 33 per cent of Tullow's Scope 1 emissions. Tullow's ability to reduce emissions from flaring from our operated assets is dependent on the capacity for long-term and sustained high gas export from Jubilee. Exporting the gas is also critical to maximising production and preventing loss of reserves.

Notwithstanding Tullow's commitment to gift the Government of Ghana 200bcf of foundation gas, the export of gas over the life of the field has historically not been possible due to the Ghana National Gas Corporation gas facility at Atuabo only starting in 2014, four years after production began in 2010. As a responsible operator, instead of additional flaring, Tullow has reinjected more gas into the reservoir than originally intended in the Development Plan.

In order to protect both reserves and maintain reasonable production levels, a request in early 2020 was submitted to the Government of Ghana to both increase Ghana National Gas Corporation's gas offtake from Jubilee to 125mmscf/d, and to flare additional volumes of gas at Jubilee and TEN. The Government of Ghana's capacity to handle gas exported from Jubilee and TEN will therefore be the key determinate in Tullow's requirement to flare additional volumes of gas in 2020.

Tullow supports the Paris Agreement, which requires global carbon emissions to peak as soon as possible and then to decline to reach net zero in the next 30–50 years. In 2020, Tullow will begin investigating both short and long-term options to help begin reducing its emissions.

Some of these initiatives include:

- Investigating the implementation of methane surveillance equipment and the reduction of methane leaks as part of the Integrated Asset integrity programme.
- Working with the Ghana Government and Ghana National Gas Corporation to deliver on their commitment for increased gas offtake.
- Exploring pathways for more significant emissions reductions over the next five-year period.

Total air emissions by production (tonnes of CO₂e) per thousand tonnes hydrocarbon produced



Total hydrocarbon flared tonnes



Biodiversity, water and waste

Biodiversity

Tullow continues to meet its commitment to avoid undertaking operations in World Heritage Sites (WHS), and to carry out robust screening of potential new projects against Protected Area Guidelines. During 2019, our Kenya and Ghana operations continued to be assessed by independent monitoring groups and again demonstrated adherence to the International Finance Corporation (IFC) Performance Standards.

In 2019, in response to a recommendation from our monitors, we established an independent Biodiversity Advisory Panel to review our activities and manage our biodiversity impacts in Kenya in line with the requirements and intent of IFC Performance Standards. Our Kenyan Joint Venture operations in Turkana overlap with two natural WHS, Lake Turkana National Park and the Kenya Lake System in the Great Rift Valley, and a number of other designated protected areas and key biodiversity areas, although we have not explored for oil in these WHS. The Biodiversity Advisory Panel is comprised of seven technical specialists, selected for their knowledge of biodiversity issues relevant to Kenya, who met twice in 2019.

Actions agreed by the Biodiversity Panel include:

Habitat classification

- Ensuring that management plans, procedures and mitigation measures are able to respond to changing information, such as from the International Union for Conservation of Nature (IUCN), and maintaining site specific assessments to ensure impacts to sensitive habitats are managed in accordance with mitigation hierarchy.

Mitigation of impacts

- Coordinating with county government, local communities and the National Environment Management Authority of Kenya (NEMA) to agree on options to rehabilitate sites to allow natural plant succession.

Integration of livelihoods management with biodiversity assessment

- Integrating project activities with those of the Turkana County Integrated Development Plan, including providing biodiversity information in local language (e.g. Swahili) and exploring the option of growing indigenous grasses in fodder crop irrigation farming for seed production for reseeded grazing land for pasture improvement.

Water usage and waste

We make every effort to minimise the environmental impacts of our water usage

and waste generated by our operations. Our water consumption increased marginally in 2019, due to sea water consumption on Jubilee and TEN for production activities. More than 99 per cent of water used in our operations being seawater. We use small amounts of metered water from local water grids, and we withdraw zero fresh water.

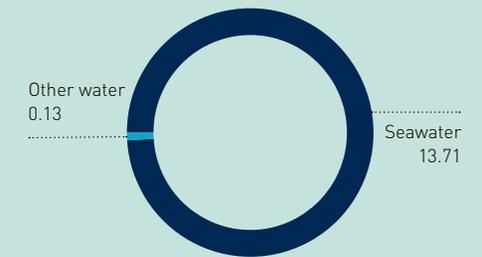
Regarding waste, in 2019, we generated 80,475 tonnes of waste, of which 73% was non-hazardous. We make every effort to reuse or recycle waste and, in 2019, 27 per cent of waste was reused, recycled or treated.



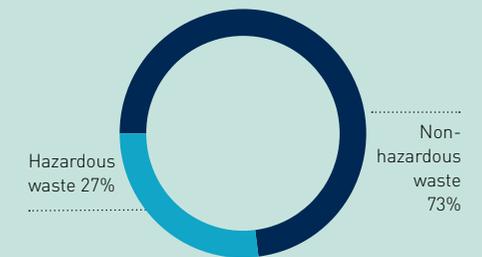
“We welcome the support and guidance of leading national experts in biodiversity in Kenya. As we expand our operations, we are committed to ensuring we do no harm to the natural environment. The Advisory Panel will ensure we are ahead of the game and act in accordance with the best interests of the planet and the local communities.”

Sam Omondi, Kenya EHS Manager

Water usage 2019 million m³



Waste generated 2019 %



Equality and transparency

Equality and transparency are central to the way we operate and to helping us to earn the trust of all those with whom we interact. We have strong corporate governance practices and disclose our payments transparently. We are committed to comply with laws and regulations and, wherever we do business, maintain ethical conduct, uphold human rights and maintain strong community relationships.



Governance, compliance and ethical conduct

Tullow has always operated to the highest standards of corporate governance and, as a publicly traded company, the need for transparency and accountability is extremely important. For details of our governance, including our Board of Directors, Board Committees and other governance arrangements, please see our website.



Discover more about Tullow Oil
tullowoil.com/about-us/corporate-governance/



Discover more about Tullow Oil
Code of Ethical Conduct

The Extractive Industries Transparency Initiative is the global standard promoting the open and accountable management of extractive resources.



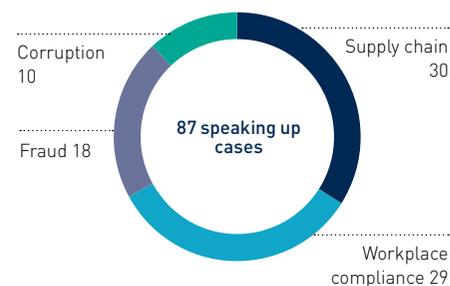
Learn more: <https://eiti.org>

We have zero tolerance for bribery, corruption and other financial crime and we explicitly prohibit behaviours that are not consistent with fair, respectful and decent business practice. A key tool for the Board of Directors and our Management to meet these requirements is our Code of Ethical Conduct. The Code is periodically reviewed and updated as our business environment evolves, and the last update was in 2018. All of our staff receive annual training in the provisions of the Code and, in 2019, 100 per cent of our employees, including our Management and members of our Board of Directors, completed this training and certification.

Additionally, we require our suppliers to uphold the Code of Ethical Conduct and our contractual agreements include ethics and compliance clauses covering these requirements. Prior to engaging with suppliers, we conduct risk-based, third-party due diligence on matters relating to ethical conduct including, specifically, anti-bribery and corruption, sanctions and trade restrictions and human and labour rights.

We encourage our colleagues, or others, to report suspected breaches of the Code through our Speaking Up process. This is available through internal channels or via our external provider, Safecall. In 2019, there were 87 cases, all of which were investigated, and appropriate action taken. Nine people left the organisation due to confirmed breaches of the Code.

Speaking up cases 2019



Transparency and disclosure of payments

Tullow believes that public disclosure about our business and actions serves a broader agenda of openness to dialogue and builds accountability, credibility and trust. Transparency regarding payments to governments is an important way to promote honesty in our industry, mitigate corruption and support inclusive development. In 2019, we further improved the clarity of our payment disclosures by using a common basis for reporting across different countries, which can be found at the end of our 2019 Annual Report and Accounts.

Supporting transparency in the extractives industry

Tullow has been a corporate supporter of the Extractive Industries Transparency Initiative (EITI) since 2011, and we play an active role in the development of new programmes and initiatives.

We support national EITI membership in the regions in which we operate and are keen to take an active role in supporting the national application process, which can take two years or more to complete. In 2019, we contributed to Suriname's EITI application, by assisting in the development of the terms of reference for multi-stakeholder consultations and advising on different aspects of the process. We are also supporting the government of Uganda in its application for EITI membership.

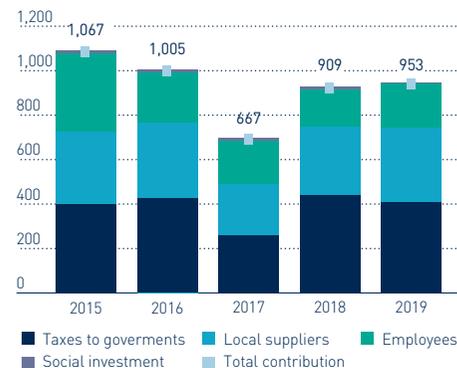
In 2019, we attended and supported EITI's eighth global conference and underlined our support for contract transparency which will be required by EITI from 2021. Tullow continues to publish Production Sharing Agreements (PSAs), with the agreement of our government partners.

In addition to our engagement with EITI, in 2019 we continued our collaborations with other groups to improve transparency and accountability in our industry. For example we have worked with the Centre for Global Development, contributing to the development of a set of generic commercial transparency principles in government contracts.

Our 2019 disclosure: total socio-economic contribution

In the past five years, our socio-economic contribution has reached more than \$4.6 billion, of which close to \$2 billion was tax revenues paid to our host governments. This sustained contribution continues to support social development and inclusive economic growth in regions where such revenues are needed.

Socio-economic contribution \$ million



Specifically, our total payments made to the Ghanaian Government in the 2015-2019 period amounted to \$1.2 billion, including \$270 million in 2019.

Advancing human rights through our operations

Tullow has been a formal part of the Voluntary Principles on Security and Human Rights (VPs) since 2013. The VPs play a vital role in bringing governments, companies and NGOs together to maintain the safety and security of our operations while ensuring respect for human rights and fundamental freedoms. The principles guide the way we work with national naval, military and police forces and other relevant bodies.

In Ghana, we have led the implementation of the VPs. Specifically, we work with the Ghanaian navy to protect our offshore facilities, and we used the VP's approach to engage with local fishermen to develop a safe sea access framework. This has provided a way for them to operate safely in the areas around our offshore facilities while reducing incursions into the safety zones.

In Kenya, we work with the Kenyan Police Service to manage the security of our sites and have engaged with local communities to assure their support and collaboration, while addressing their concerns and expectations. With private security companies, we have applied the VPs and included the requirements of the International Code of Conduct Association in our contracts with service providers. In particular, we are working with a local private security company on an innovative model that uses support from an international security company to help to develop local capacity to meet international standards. More detail can be found in the Building local security capabilities in Kenya section of this report.

In 2019, we participated in a round table discussion at Geneva Peace Week. The discussion centred on the risks and opportunities of private security in building peace and security.



Learn more: www.voluntaryprinciples.org

Transparency in our supply chain

In 2019, TISC Report, an independent monitor of Modern Slavery Act disclosures in the UK, confirmed that Tullow's disclosure ranked in the top 9.3 per cent of companies for meeting the minimum disclosure criteria.

The Voluntary Principles on Security and Human Rights were created in 2000 when governments, companies and NGOs engaged in a dialogue about security and human rights.



See also: [Tullow Oil's Human Rights Policy](#)

Promoting equality and public advocacy

Strong community relationships are central to our success wherever we operate and we update host communities and engage with them on a regular basis. We maintain formal grievance mechanisms which ensure all issues raised are addressed in detail until they are resolved. Read more about local engagement in the section in this report on: Meaningful stakeholder engagement.

In particular, our development plans always include comprehensive Environment and Social Impact Assessments (ESIAs) incorporating detailed Stakeholder Engagement Plans (SEPs). These cover consultation with a range of local and national stakeholders including: government representatives, non-governmental organisations, civil society organisations, faith-based organisations, local communities, academia and media stakeholders.

In 2019, we published our proposed SEP for the ESIA for the foundation stage of the South Lokichar development for upstream oil production from a number of wells in this region of Kenya. This development is significant for the region as it will substantially increase the number of wells we operate as we transition from the exploration stage to production. The SEP sets out both the regulatory frameworks governing stakeholder engagement and the process of consultation that provides affected stakeholders with opportunities to express their views on project risks, impacts and mitigation measures. Following feedback on the proposed SEP, we expect to start the engagement and consultation process in 2020.



Maintaining a positive workplace

We continue our strategic approach to empowering our people and improving our business capabilities and agility.



“We aim to maintain a positive workplace where we can all work to achieve the same goals in an environment that is empowering, enabling and engaging. In this way, we can work together to overcome challenges and contribute to our communities in valuable ways.”

Joanne Rich, Group Head of Human Resources

People and performance

Tullow is committed to developing its people to ensure they have the right skills and experience for both their current roles and their future career aspirations. We provide tools, training, support and feedback to help people to be successful and engage with our shared objectives.

In 2019, we continued to respond to the issues raised in our biennial employee engagement survey, ‘Tullow Pulse’, which was conducted in 2018. Key actions included:

- addressing the need for clearer accountabilities through organisational changes and a new accountability framework which provides improved clarity and transparency relating to the work of each business function and the role of leaders;
- improved tools to encourage employees to feel free to raise concerns, supported by training, events and the relaunch of the Safecall hotline. We also created the Tullow Advisory Panel which provides an alternative channel for employees to raise concerns directly with the Board; and
- changes to our talent and development processes to support achievement of long-term career goals as well as some specific reviews of rewards and benefits.

Training and development

In recent years we have been working to improve our approach to career and personal development. We maintain the link between development and performance through annual performance management and improved our learning and development using a blended approach including job-related experiences and formal educational events. Employees can access a variety of resources using our updated ‘My Development’ portal.

In addition to the individual development activities, in 2019 we held two global ‘People Forums’ which focused on how best to utilise our talent across the whole Company to help us deliver our organisational strategy comprising inclusion and diversity, localisation and leadership succession. During 2019, 15 individuals commenced our Senior Leaders Programme (SLP) and this year saw the re-start of our ‘Risers’ programme in Ghana, helping people start their journey to become future leaders.

In response to employee feedback, we launched a Line Manager Development Programme (LMDP) aimed at equipping our line managers with the skills to support employees with their development. During 2019, 220 individuals participated in this programme from across all our key locations.

Highlights from development and training activities in 2019:

44

employees moved onto a development assignment

102

employees were promoted

3

employees graduated from their external assignments at the Baker Hughes Oil and Gas University

100%

of employees participated in a formal performance evaluation process

\$2.9m

spent on training across Tullow

13,000

hours were dedicated to training in Ghana with an overall spend of \$1.1 million

5,000

hours were dedicated to training in Kenya with an overall spend of \$300,000

Smart and flexible working

Our new smart and flexible working policy, launched in 2018, offers flexible working hours and remote working options, aiming to provide employees with choices about where and when to complete their work. Employees indicated they appreciated the benefits of this new way of working.

Highlights from our smart working survey:

98%

agreed that smart working supports Tullow's ambition to be a progressive organisation

66%

confirmed that smart working has a very good or good impact on health and wellbeing



For our full 2019 Gender Pay Gap Report
tullowoil.com/gender-pay-gap/

Inclusion and diversity

We believe that an inclusive culture and diverse workforce are critical to maintaining a successful and sustainable business. We value the rich diversity, skills, abilities and creativity that people from different backgrounds and experiences bring to the Company.

Our inclusion and diversity plans focus on securing a gender and nationality mix that is representative of the countries in which we operate, with a focus on increasing the number of Africans and women in leadership roles. In 2019, our actions included widespread communications to raise awareness of inclusion and diversity and manager training. Additionally, we intensified our focus on attracting diverse candidates through our recruitment processes by using inclusive, gender neutral language and diverse interview panels to help to avoid potential unconscious bias.

Gender pay: We continue to report on the gender pay gap in the UK as required by law, showing a gap of 43 per cent at median rates in 2019, which is an improvement of 3 per cent from 2018. The gap reflects our ongoing challenge to recruit and promote qualified and experienced women in technical roles in the oil and gas sector, resulting in a higher proportion of men in senior roles. We continue to reduce our gender pay gap through targeted efforts as part of our inclusion and diversity programmes.

Highlights of our inclusion and diversity progress in 2019:



African nationals in Tullow

51%
of our workforce

18%
of our senior managers

64%
of our new hires

25%
representation on the Board of Directors



Women in Tullow

32%
of our workforce

20%
of our senior managers

45%
of our new hires

38%
representation on the Board of Directors

45

nationalities were represented in Tullow

Localisation

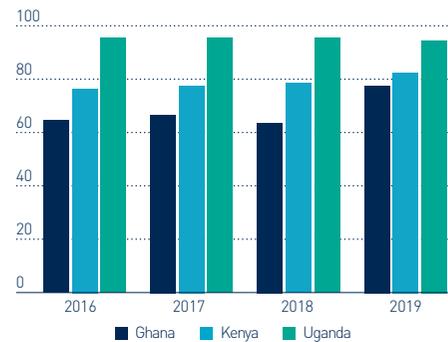


As an oil company based largely in Africa, localisation is fundamental to the way we do business in our host countries, and to helping to build local skills and contribute to improving local livelihoods. Our approach includes:

- Hiring local people as a preference wherever possible, while adapting recruitment qualification thresholds to ensure a broad, inclusive pool of potential candidates, supported by development from expatriates.
- Our expatriates are required to support the development of locals to replace non-locals where possible.
- Identifying and implementing development plans for local colleagues and providing opportunities for secondments to Tullow locations to gain skills and work experience.

Tullow is a signatory to the Women in Finance Charter which demonstrates our ongoing commitment to improving the diversity of our workforce, particularly improving women's representation at senior levels within our Finance function. We have a target of having women in 40 per cent of senior finance management roles by 2021.

Localisation rates by country %



To date, 20 Kenyans and 40 Ghanaians have been developed through secondments within Tullow and several have been promoted to management positions in their countries.

Conversation in the field



Nana Ewusie-Prah, Logistics and Materials Manager, Tullow Ghana

How did you get to where you are?

I had worked in the gold mines before I joined Tullow in 2009 as a warehouse superintendent. I was mentored by one of Tullow's local experts and soon I was the first Ghanaian responsible for managing all the inventory that we sent offshore. I was promoted to Logistics Base Manager and again was given all the support needed to help me to learn and expand my skills. I was promoted to my current role in 2018, again a first for a Ghanaian in this important role. We are now a fully nationalised Ghanaian team.

How have you benefited from this career development?

It has been a rewarding experience and an exciting journey. I have learnt so much about the oil and gas industry. It has been a privilege to receive the support of many excellent managers. I feel a little like a role model for younger Ghanaians – the proof that if you work for a company of choice like Tullow, you can achieve great things both personally and professionally.

Highlights of our localisation activities in 2019:

44%

African colleagues were on assignment in London and Dublin for work experience

16

local colleagues were hired in Ghana

4

local colleagues were hired in Kenya

14

promotions of local nationals to management in Ghana and Kenya, with 32 promotions over the last three years

Performance summary data tables

Environmental performance summary*

	2015	2016	2017	2018	2019
Emissions					
Total air emissions (tonnes of CO ₂ e) ¹	758,790	772,110	1,619,055	1,235,349	1,279,971
Scope 1 total air emissions (tonnes of CO ₂ e)	752,539	754,338	1,603,384	1,218,010	1,263,258
Scope 2 total air emissions (tonnes of CO ₂ e)	4,631	4,763	2,928	2,996	1,688
Scope 3 total air emissions (tonnes of CO ₂ e) ²	1,620	13,010	12,743	14,343	15,026
Total air emissions by production (tonnes of CO ₂ e) per 1,000 tonnes hydrocarbon produced	122	142	185	139	134
CO ₂ emissions (tonnes)	656,932	653,813	1,306,254	998,141	1,032,601
CH ₄ emissions (tonnes)	2,073	2,741	13,315	9,686	10,231
N ₂ O emissions (tonnes)	30	22	63	61	129
CO ₂ emissions (tonnes)/1,000 tonnes of HC produced	106	122	150	112	108
CH ₄ emissions (tonnes)/1,000 tonnes of HC produced	0.33	0.51	1.52	1.09	1.07
N ₂ O emissions (tonnes)/1,000 tonnes of HC produced	—	—	0.01	0.01	0.01
Flaring					
Total hydrocarbon flared (tonnes)	110,638	149,217	290,797	142,259	128,375
Total hydrocarbon flared by production (tonnes/1,000 tonnes hydrocarbon produced)	17.84	27.93	33.29	16.03	13.48
Water usage					
Metered water (m ³)	70,466	56,728	89,366	96,215	95,111
Seawater (m ³)	8,004,940	9,080,888	12,567,127	13,412,811	13,709,711
Ground water (m ³)	113,847	46,322	60,998	58,401	33,397
Fresh water (m ³)	—	—	—	—	—
Other water (m ³)	10	—	1,537	3,622	5,501
Total water usage (m ³) – all operational sites	8,189,262	9,183,938	12,719,027	13,571,049	13,843,720
Recycled water (m ³)	5,451	4,722	2,308	554	2,282
Total water from sustainable sources (m ³)	5,451	4,722	2,308	554	2,282

	2015	2016	2017	2018	2019
Waste					
Total waste disposed (tonnes)	72,380	58,554	39,407	64,026	80,475
Waste recycled/reused/treated (%)	70.93	27.95	5.00	18.00	27.00
Waste recycled/reused/treated (tonnes)	50,979	14,071	1,129	10,983	21,419
Hazardous waste disposed (tonnes)	50,487	8,903	1,137	11,165	21,483
Hazardous waste recycled/reused/treated (%)	99.49	74.36	31.00	97.00	97.00
Non-hazardous waste disposed (tonnes)	21,893	49,651	38,270	52,861	58,993
Non-hazardous waste recycled/reused/treated (%)	3.44	15.01	2.00	—	1.00
Uncontrolled releases					
Oil and chemical spills (#)	7	2	3	—	1
Oil and chemical spills (tonnes)	24.71	4.85	6.44	—	344
Energy use					
Total indirect and direct energy use (GJ)	5,158,200	7,318,373	8,036,831	9,744,373	10,304,896
Total indirect and direct energy use by production (GJ/1,000 tonnes hydrocarbon produced)	832	1,370	920	1,098	1,082
Fines and sanctions					
	—	—	—	—	—

* All environmental data is third-party assured.

1. Fugitive emissions are not currently captured in our total air emissions.
2. Tullow currently only measures air travel as part of its Scope 3 emissions and not all air travel is captured.

Performance summary data tables continued

Health and safety performance summary*

	2015	2016	2017	2018	2019
Hours worked (million)	13.29	9.20	10.89	10.53	10.79
Number of employee fatalities	—	—	—	—	—
Number of contractor fatalities	—	—	—	—	—
Number of third-party fatalities involving members of the public	—	—	1	1	1
Lost time injuries (LTIs)	4.00	—	4.00	3.00	1.00
Lost time injury rate (LTIR)	0.30	—	0.37	0.28	0.09
OGP LTIR Δ	0.29	0.27	0.27	0.26	N/A
Total recordable injuries (TRI)	12.00	9.00	8.00	6.00	6.00
Total recordable injury rate (TRIR)	0.90	0.98	0.73	0.57	0.56
OGP TRIR Δ	1.21	1.03	0.96	0.99	N/A
High potential incidents (HiPos)	15.00	8.00	7.00	6.00	15.00
High potential incident frequency (HiPoF)	1.13	0.87	0.64	0.57	1.39
Malaria frequency rate Δ	0.30	—	—	—	0.09
Kilometres driven ('000,000)	6.45	5.44	5.19	5.40	6.74
Vehicle accident frequency rate (VAFR)	0.47	0.55	0.77	0.18	0.30

* All data in the health and safety performance summary table is third-party assured with the exception of the indicators marked Δ.

Local content

	2015	2016	2017	2018	2019
Local supplier spend (\$ million)	308.9	336.6	234.6	283.4	336.2
By country	2015	2016	2017	2018	2019
Ethiopia	—	—	—	—	—
Ghana	226.0	297.0	194.2	251.3	298.8
Kenya	75.0	28.0	37.0	30.5	35.4
Mauritania	—	—	—	—	—
Uganda	7.9	11.6	3.4	1.6	2.0
Total	308.9	336.6	234.6	283.4	336.2

Employees*

	2015	2016	2017	2018	2019
Number of employees	1,156	1,023	922	893	879
Number of contractors	247	129	108	97	72
Number of expatriates in the workforce	268	173	144	144	135
Number of people on local contract terms	1,135	979	886	846	816
Total employees	1,403	1,152	1,030	990	951
Number of females	396	583	582	511	305
Number of Africans	565	533	485	470	487
Percentage of females	34%	33%	34%	34%	35%
Percentage of Africans	49%	52%	53%	53%	55%
Number of managers	338	297	274	271	249
Percentage of female managers	22%	22%	22%	24%	26%
Number of senior managers	115	68	65	68	61
Percentage of female senior managers	12%	13%	15%	21%	20%
Percentage of African senior managers	13%	16%	11%	13%	18%
Number of Board members	12	11	9	8	8
Percentage of female Board members	17%	18%	11%	13%	38%
Percentage of African Board members	8%	9%	11%	13%	25%

* All data in the employees table is third-party assured.

Compliance*

	2015	2016	2017	2018	2019
Corruption	17	5	2	8	10
Fraud	22	19	8	11	18
Workplace compliance	47	46	38	37	30
Supply chain	17	21	12	10	29
Total speaking up cases	103	91	60	66	87

* All data in the compliance table is third-party assured.

GRI content index

GRI 102: General Disclosures 2016	Description	Page reference or response
102-1	Name of the organisation	About Tullow Oil page 4
102-2	Activities, products, and services	About Tullow Oil page 4
102-3	Location of headquarters	About Tullow Oil page 4
102-4	Location of operations	About Tullow Oil page 4
102-5	Ownership and legal form	About Tullow Oil page 4
102-6	Markets served	About Tullow Oil page 4
102-7	Scale of the organisation	Annual Report 2019 pages 8-9
102-8	Information on employees	Performance summary data tables page 37-38
102-9	Supply chain	Annual Report 2019 pages 8-9
102-10	Significant changes	None
102-11	Precautionary principle	Climate resilience page 27
102-12	External initiatives	Supporting transparency in the extractives industry; advancing human rights through our operations pages 31-32
102-13	Membership of associations	About this Report (IPIECA) page 3
102-14	Statement from senior manager	Message from our Executive Chair page 5
102-16	Values, principles, standards	About Tullow Oil page 4
102-18	Governance structure	Governance page 31
102-40	List of stakeholder groups	Primary stakeholders of Tullow Oil pages 8-9

GRI 102: General Disclosures 2016	Description	Page reference or response
102-41	Collective bargaining agreements	None
102-42	Identifying and selecting stakeholders	Primary stakeholders of Tullow Oil pages 8-9
102-43	Stakeholder engagement	Primary stakeholders of Tullow Oil page 18
102-44	Key topics and concerns raised	Primary stakeholders of Tullow Oil pages 8-9
102-45	Entities included	Annual Report
102-46	Report content and topic boundaries	About this Report page 3
102-47	List of material topics	Our sustainability framework page 6
102-48	Restatements of information	None
102-49	Changes in reporting	Not applicable
102-50	Reporting period	About this Report page 3
102-51	Date of most recent report	About this Report page 3
102-52	Reporting cycle	About this Report page 3
102-53	Contact point	About this Report
102-54	Reporting in accordance with the GRI Standards	About this Report pages 39-40
102-55	GRI content index	GRI content index pages 39-40
102-56	External assurance	GRI

Material priority	GRI Standard (2016)	Management approach page	Topic-specific GRI Disclosures	Page	Omissions
Local content and capacity	GRI 201: Direct economic value generated	Shared prosperity	201-1	Direct economic value generated and distributed	Our 2019 disclosure: total socio-economic contribution
	GRI 204: Procurement practices 204-1: Proportion of spending on local suppliers				
Community development	GRI 413: Local communities		413-1	Operations with local community engagement, impact assessments, and development programmes	Local initiatives for community prosperity
Shared infrastructure	GRI 203: Indirect economic impacts		203-1	Infrastructure investments and services supported	Driving socio-economic investment
Employee health and safety	GRI 403: Occupational health and safety	Occupational health, safety and wellness	403-2	Types of injury and rates of injury	Performance summary data tables Breakdown by gender not available
Process safety		Process safety			
Biodiversity	GRI 304: Biodiversity	Biodiversity	304-1	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	Biodiversity
			304-2	Significant impacts of activities, products, and services on biodiversity	
Climate change	GRI 305: Emissions	Climate resilience	305-1	Direct (Scope 1) GHG emissions	Performance summary data tables
			305-2	Energy indirect (Scope 2) GHG emissions	
			305-3	Other indirect (Scope 3) GHG emissions	
			305-4	GHG emissions intensity	
Waste and effluents	GRI 306: Effluents and waste		306-2	Waste by type and disposal method	Performance summary data tables
Water	GRI 303: Water		303-1	Water withdrawal by source	
Spills	GRI 306: Effluents and waste		306-3	Significant spills	
Energy	GRI 302: Energy	Environmental stewardship	302-1	Energy consumption within the organisation	Performance summary data tables
			302-2	Energy consumption outside of the organisation	
			302-3	Energy intensity	

Material priority	GRI Standard (2016)	Management approach page:	Topic-specific GRI Disclosures	Page	Omissions
Compliance	GRI 307: Environmental Compliance	Environmental stewardship	307-1 Non-compliance with environmental laws and regulations	None	
Anti-corruption	GRI 205: Anti-corruption	Governance, compliance and ethical conduct	205-1 Confirmed incidents of corruption and actions taken	None	
Human rights	GRI 412: Human rights assessment	Advancing human rights through our operations	412-1 Operations that have been subject to human rights reviews or impact assessments	100 per cent of our operations in Africa	
Tax transparency		Transparency and disclosure of payments			
People and performance	GRI 404: Training and education	People and performance	401-1 New employee hires and employee turnover	Performance summary data tables	
			404-2 Programs for upgrading employee skills and transition assistance programmes	People and performance	
Inclusion and diversity	GRI 405: Diversity and equal opportunity	Inclusion and diversity	405-1 Diversity of governance bodies and employees	Performance summary data tables	