



# Redefining Business

Building A New Systems Network



2017 | Sustainability Report



2017 | Sustainability  
Report

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# CONTENT

## Introduction 4

Redefining Business:  
Building A New System's Network  
- Message from the Chairman 4

Message from the CEO 10

## Company & Profile 18

Who We Are 20  
What We Do 21  
Where We Are 30

## Sustainability 35

Key Figures 36  
Our Sustainability Commitment 36  
Corporate Governance & Ethics 38  
Enterprise Risk Management 40  
Materiality 41  
Business Sustainability 44  
Supply Chain Management 51

## Environmental Sustainability 55

Environmental Management 56  
Quality, Health, Safety, Security &  
Environment 58  
Product Safety 62  
Security and Crisis Management 64

## Social Responsibility 66

Community Relations 68  
Our People 77  
Developing Future Leaders 79  
Diversity and Equal Opportunity 79  
Occupational Health and Safety 85

## Our Sustainability Footprints 88



## About This Report

This report is the inaugural sustainability report to be published by Asharami Synergy Plc, the newly emerged company following the consolidation of the independent downstream operating businesses by Sahara Group.

Asharami Synergy Plc's 2017 Sustainability Report reflects our Economic, Environmental and Social activities from January 1 to December 31, 2017. This report is intended for our stakeholders who directly or indirectly impact or are impacted by our activities. These stakeholders include our shareholders, customers, suppliers, communities, government and regulatory bodies.

## GRI CONTENTS

Our 2017 Sustainability Report has been prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI): Core Option which seeks to achieve consistency among reporting organizations.

## CONTACT

This report was prepared by the Governance, Risk Management and Compliance Department of Asharami Synergy Plc in accordance with the GRI Sustainability Reporting Standards and Principles.



For further information about the GRI, please visit:  
[www.globalreporting.org](http://www.globalreporting.org)

For the latest Asharami Synergy Plc news, in-depth information on Asharami Synergy Plc and career information please visit:  
[www.asharamisynergy.com](http://www.asharamisynergy.com)



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# Redefining Business

## Building A New System's Network

**F**ollowing the consolidation of the independent downstream operating entities of Sahara Group in 2016, Asharami Synergy Plc was born to realign and change the dynamics of Oil and Gas downstream activities through the development and implementation of a new Supply Chain Management System Network with the aim of consolidating Sahara's role as the leading brand in petroleum product procurement, warehousing, marketing, distribution, retailing and sales.

In spite of the economic challenges in Nigeria in 2017, Asharami Synergy Plc has remained focused on its vision of being the leading solutions provider and market leader in Supply Chain Management in the Downstream sector of the Oil and Gas industry across the African continent.

In line with our commitment to ensuring adherence to international best practices in the satisfactory and reliable management of our assets, operations and relationships, we have carried out our business operations and activities under the following key priorities:



Asharami Synergy Plc aims to continually improve its operational activities by striving to achieve service excellence to our stakeholders alongside ensuring sustainable growth today and in the future. This report provides information on significant activities and performances that focused on creating and implementing a sustainable system, whilst also providing guidance on some of our future plans for business sustainability to our stakeholders.

## Supply Chain Management Efficiency

The need to manage the inefficiencies in the Downstream sector of the Oil and Gas industry brought about the consolidation of the independent downstream operating businesses of Sahara Group to create Asharami Synergy Plc. This has culminated in the realignment of the business to focus on managing the Supply Chain Value system across the business streams using effective and efficient business intelligence and performance evaluation measures which provides key metrics to evaluate operational performance along the value chain. As such we have created an end to end management and monitoring system of our daily operations to close out the gaps and/or inefficiencies within the value chain towards ensuring increased efficiency, which has led to the development of new improved ways to maximize opportunities in moving the business to higher grounds in terms of wealth creation, profitability and value-added process improvement.

Our experience over the years in managing the various segments of the full value chain and improving the inefficiencies within these segments has set the dynamics to navigate the obstacles and gaps within the value chain of the future,



based on the visible changes in downstream business operations. Our Supply Chain Management system policy, processes and procedures developed and implemented prior to the consolidation has provided the framework in driving our vision.



## Business and Governance Management

As a business, our understanding is that the objective of Corporate Governance, is to drive stakeholder value maximization. We also recognize the fact that Corporate Governance transcends beyond financial performance and is a continuous journey towards ensuring improved processes for better decision-making, stakeholder satisfaction and sustainability.

Our governance mechanisms are embedded in our activ-

ities and operations to ensure a culture of sound governance practices. In this regard, we have developed and implemented our Corporate Governance Framework through our Corporate Governance Business Principles which are based on four cardinal points - **People, Conduct, Society and Environment**. Our Governance Framework and Business Principles commitments therefore hold us responsible to the following expectations:

### People



We treat our people with fairness, decency and respect whilst also developing our employees and encouraging them to reach their full potential.

### Conduct



We act with integrity, fairness and transparency while also complying with legal, regulatory and license requirements in every activity and each industry we operate

### Society



We work to ensure that neighboring communities' benefit from our presence on an enduring and sustainable basis and also support human rights within our area of influence.

### Environment



We make a positive contribution to the protection of the environment and go beyond compliance with local environmental regulations by ensuring we meet internationally accepted best practices.

Our governance operations are guided by the Security and Exchange Commission's (SEC) Corporate Governance Code and other best practices towards creating sustainable value for all stakeholders.

As an organization that ensures sound Corporate Governance practices, we are also looking forward to the revised and coordinated **Principles Based** Corporate Governance Code by the Financial Reporting Council, which is expected to come into effect in subsequent reporting years and would further align our Corporate Governance Practices to the **Apply and Explain** principles on how we are applying the principles.



## Social Relations Management

Asharami Synergy Plc strives to maintain a continuous high level of engagement with our key stakeholders. We recognize that stakeholders who feel that a company is responsive to their needs are likely to continue using the products and/or services of that business. Additionally, maintaining a transparent level of communication with stakeholders allows us to identify potential challenges before they come to a costly head.

We are dedicated to impacting our local communities through initiatives that are geared towards creating sustainable growth, gender parity, empowerment and economic development as well as complementing our role as a leader in driving the UN Sustainable Development Goals (SDG's) across all areas of business operations. We aim to continually evolve as a societal and environmentally conscious company, seeking to increase our societal and environmental footprints while actively engaging in activities that will yield a net positive impact on the society and environment as a whole.



As an ethical and people focused organization, we understand the importance of our employees as stakeholders to realizing the company's vision; therefore, we provide multiple avenues for continuous learning and development

As an ethical and people focused organization, we understand the importance of our employees as stakeholders to realizing the company's vision; therefore, we provide multiple avenues for continuous learning and development (including self-development through our **Personal Development Program (PDP)** towards ensuring continued positive impact in people and the way they conduct themselves and our business within the economy as a whole.

## Technological Advancement Management

The role of technology in delivering on our Supply Chain Management service expectations plays a critical part in enhancing our productivity and performance measurements thereby transforming Asharami Synergy Plc into a brand that is well equipped to meet the diverse needs of its markets and stakeholders.

In this reporting year, we have implemented various state-of-the-art testing facilities across all our operating locations allowing us to constantly ensure the high quality and integrity of our products.

We have completed the full deployment of our Oracle Enterprise Resource Planning (ERP) System which we are currently utilizing in managing and monitoring our business operations. Some of the activities which are now fully automated include the tracking of customer consumption patterns and assessing customer trends, tracking and monitoring distribution activities to ensure that they are in line with service level requirements. This enables us to better anticipate customer needs, supports efficient service delivery and decision making for our customers.

We also value the importance of market intelligence in proffering solutions to challenging questions about current and potential customers and competitors and developing internal goals for the company. Asharami Synergy's market intelligence analytical tool uses both private and regulatory sources of information across the value chain to create a broad picture of the company's existing market and growth potential for new regions, products and services.

Furthermore, with the implementation of our ERP automation process, we have fully automated our product trading and purchase platforms, which has led to investments in additional Business Intelligence technology solutions that offer our customers an opportunity to seamlessly integrate into our systems.

As part of our commitment for increased Technology Advancement Management for the future we are in the process of fully automating our warehousing and logistics terminal operating processes across the continent as well as our distribution and marketing operation to drive increased and an improved customer experience and satisfaction towards business sustainability.



As part of our commitment for increased Technology Advancement Management for the future we are in the process of full automation of our warehousing and logistics terminal operating processes across the continent



## Regulatory Management

Considering the fact that Asharami Synergy Plc operates in an industry that is heavily regulated, we are continually working on our policies, processes and procedures to ensure compliance with all applicable laws and regulations towards increasing our sustainability footprints. We understand that regulatory and compliance management must be handled diligently and requires clearly defined roles and responsibilities within the organization. In view of this, we have set up an Enterprise Risk Management and Compliance Systems (ERMC) that reports

directly to the Board towards managing risk and ensuring compliance with all regulatory compliance expectations.

We are also mindful that some of these regulatory requirements are potential risk challenges which could impact our environment. As such, we look beyond the requirements of the law to consider the impact of our compliance on the society and environment. During the reporting year, we established a Compliance Department and an independent Government Relations Department to strengthen our compliance drive.

In the 2017 reporting year, we recorded no fine or business disruption as a result of non-compliance.

Towards adherence to regulatory requirements, we implemented efficient and effective frameworks in line with the Board approved Risk Management and Compliance Strategy - Policies, Processes and Procedures - to manage our operational and sustainability risks with focus on these key areas - **Quality Control and Assurance, Consumer pricing, Health, Safety, Security and Environment as well as Corporate Responsibility.**

## Securing The Future

With continued review of Government policies and the activities of other major competitors and key stakeholders in the downstream sector, the business dynamics we foresee coming into play are major changes in the way operations are carried out within this sector.

Also, the growth in the African downstream markets across the continent is signaled by strong demand projections driven by a variety of factors that include projected growth in GDP, population and increased urbanization.

The outlook for the future projects huge opportunity potentials which is predicated on large gaps within the value chain across the continent resulting from infrastructural deficiencies and deficient network system management. This provides increased opportunities in the downstream market for sectoral participation, partnerships and investments to support the downstream market across the continent.

Our strategic focus on regions rather than countries will provide greater opportunities to create increased value through key downstream assets and network systems management, which will bring about improved competitive advantage and market participation in these identified markets, by investing in required infrastructure and putting in place efficient and effective supply chain management mechanisms to close the downstream inefficiencies towards improved and increased service delivery operations.

The focus of our system is improving supply chain efficiency, increased trading and supply of petroleum products, and redefining service delivery. We believe that our resilience, inherent prowess for competency and our quest **“to be the leading fuel solutions provider in Africa”** will set us on the right pedestal in becoming the one stop shop in service delivery and/or provision across the downstream value chain.

We will also be implementing collaborative strategic partnerships with local, regional and international partners in ensuring that we are adequately positioned to maximize service opportunities presented by the development of product management and marketing realities across all spheres.

In conclusion, Asharami Synergy Plc will continually create sustainable foot paths towards achieving our objectives as a company and embracing change in a dynamic Oil and Gas sector in Nigeria and Africa, as we pursue higher stakeholder value. To that end, we will continue to live and abide by the tenets of our business Core Values - Focus, Integrity, Excellence, Loyalty, Discipline and Sustainability (FIELD'S) to maintain Fairness, Accountability, Responsibility and Transparency through open communication with all our stakeholders and being attentive to their various interests.

I use this inaugural Sustainability Report for Asharami Synergy Plc to thank all our stakeholders for their support and encouragement in spurring us to achieving our goal **“to be the leading fuel solutions provider in Africa.”**

**Ade Odunsi**  
Chairman, Asharami Synergy Plc





# CEO's Message

In 2016, Asharami Synergy Plc was formed through the consolidation of Sahara Group's downstream operating entities with competencies across the downstream business value chain with our operating experience spanning over two decades. With business operations covering petroleum product procurement, inbound and outbound logistics, warehousing, marketing, distribution and retailing, the company has emerged as an efficient petroleum product solutions provider with supply and management processes driven by the adoption of innovative technology, state of the art infrastructure, and proper integration of business processes towards efficiency and effectiveness along the entire downstream supply chain.

Asharami Synergy Plc, which became fully operational in 2017, has become a leading vertically and horizontally integrated downstream business delivering petroleum products solutions across Sub-Saharan Africa.

- ✓ Sourcing, procuring and trading high quality refined petroleum products.
- ✓ Established in 1996 as the first Sahara Group Company
- ✓ Has Over 20 years of trading experience
- ✓ Core competence – Petroleum product procurement and transportation logistics between Europe, Asia and Sub-Saharan Africa

- ✓ The largest aviation fuel retailer operating out of Nigeria's four major airports
- ✓ Has about 24% of the market share of aviation fuel business
- ✓ Has airfield storage facilities with over 13 million liters of capacity
- ✓ Has strategic partnerships and global certifications within the aviation sector – ISO 14000, JIG, IATA

- ✓ Manages the retail sales of petroleum products.
- ✓ Manages and operates petroleum retail outlets across the West Coast of Africa – Nigeria, Ghana and Ivory Coast.
- ✓ Carries out petroleum product sales done through various retail outlets using an extensive marketing and distribution network strategy

- ✓ Manages state-of-the-art petroleum storage facilities
- ✓ Facilities warehouses all types of white petroleum products and chemicals
- ✓ Commissioned in 2002 as the first non oil-major owned storage terminal in Nigeria
- ✓ Has grown its capacity to over 60 million liters in storage capacity, located across Africa

**ASHARAMI**  
SYNERGY  
A Sahara Group Company

The operating and economic environment of 2017 witnessed many challenges, which were mostly driven by fluctuating trends in global oil prices, modifications to Nigeria's monetary and fiscal policies, economic recession and increased participation by Oil and Gas regulators in the downstream sector. It became ever more necessary to continuously evaluate and modify business strategies in order to remain competitive, profitable and sustainable.

Despite the challenges, Asharami Synergy's most significant success at the advent of the consolidation was the accomplishment of the record setting sale of **1,003,830 liters of Automotive Turbine Kerosene (ATK)** into planes at the Murtala Mohammed International

and Local Airports, Lagos State **in a single day without flight disruption.**

In line with its vision, **"to be the market leader in logistics and supply chain management in the Oil and Gas sector, providing efficient fuel solutions across the downstream value chain and beyond"**, the Management and Board maintained its commitment to the highest standards of service delivery, customer relationship management, enterprise risk management, compliance, supply chain and operational efficiency, stakeholder management, quality, health, safety, security, environment and human capital development.

Our sustainability report showcases our interesting history, coming from nine individual entities operating in the downstream sector, to the consolidation,

resulting in the advent of a formidable player in the Oil and Gas industry, seeking to take better advantage of the opportunities in the sector while redefining supply chain management efficiency.

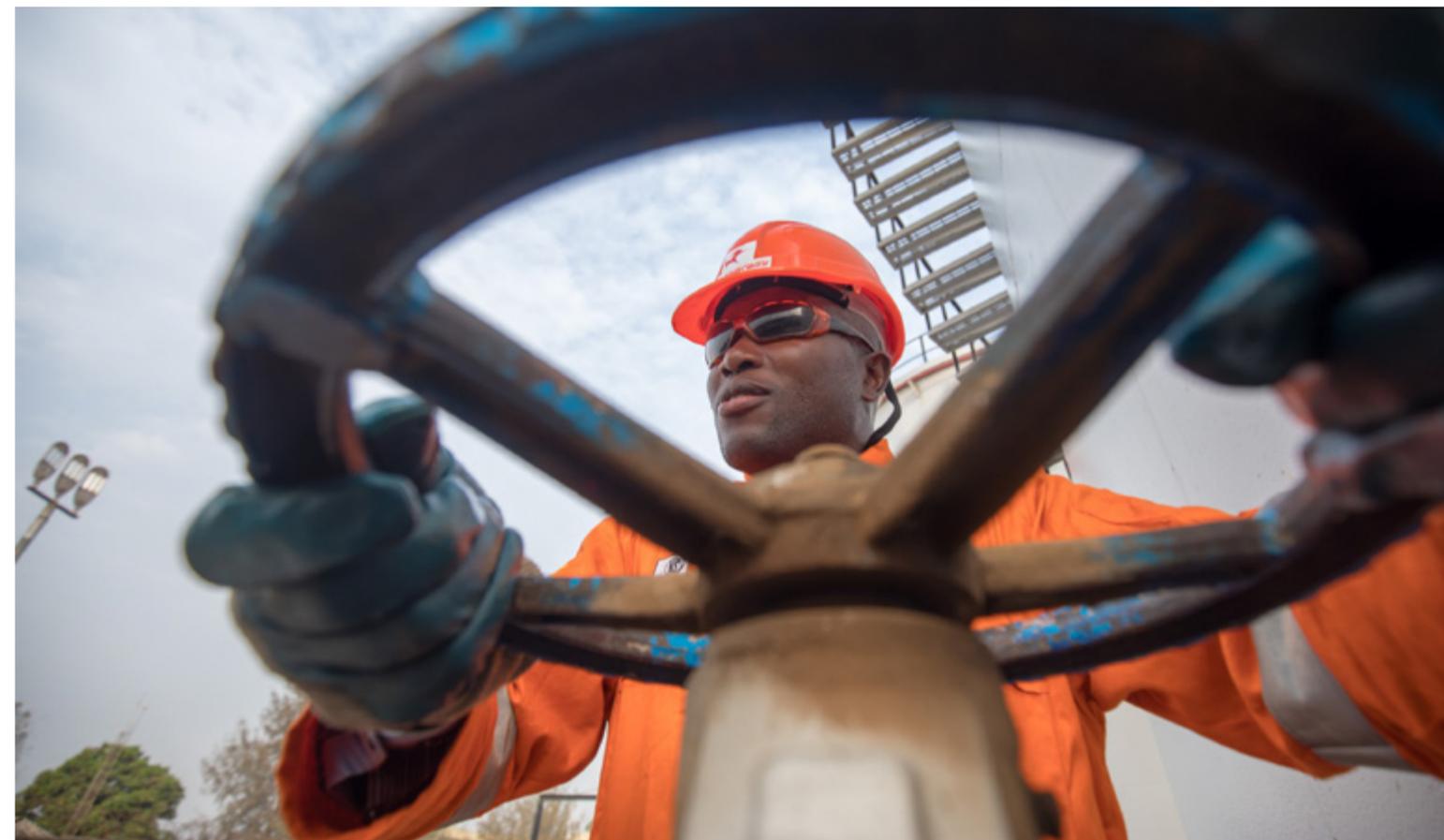
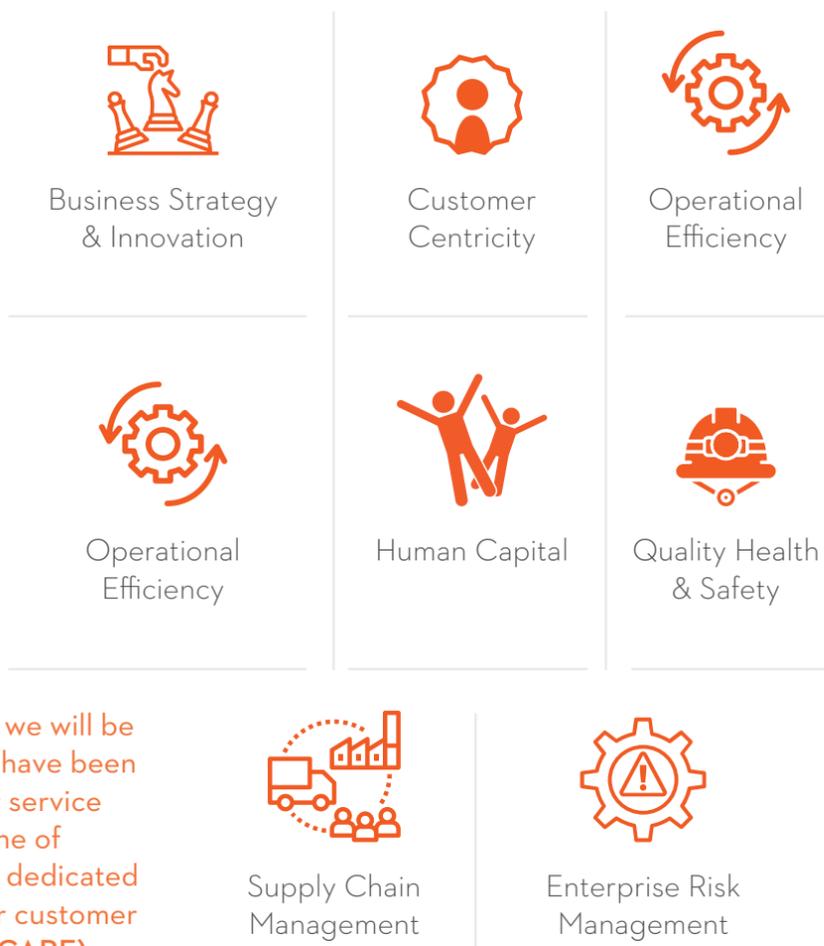
The report will also highlight our achievements and challenges in transforming the industry and sector through technology, innovation and creativity, leveraging on our human capital and the alliances and relationships built over the years, with our focus on the growth of our downstream business, maintaining strategic leadership in the industry and ensuring business sustainability.

## Customer Centricity

Asharami Synergy Plc's approach to business aims to provide customers with a memorable and positive service experience to ensure repeat business and sustainability. As an organization that understands the importance of customer satisfaction as the focal point for business operations, strategy and culture, we have put in place the required systems and measures towards building a strong, dynamic, customer centric brand. In order to provide the ultimate customer experience, upon consolidation, Asharami Synergy Plc restructured its customer segmentation and account management systems, created additional communication channels for all categories of customer, conducted several customer fora for customer engagement and expanded the commercial unit for improved service delivery operations in line with its focus on Supply Chain Management value creation.

In subsequent reporting years, we will be articulating steps which would have been taken to improve our customer service relations across all locations, one of which is the establishment of a dedicated customer care unit and 24-hour customer service help lines (ASHARAMICARE).

### KEY PRIORITIES



## Operational Efficiency

Asharami Synergy Plc's operations activities covers all areas of the downstream value chain. This includes vessel chartering, importation of clean petroleum products, construction, maintenance, management and operation of state-of-the-art warehousing and logistics facilities, design, construction operations and management of retail service and sales fuel stations, sea and land distribution of petroleum products, sale of aviation fuels and provision of third-party delivery and logistics services across the downstream value chain.

The import and vessel chartering operations functions witnessed significant progress with the introduction of multi grade loading approach to optimize

freight costs, use of multi-purpose vessels for cargo delivery and a strict vendor selection process in line with our **Know Your Customer and Business Partner (KYC/BP)** process for service providers. Cost minimization was achieved through a reduction in turnaround time on cargo operations.

With shore and inland warehousing and logistics facilities strategically located across Nigeria and other regions within the continent, we provide high level service to our customers with our focus being customer centricity. We ensure that our facilities remain operational under the highest quality, health, safety, security and environmental standards. We enforce the highest levels of good

housekeeping, preventive maintenance and encourage risk reporting.

With a fleet of over twenty (20) bowsers spread across the airport depots in Lagos, Abuja, Kano and Port Harcourt in Nigeria alone, we achieved a 24% market share of the aviation fuel industry in the 2017 reporting year. Our bulk and retail distribution of petroleum products has been executed using the highest global standards with certifications in **ISO 9001:2008, ISO 14007:200 and OHSAS 18001:2007.**

We have been successful in enhancing the value chain of product movement, warehousing, logistics and service delivery which has contributed to improved brand recognition and customer loyalty.



**24%** Market Share of the Aviation fuel industry in Nigeria



Industry leading operational certificates



## Enterprise Risk Management

Organizations today are faced with unprecedented level of business complexity from both external and internal, inherent and emerging risks leading to the increased need for risk management in business decision making, which aims to foster economic, environmental and social sustainability of the business.

Enterprise risk management (ERM) in Asharami Synergy Plc sets to maintain critical balance between the pursuit of opportunities and the need to have the necessary control needed to manage the risks facing the entire supply chain.

In this regard, we have categorized our key risks into **strategic, reputational, financial, operational, political/country/**

**region, regulatory and compliance, project and human resource risks**, in line with our risk framework developed in collaboration with PricewaterhouseCoopers.

The Board and Management of the organization set the **tone-at-the-top** for risk management through the active participation in risk learning and development sessions as well as workshops held across all our locations. The sessions were well received and contributed effectively in building the risk culture required for any successful organization operating in today's global business environment. We redefined the company's risk appetite, processes and assessment methods to meet existing business needs.

Operating in a heavily regulated industry, the regulatory compliance checks sought to ensure the company conformed adequately to regulatory requirements as well as processes and procedures.

As part of the risk governance structure, we have established the Executive Management Risk Committee as well as Business Risk Champions for effective management of both strategic and operational risks as well as effective risk and opportunities reporting. This is in addition to the fact that we have a Board Risk Management Committee with the overriding objective of supervising and advising on the Enterprise Risk Management strategy for Asharami Synergy Plc.

Asharami Synergy Plc's workforce is highly diverse, comprising people from various professional, socio-economical and ethnic backgrounds brought together by our culture of providing fair treatment and equal opportunity to all



## Human Capital

Asharami Synergy Plc's workforce is highly diverse, comprising people from various professional, socio-economical and ethnic backgrounds brought together by our culture of providing **fair treatment and equal opportunity** to all. We invested adequately in empowering our workforce, building competencies and improving capabilities required for the achievement of the organization's vision. This investment is imperative considering the diverse nature of staff from the different combining entities.

The company pays special attention to the learning and developmental needs of our staff. This is achieved by creating platforms that build an enabling environment, support learning and enhance productivity. We carried out our annual learning and development needs analysis of all staff with line management to identify skill gaps, develop comprehensive learning and develop-



## Quality, Health, Safety And Environment (QHSSE)

In our quest for business sustainability and customer satisfaction, we have ensured that we have an uncompromising attitude to product quality. Our processes and procedures ensure that we continue to supply high quality products. In Asharami Synergy Plc, we strive to attain and maintain best practice in the downstream sector in which we operate. We understand the value of our people and corporate responsibility to all stakeholders; and therefore, conduct our business with no compromise to quality or safety.

In the 2017 reporting year, we took a proactive approach to Quality, Health, Safety, Security and Environment (QHSSE) across all our locations through the design of a comprehensive QHSSE process which is inclusive of plan, workshops and seminars, standardization of on-site laboratories, preventive maintenance, incident reporting and close out, safety and emergency drills, alcohol and drug testing, toolbox safety, communication of QHSSE matters to all staff, compliance to internationally accepted operational standards and performance monitoring of QHSSE leading and lagging indicators. This has facilitated our commitment to improvements in our aviation fuel testing standards through the establishment of an upgraded standard world class laboratory at our Murtala Mohammed Airport Aviation facility in Lagos.

Considering the high level of operational activities across all our locations, we concluded the 2017 reporting year recording zero fatalities on the job and zero loss of assets. This highlights the commitment of both the Board and Management to prioritizing quality health, safety, security and environmental matters whilst managing the business.

In the reporting year, we successfully re-certified our Quality, Health, Safety, Security and Environmental status - ISO 9001-2008 (Quality Management Systems), **ISO 14001-2004 (Environmental Management System) and OHSAS 18001-2007 (Occupational Health and Safety)**.

As part of our goal for the next reporting year, we would be working on upgrading our company's processes towards attaining and receiving the ISO 9001-2015 (Quality Management Systems) certification. The shows our willingness to continually strive to adopt international and industry best practice in the execution of our daily operations, whilst seeking improved processes and procedures to drive our performance in line with our sustainability footprint objectives.

**ee** As part of our goal for the next reporting year, we would be working on upgrading our company's processes towards attaining and receiving the ISO 9001-2015 (Quality Management Systems) certification.





## Business Innovation Strategy

Asharami Synergy Plc's focus on maintaining and operating an efficient and effective system has ensured that we apply various strategic management principles to periodically evaluate business goals and objectives. The organization's strategic initiatives encourages a proactive approach to business analysis and information generation in order to provide decisions-making processes in line with our objectives of business expansion and growth.

In the 2017 reporting year, we focused our investment plans on strategic infrastructural developments across Nigeria, some of which are the establishment of an aviation fuel depot in Kano State, expansion of tank capacities in selected depot facilities, acquisition of retail stations across Nigeria for increased brand visibility and sales, business diversification into lubricants and other fuel oils, and other selected projects and partnerships.

Innovation is critical to our success in this sector because of the ever-increasing degree of changes in our business environment and our need to remain dynamic, relevant and in tune with our operating environment. We will ensure that we are always a step ahead by applying modern technological approaches to business management and brand representation.

In the next reporting period, we plan to create a dedicated business innovation team which will be responsible for analyzing and assessing the technological needs of the organization towards developing, implementing, monitoring and managing the required tools and/or applications required for improved operations in order to be more effective, efficient and globally competitive.

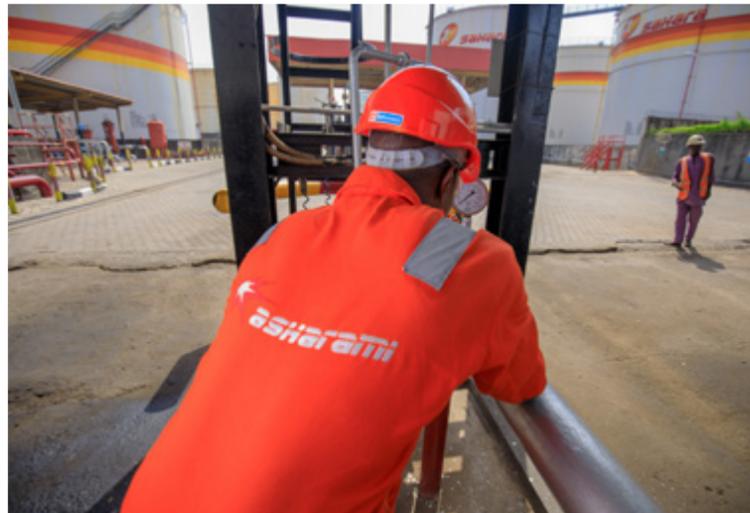
## Supply Chain Management

The understanding of the downstream value chain given our over two decades of experience managing independent operating businesses along the value chain has provided us the opportunity to redefine the business processes and improve on the inefficiencies within the value chain.

Asharami Synergy Plc's objective is to be a market leader in supply chain management with our current focus on the downstream sector. In order to achieve this, we have expanded our vision to include offering value-added efficient services across the downstream supply chain without relying solely on refined product supply, logistics, storage and bulk, retail sale and distribution.

Our key indices to assess operational performance are cost minimization, asset efficiency, and supply chain management efficiency from product source to end user, market intelligence, relationship management and partnerships. We deployed the use of business intelligence and performance evaluation matrices, monitored daily operations of business units for maximum efficiency and developed innovative ways to improve business processes towards wealth creation and value maximization.

We recognize that efficiency in the supply chain system is about meeting and surpassing stakeholders'



**Asharami Synergy Plc's objective is to be a market leader in supply chain management with our current focus on the downstream sector.**

## Challenges

During the reporting year, the Nigerian economy went into a recession which created more challenges in the area of Foreign Exchange (FOREX) management to meet our import requirements in line with our internal budget management process. Though the exchange rate was relatively stable in the first half of the year, there were increased levels of fluctuations in the second half of the year and we were not insulated from these fluctuations and attendant exposures.

The continued regulation of the Petroleum Motor Spirit (PMS) by the Government remains a major bottleneck in improving the efficiencies along the value chain. We are of the opinion that the industry will operate better in a deregulated policy regime.

The sector also witnessed increased and intense competition during the reporting year. The overall impact on our company is a reduced margin occasioned by price pressures.

For the purposes of managing these local challenges, we have adopted new strategies geared towards business expansion across the continent. This has seen us enter into new markets in the East African region (Tanzania, Zambia and Kenya) whilst continually looking out for other opportune areas within that region and other regions of the continent in subsequent reporting years.

In conclusion, our theme for the 2017 Sustainability Report is "Redefining Business - Building a New System's Network". In Asharami Synergy Plc, we understand that the emerging 'downstream of the future' will require many changes to existing business models. It is no longer business as usual, and in order to redefine business, achieve and retain market leadership and develop mastery of the downstream value chain, we are putting in place the necessary structures towards increased wealth creation by utilizing technology, innovation, risk management and industry best practices to build a brand focused on the pursuit of excellence.

**Moroti Adedoyin-Adeyinka**  
Chief Executive Officer  
Asharami Synergy Plc.



## Company & Profile

# Who We Are

Asharami Synergy Plc is an Oil and Gas company operating in the downstream sector, emerging from a consolidation of Sahara Group companies with interests in procurement, warehousing and logistics, marketing, distribution, retailing and sale of white products across Nigeria and Africa. We are driven to develop an efficient, effective and sustainable product supply and delivery management process through the adoption of innovative technology and infrastructure for improved efficiency along the entire downstream value chain.

As an organization with a vision of improving the efficiencies of the downstream value chain, we leveraged on

our capacities and capabilities gained through the operation of our independent affiliates to bridge the existing gap currently faced by the sector. We birthed the theme **"Sustainability through Synergy"** and have been continuously developing strategies and frameworks required to improve identified inefficiencies inherent in the downstream value chain.

We started the re-engineering process through an in-house strategic consolidation of various Sahara Group's affiliate companies to enhance the envisioned Supply Chain Management System efficiency towards wealth creation and deliver increased value to the company whilst taking advantage of numerous opportunities.

## Our Vision

To be the market leader in logistics and supply chain management in the oil & gas sector, providing efficient fuel solutions across the downstream value chain and beyond.

## Our Mission

To create a sustainable business centred on adding value in the downstream oil & gas sector by redefining supply chain management, while creating an environment that respects and values people from diverse backgrounds and enables all employees to do their best work.

## Ownership Structure

Asharami Synergy Plc is a 100% privately owned downstream sector of the overall Oil and Gas value chain, with a focus on redefining the downstream business through the development, implementation, monitoring and management of the inefficiencies within the sector's value chain, by providing flexibility of a Supply Chain Management System for customer satisfaction.

## Our Core Values

At Asharami, we believe that the sum of the individual efforts is better entrenched through the synergy of the individual streams towards a greater whole. As such we have introduced an environment where our people work as a team thereby re-enacting the synergetic effect of two are better than one in addressing gaps within a system in order to make them more efficient and effective in achieving our goals.

We also believe that for us to achieve this, all employees must conduct themselves with the highest level of integrity in line with our sustainability footprint. This we have reflected and harnessed in our core values - Focus, Integrity, Excellence, Loyalty, Discipline and Sustainability which is captured in our acronym **F-I-E-L-D'S**.



## What We Do

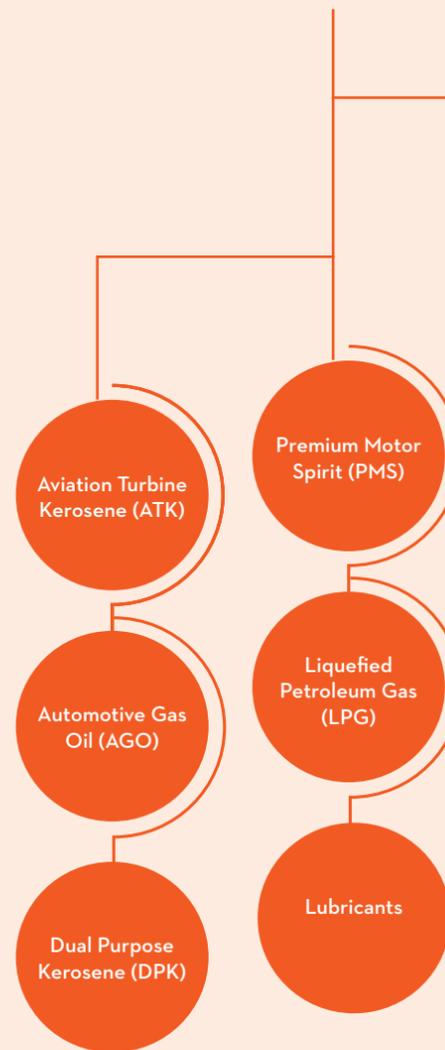
Asharami Synergy Plc's business activities is divided along the four major areas of the downstream value chain. They are categorized into the following - **Trading and Supply Management, Warehousing and Logistics Management, Marketing and Distribution Management and Retailing and Sales Management.**





# Trading And Supply Management

Asharami Synergy Plc is involved in the sourcing, procurement and supply of petroleum products. Some of the key products traded are



## Our trade and supply activities

### Product Sourcing

Involves the sourcing and procurement of petroleum products from affiliate refineries, other third-party trading companies and government agencies locally and internationally.

### Supply Operations

One of our major specialties is in the provision of supply logistics towards ensuring an end-to-end delivery of products to our clientele. As part of our supply management capabilities, our offering includes but not limited to the following towards achieving our business objectives and creating sustainable platforms for our clients

#### Vessel Chartering:

Spot and long-term hire of high-grade vessels.

#### Cargo Delivery:

Efficient product delivery services

#### Product co-loading and Sourcing:

We provide these services on behalf of third-party businesses with low capacity potentials for managing large vessel chartering services.



## Warehousing and Logistics Management

With over two decade's experience in building, operating, maintaining, monitoring and managing warehouse and logistics facilities in the downstream Oil and Gas sector of the economy, Asharami Synergy Plc provides warehousing and logistics terminals across Nigeria and other regions within the African continent. Our terminals are strategically located towards ensuring the steady supply and distribution of petroleum products is available to our customer. To achieve this, Asharami Synergy Plc has invested in warehousing and logistics assets as well as built up human and material capacity towards ensuring business sustainability in our Supply Chain Management System

### Some of our key capabilities include but not limited to the following

Operations of seven (7) bulk warehousing and logistics terminals in Nigeria with a total capacity of approximately 81 million liters, which are ISO-certified for petroleum products warehousing.

Operations and management of bulk warehousing and logistics terminals in Ghana and Tanzania.

Building, operating, maintaining, monitoring and managing bulk petroleum warehousing and logistics terminals for Premium Motor Spirit (PMS), Aviation Turbine Kerosene (ATK), Automotive Gas Oil (AGO), Dual Purpose Kerosene (DPK), Liquefied Petroleum Gas (LPG) and Jet Fuel Hydrant systems.

Warehousing, logistics and distribution of all categories of petroleum products from our terminals to major oil & gas marketing companies, medium and small Oil and Gas marketing companies as well as retail end users.

Distribution capabilities using barges, road tankers and aviation fuel bowsers

Provision of state-of-the-art fuel testing facilities for all categories of petroleum products in line with international best practice standards for quality assurance requirements.



**7** Bulk Warehousing & Logistics Terminal

**81** Million Liters Storage Capacity



## Marketing and Distribution Management

At Asharami Synergy Plc, our approach to marketing and distribution management cuts across all sections of the downstream Oil and Gas value chain. Our experience over the years as independent companies operating along the value chain has provided us the requisite knowledge for developing a new Systems Network that enhances the management of the inefficiencies along the value chain.

Our marketing and distribution management activities include but not limited to the following

Bulk product marketing and distribution, Commercial & Industrial marketing and distribution, Door-to-door marketing and distribution, Retail marketing and distribution, Lubricant marketing and distribution and Aviation fuel marketing and distribution

Handling of product distribution from our warehousing and logistics terminals directly to our customers.

Efficient and effective end-to-end marketing and distribution channels, which utilizes state-of-the-art, innovative technology solutions to improve efficiency in our business operations and service delivery.

Our warehousing and logistics operations makes us a high-level ranking member of the **Depot and Petroleum Marketers Association of Nigeria (DAPMAN)** where our impact is significant to setting out current and future roadmaps for efficient and effective warehousing and logistics management services in line with our sustainable footprints.



## Retail and Sales Management

At Asharami Synergy Plc, our retail and sales management strategy has helped in our growth and visibility along the downstream value chain. Over the years, we have implemented our retails and sales strategy which has seen us grow to be among the top 3 aviation fuel sales business in Nigeria.



Our retail and sales management activities has provided us the opportunity to access new markets in Nigeria and across the African continent making us a major contributor to the supply chain management activities for various end users which include but not limited to the following;

- Business to Business (B2B) businesses
- Door to Door (D2D) individuals and businesses
- Into Plane services for major airlines which include - **British Airways, Emirate Airlines, Qatar Airlines and other local operating Airlines.**

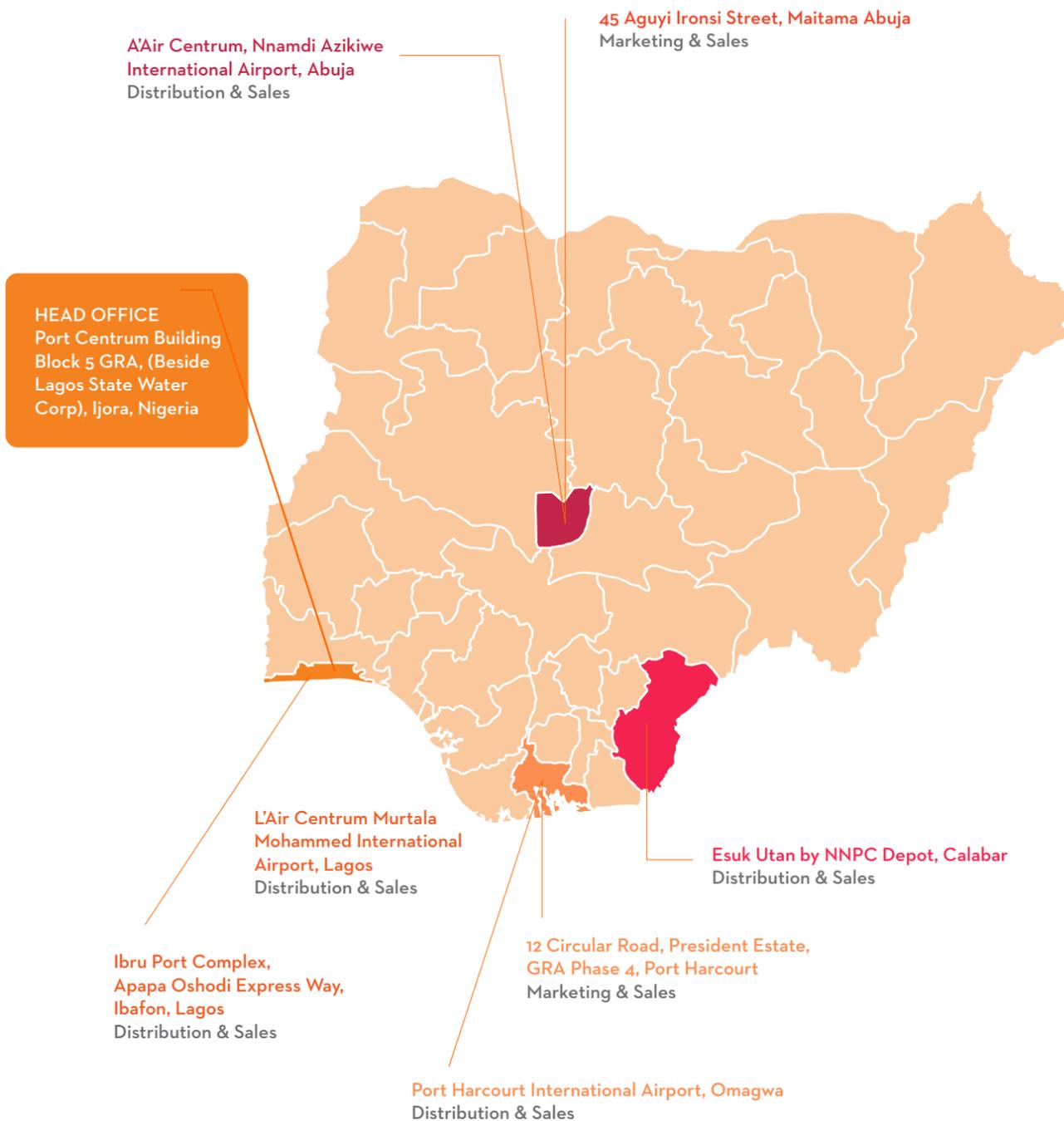


# Where We Are

Asharami Synergy Plc has its Corporate Headquarters in Lagos Nigeria, with operational business offices in others states of Nigeria as well as West Africa - Ghana and East Africa - Tanzania and Zambia.

As part of our drive in creating, implementing and managing efficient Supply Chain Management Systems in the downstream Oil and Gas sector, there are plans to open additional offices across Africa in subsequent reporting years towards entrenching our sustainability footprints.

## Nigeria

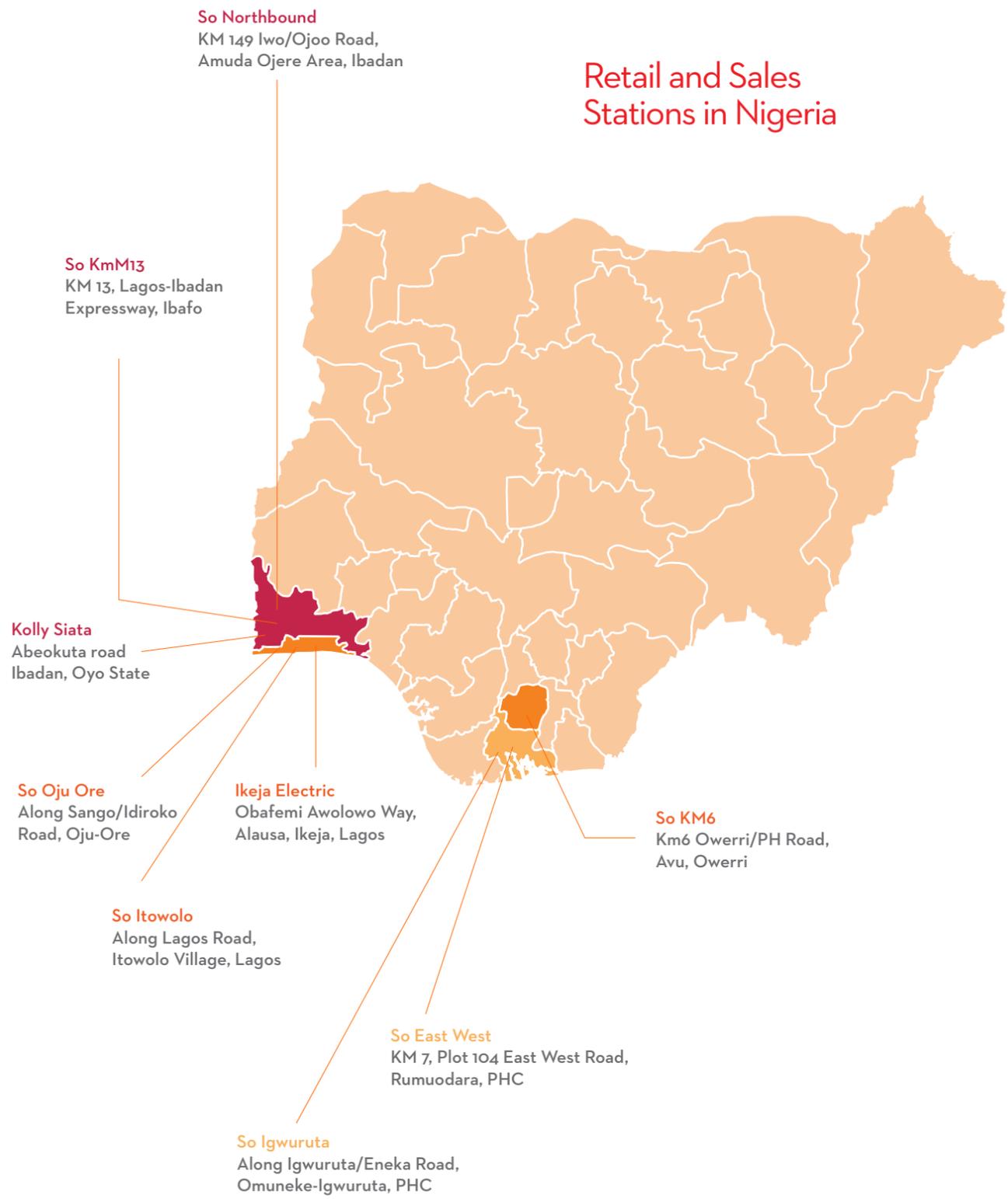


## Storage locations in Africa

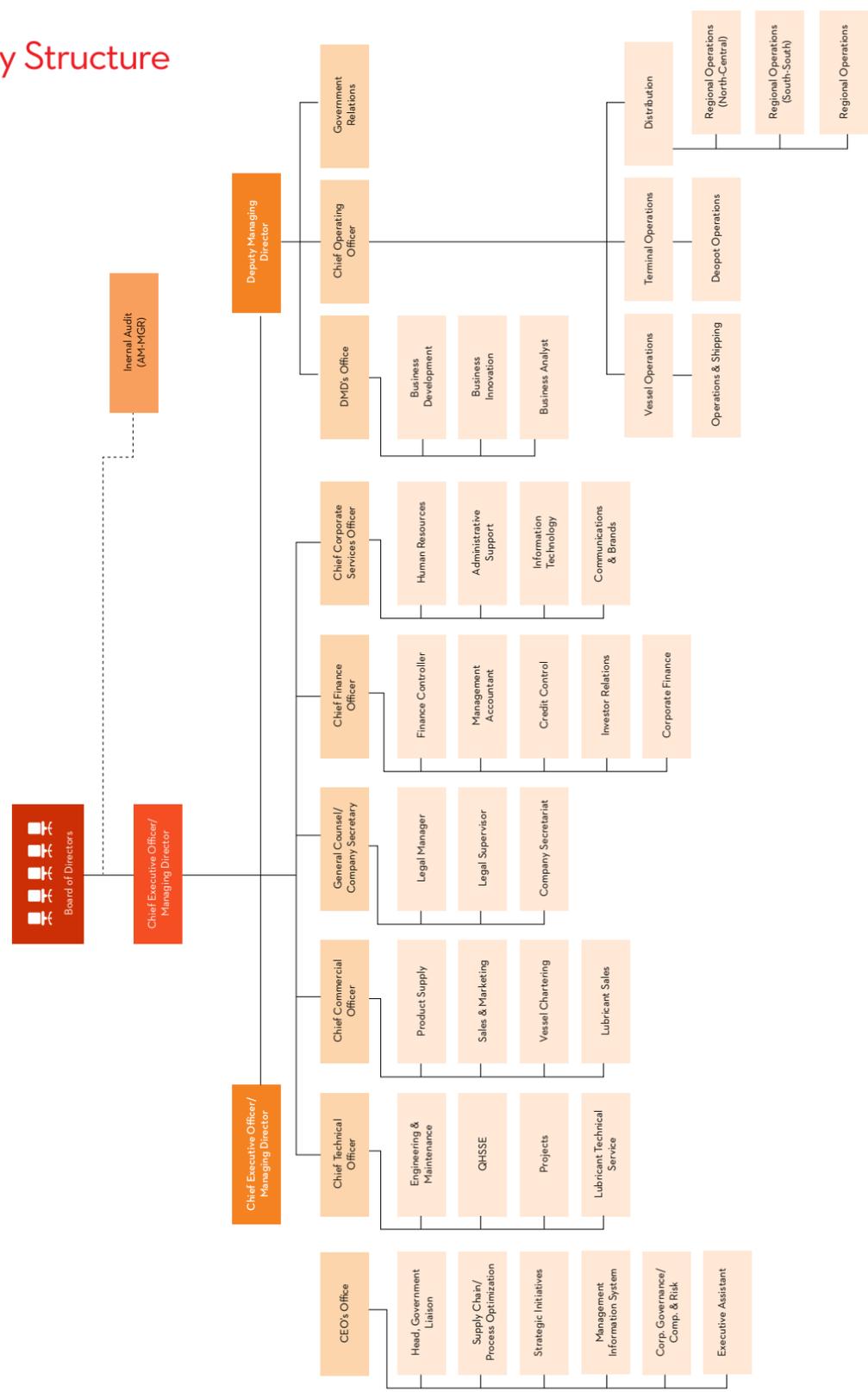




### Retail and Sales Stations in Nigeria



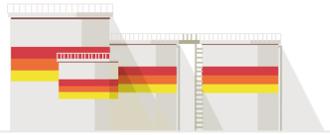
### Company Structure





**Sustainability**

# Key Figures



**163,760,000**  
Liters of Storage



**N126Billion**  
Revenue



**1893 1019**  
Number of Learning & Development Hours



**N62Million**  
Spent on Community projects & PCSR



Employee Distribution

# Our Sustainability Commitment

With a focus on redefining business through major improvement in the downstream value chain, Asharami Synergy Plc will be Building a New Systems Network using its innovative supply Chain Management system. This will be the beginning of the journey to the growth transformation in the sector and the Nigerian economy.

By understanding our role as a major player in the downstream sector, we are implementing our sustainability footprint journey in reshaping the sector throughout our business value chain. We remain committed to the sustainable development of our host communities and business environment achieved by conducting business activities in a fair, accountable, responsible, transparent and sustainable manner. We will continually take deliberate steps to ensure that while meeting our business needs, we do not compromise the ability of future generation to meet theirs.

**Our commitment to sustainability has ensured that our aviation operation conforms to the requirements of Joint Inspection Group (JIG) for aviation fuel quality control and operating procedures.**

Our unwavering commitment to the sustainable development of Asharami Synergy Plc is demonstrated by the fact that immediately after the consolidation of the independent companies; we realigned our Supply Chain Management process for business, social and environmental sustainability. By so doing, we have ensured that all areas of our business activities – Trading and Supply Management, Warehousing and Logistics Management, Marketing and Distribution Management and Retail and Sales Management – are in line with internationally

accepted best practices. From product sourcing, where we have implemented several processes and necessary standard check lists to ensure products are purchased in line with approved specifications and standards, to the area of supply logistics management for procured products, we have recorded zero incident of spillage during our vessel and shore operations during the reporting year.

Our commitment to sustainability has ensured that our aviation operation conforms to the requirements of Joint Inspection Group (JIG) for aviation fuel quality control and operating procedures. This commitment to high standard levels has seen us as members of the JIC technical committee over the last five years.

During the reporting year and as evidence to our commitment to sustainability, Asharami Synergy Plc did not record any negative incident in relation to our aviation fuelling and business activities.

**During the reporting year and as evidence to our commitment to sustainability, Asharami Synergy Plc did not record any negative incident in relation to our aviation fuelling and business activities.**

# International Operating Standards

Our commitment to sustainability has ensured that Asharami Synergy Plc develops, implements and applies only internationally acceptable best practices across all areas of our operation. This is in our continued quest to run an efficient and sustainable organization.

Our business operations as well as our Quality, Health, Safety, Security and Environment (QHSSE) policies, processes, procedures and methods have been designed to be consistent with global operating standards. For example, our aviation operations are in line with the JIG standard as well as all other relevant local standards and regulation.

Our processes and procedures have been reviewed and certified in line with International Organization for Standards (ISO) ISO 9001-2008 (Quality Management Systems), ISO 14001-2004 (Environmental Management System) and OHSAS 18001-2007 (Occupational Health and Safety).

Our Enterprise Risk Management practices align with Committee of Sponsoring Organizations of the Treadway Commission (COSO) as well as ISO 31000.



# Our sustainability commitment is enshrined in our Corporate Governance Business Principles which are set out below:



- ✓ We treat people with fairness, respect and decency
- ✓ We help employees to develop their potential
- ✓ We provide health, safe and secure work environments



- ✓ We act with integrity, fairness and transparency
- ✓ We comply with legal, regulatory and licence requirements



- ✓ We work to ensure that neighbouring communities benefit from our presence on an enduring basis
- ✓ We support human rights within our areas of influence



- ✓ We make a positive contribution to the protection of the environment
- ✓ We go beyond compliance with local environment regulation to meet internationally accepted best practice

# Corporate Governance and Ethics



Asharami Synergy's corporate governance structure was developed in line with the provisions of the Nigerian Security and Exchange Commission's Code of Corporate Governance, international best practices in corporate governance and Board operations

In our journey to redefine business, we understand the need for sound corporate governance systems towards driving our stakeholder value maximization – Economic, Social and Environmental. As such, Asharami Synergy Plc has developed its corporate governance framework and business principles to be focused on Our People, Our Conduct, Our Society and Our Environment.

Our corporate governance structure is based on the principles of Fairness, Accountability, Responsibility and Transparency using well-articulated mechanisms to embed them in our three levels of governance operations – Strategic (Board of Directors), Operational (Executive Management) and Application (Employees).

Our corporate governance framework describes the principles and processes which guide our people in conducting the affairs, business operations, ethics, norms and values, service delivery, and customer relations. We are committed to maintaining the highest standard of corporate governance while taking into cognizance the expectations of our stakeholders.

Asharami Synergy's corporate governance structure was developed in line with the provisions of the Nigerian Security and Exchange Commission's Code of Corporate Governance, international best practices in corporate governance and Board operations. We have also ensured that all employees and members of the Board of Directors have attested to the Corporate Governance Business Principles, thereby ensuring that everyone is conversant with the policies, processes, and procedures which are in place towards guaranteeing fairness, accountability, responsibility, transparency, and efficient risk management.

## Ethics

- ✓ Loyalty, Honesty & Integrity
- ✓ Demonstrate Competence & Quality of Service
- ✓ Employee Conduct
- ✓ Dealing with Third Parties
- ✓ Conflict of Interest
- ✓ Protection and Use of Company Assets, Resources and Information
- ✓ Compliance Laws, Rules, Regulation, Policies, Processes and Charters
- ✓ Maintaining Accurate Books of Records
- ✓ Reporting Breach of Compliance with Code
- ✓ Compliance with Codes

Our corporate governance framework and business principles are further strengthened by Asharami's Code of Ethics and Professional Conduct referred to as "the Code". The Code sets out 10 principles and guidelines by which every member of the organization must conduct themselves and their activities towards excellent service delivery.

Our ethical behavior is additionally supported by our established business principles. The 'Asharami Synergy Plc Business Principles' set out and establishes our core beliefs and behaviors and guides the way that Asharami Synergy Plc and its employees conduct our business. As a company we believe there is no trade-off between our performance and principles, as such the Business Principles provides additional Board Governance Policies that guide our four cardinal principles of – People, Conduct, Society and Environment.

At Asharami Synergy, our sustainable long-term success is based on the highest level of integrity in business relationships, providing best practice in the development of our people, provision of a safe and secure working environment and treating every member of staff and all other stakeholders with fairness and respect.

With the development of the Asharami Synergy Plc business principles, our aim as a business is to deliver outstanding performance over the long-term. This is hinged on the basis that our people are a critical attribute to achieving our objectives as such creating the right people policies will drive our activities when it comes to conducting our business activities, dealing with the society and managing a sustainable environment

## Board of Directors

The Board of Directors ("the Board") is the highest decision-making body in the organization. The activities of the Board are regulated by the applicable laws including the Companies and Allied act, the SEC Corporate Governance Code as well as constitutional documents such as Board and various Committees Charters, the Corporate Governance Framework and Business Principles.

Asharami's Board of Directors are integral to the corporate governance strategy development and management of Asharami Synergy Plc. The Board formulates and approves the broad corporate governance framework and provides the necessary oversight, direction and supervision in the implementation and management of the instituted frame-

work. The Board drives the framework expectations through various Board committees which have the responsibility of direct oversight and supervision.

The Board is responsible for strategic planning, policy formulation, regulatory compliance, risk management, succession planning and oversight on remuneration.

## Governance structure and composition

The size, scale and complexity of Asharami Synergy Plc were considered in designing the Board composition. The Board of Asharami Synergy Plc consists of seven directors of diverse background bringing their wealth of experience in the company's operations. We

are expecting one member of the Board to retire in 2018 and will make necessary arrangements to replace the member with the right complement individual to join the Board.

## Board Committees

For efficient running of the activities, the Board has established the following Committees:

- ✓ Governance and Nomination Committee
- ✓ Remuneration Committee
- ✓ Statutory Audit Committee
- ✓ Risk Management Committee

## Executive Management

The Executive Management of Asharami Synergy Plc is responsible for executing and operationalizing the company's corporate strategy and policies in line with the Board's approval. The goals and objectives as set by the Board are executed by the Asharami Synergy Plc's Executive Management led by the Managing Director and Chief Executive Officer – Mrs. Moroti Adedoyin-Adeyinka.

For optimal operation and business performance, the Executive Management categorized the business operations into two major groups:

- ✓ Core Operations
- ✓ Support Services Operations

The Core Operations comprise of business units responsible for managing the specific functions of – trade and supply, warehouse and logistics, marketing and distribution and retail and sales towards ensuring product availability and delivery to our customers.

The Support Services Operations comprise of the units responsible for managing the services delivery functions, this includes finance, accounting, risk management etc. They provide these services towards ensuring that the Core Operations have the required information and data to manage the activities under those areas.

The Executive Management is comprised of the following:

- ✓ Managing Director/Chief Executive Officer
- ✓ Deputy Managing Director
- ✓ Chief Operating Officer
- ✓ Chief Technical Officer
- ✓ Chief Commercial Officer
- ✓ General Counsel/Company Secretary
- ✓ Chief Finance Officer
- ✓ Chief Corporate Services Officer

The Management Team is comprised of the following:

- ✓ 1. Chief Executive Officer
- ✓ 2. Deputy Managing Director
- ✓ 3. Head, Governance, Risk Management & Compliance
- ✓ 4. Head, Strategy and Supply Chain Management
- ✓ 5. Chief Operating Officer
- ✓ 6. Head, QHSSE
- ✓ 7. Head, Distribution
- ✓ 8. Chief Technical Officer
- ✓ 9. Chief Commercial Officer
- ✓ 10. General Counsel/Company Secretary
- ✓ 11. Chief Finance Officer
- ✓ 12. Chief Corporate Services Officer



# Enterprise Risk Management (ERM)

Risk management in Asharami Synergy Plc is an essential management tool which is used to drive efficiency, value creation and sustainability. Enterprise risk management (ERM) is present in all aspects of our operations and is a critical factor towards achieving the company's vision "to be the market leader in logistics and supply chain management in the oil & gas sector, providing efficient fuel solutions across the downstream value chain and beyond".

With the continued increase in global business activities, top executives and leaders of organizations are facing unprecedented level of business complexity, changing geopolitical threats, new regulations and legislation and other emerging risks, including those already inherent in the business. Also, as we expand our global business activities, we are continuously experiencing pressures to evaluate and modify business strategies in order to remain competitive, hence the continuous deployment of risk management methodologies across the business.

In order to move our global risk management capabilities from reaction to prediction, we have re-evaluated our risk strategies and in the 2017 reporting year, we have implemented an improved Enterprise Risk Management (ERM) system, which helps to maintain critical balance between the pursuit of opportunities and the need to have a firm control over risks facing the entire supply chain.

The new ERM framework set out to re-define our risk appetite, philosophy, culture, objectives, stakeholders, processes, procedures and assessment methods. The **Risk Management Governance Framework** was developed in collaboration with PricewaterhouseCoopers (PWC) to establish and sustain leading risk management practices and provide a high-level framework for the consistent management of risk across Asharami Synergy Plc.

The Framework was developed in line with the commitment of the Board of Directors and the Executive Management of the Company to achieve its strategic business objectives and to grow its risk management maturity level. **The framework aligns with the Committee of Sponsoring Organizations of**

**the Treadway Commission (COSO) and the ISO 31000:2009 risk management framework.**

As part of the implementation of the approved ERM framework our risk and compliance unit carried out company-wide enterprise risk management learning and development sessions for all employees aimed at increasing the knowledge level of risk management and build the risk culture.

The Learning and Development workshops held in the Lagos, Port Harcourt and Abuja locations and enjoyed high level of participation amongst employees and benefits have been seen via the exhibition of risk-based thinking and analysis on the job and in decision making. The workshops also set the tone for the development of unit and aggregated risk registers used for ongoing risk management activities.

The establishment of the Executive Risk Management Committee has enhanced the integration of risk management in strategic planning and management of high-level risks. The appointment of Risk Champions who have the requisite business process knowledge and skills, have contributed to the achievement of organization's overall risk management objectives. Monthly and quarterly risk reporting to business units, Management and Board has helped in risk effective communication and mitigation.

The **RiskMaster**, the company's quarterly risk management newsletter came into publication in the 2017 reporting year and is circulated to all employees and members of the Board for the purpose of continued risk education and information.

**We have implemented an improved Enterprise Risk Management (ERM) system, which helps to maintain critical balance between the pursuit of opportunities and the need to have a firm control over risks facing the entire supply chain.**

# Materiality

In this inaugural edition of our journey into sustainability reporting, our focus are on issues that are significant and material to our stakeholders towards getting a better understanding of our materiality tangent in support of our drive towards sustainable development. We have gone about getting the needed feedback through constant engagement and dialogue with our stakeholders.

## Process for determining report contents

In determining areas of key interest to our stakeholders, we conducted a materiality assessment using surveys and routine discussions with our stakeholders. This helped us evaluate the importance of the information to be reported and its influence on stakeholder decision making as well as impact on the economic, environmental and social activities of the organization.

In developing the reports contents, we applied the process set out by the Global reporting Initiative (GRI) Standard 101 - Foundations which is set out below:

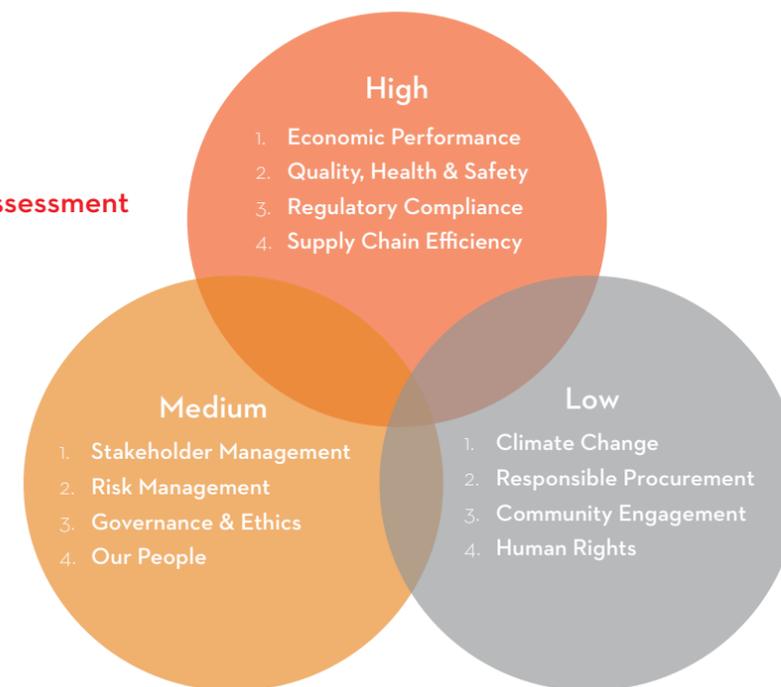
**1 Identification**

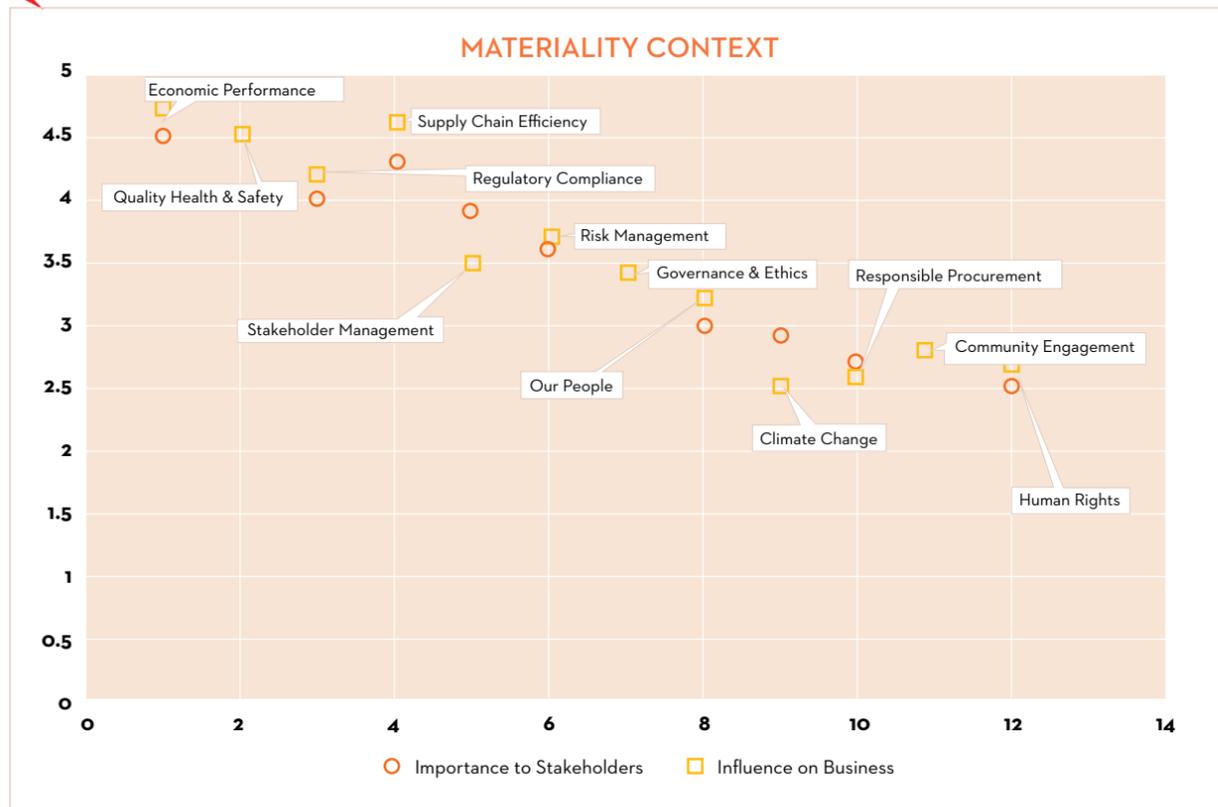
Our identification process started with the review of the list of sustainable topics as set out under the GRI Standard and narrowed down to 12 topics. These topics were arrived at after considering the nature of our business, feedback from stakeholders during the reporting period and where we have significant impact within and outside the organization.

**2 Prioritization**

Applying the principles of materiality and stakeholder's inclusiveness, we prioritized the topics identified. Specifically, for the purpose of the report, we conducted interviews with 6 departmental heads that have direct responsibility for executing company strategy. We surveyed over 60% of our employees and receive responses from shareholders, community groups, customers and suppliers also.

## Results of our assessment





| High                     | Importance to Stakeholders | Influence on Business |
|--------------------------|----------------------------|-----------------------|
| Economic Performance     | 4.5                        | 4.7                   |
| Quality, Health & Safety | 4.3                        | 4.5                   |
| Regulatory Compliance    | 4.0                        | 4.2                   |
| Supply Chain Efficiency  | 4.3                        | 4.6                   |
| Medium                   |                            |                       |
| Stakeholder Management   | 3.9                        | 3.5                   |
| Risk Management          | 3.6                        | 3.7                   |
| Governance & Ethics      | 3.2                        | 3.4                   |
| Our People               | 3.0                        | 3.2                   |
| Low                      |                            |                       |
| Climate Change           | 2.9                        | 2.5                   |
| Responsible Procurement  | 2.7                        | 2.6                   |
| Community Engagement     | 2.8                        | 2.8                   |
| Human Rights             | 2.5                        | 2.7                   |

The results were presented to executive management, who reviewed the result based on the company's objectives. From our engagement with all stakeholders, we identified five key sustainability topics:

- ✓ Economic Performance
- ✓ Supply Chain Efficiency
- ✓ Customer Relations
- ✓ Regulatory Compliance
- ✓ Quality, Health, Safety and Environment

**2 Validation**  
Using the principles of completeness and stakeholder inclusiveness, we reviewed the information to ensure that the report is a balanced reflection of our sustainability performance, including both our positive and negative impacts.

## Stakeholder Engagement

As a company managing supply chain efficiency, our business activities bring us into daily contact and interactions with various groups of individuals and organizations. The management of Asharami Synergy Plc understands the need for stakeholder's engagement and ensures accountability for all activities carried out by the company.

Our corporate governance practices and decisions are made in the long-term best interests of our stakeholders, who we identify as very important to our business operations and activities either directly and/or indirectly.

## Stakeholders Mapping and Engagement

Asharami Synergy Plc recognizes its coexistence with its stakeholders as a business ecosystem; and has mapped out the needs and expectations of its stakeholders for mutual growth and sustainability. A synergy between the company and its stakeholders has ensured successful business operations towards meeting expectations in line with company's corporate policy. As a reputable brand, Asharami Synergy Plc understands that its business success hinges on our social, economic, and environmental responsibilities to all stakeholders.

Relating with all our stakeholders through formal and informal communication channels for their opinions and input is undoubtedly essential to conducting and managing our business activities. In defining our stakeholder groups, we focused on the players in the industry that:

- ✓ The company may have legal or financial obligations
- ✓ May have negative/positive influences on or voice concern about the decisions and activities of the company.
- ✓ May influence overall the company's capability to fulfill its commitments in connection with its operations in its internal or external environment

We have grouped our stakeholders into categories based on the type of relationship with the organization. These are listed below:

| STAKEHOLDER GROUP                         | INTEREST   | COMMUNICATION METHOD   | FREQUENCY  |
|---|--|--|--|
| <b>Shareholders and Investors</b>         | Economic Performance<br>Governance and Business Ethics<br>Risk Management  | Business Meetings<br>Presentations<br>Frequently Asked Questions               | On A Need Basis<br>Quarterly updates<br>Yearly updates |
| <b>Executive Management and Employees</b> | Economic Performance and Risk Management<br>Health and Safety<br>Environmental Protection<br>Decent Labour Practices | Town Hall Meetings<br>Surveys<br>Periodic meetings<br>Business Review sessions | Ad Hoc<br>Weekly<br>Quarterly<br>On need basis         |
| <b>Suppliers</b>                          | Health and Safety<br>Environmental Protection<br>Economic Performance  | Contractor Safety and Business Meetings  | Continuous   |
| <b>Customers</b>                          | Service Delivery<br>Health and Safety  | Customers Fora   | Continuous   |
| <b>Government and Regulatory Agencies</b> | Regulatory Compliance<br>Economic Performance<br>Governance and Business Ethics                                      | Business Meeting<br>Regulatory Inspections and Audits                          | Quarterly, Bi-annually and Yearly                      |
| <b>Community</b>                          | Environmental Protection<br>Community Engagement Initiatives   | Community Development Association Meetings                                     | Monthly<br>Ad-hoc                                      |
| <b>Media</b>                              | Governance and Business Ethics<br>Community Engagement Initiatives   | Media Parleys  | Quarterly  |

In the 2017 reporting year, the company actively engaged all stakeholders and no social or environmental concerns were raised at the meetings. The company took all feedback received from stakeholders seriously and maintained open dialogue to ensure that the needs/requirements outlined were treated.



# Business Sustainability



Asharami Synergy Plc is a product of the long-term sustainability strategy of consolidating the downstream independent operating businesses of the Sahara Group. What is referred today as Asharami Synergy Plc is a result of the future envisaged in the downstream sector in Nigeria by the management of the Sahara Group towards ensuring that the independent entities leverage on their strengths as a combined entity to reduce the inefficiencies experienced along the value chain in the downstream sector.

The consolidation therefore, provides the platform to implement the strategic objective of Sahara Group Management. Leveraging on our existing infrastructure, experience, partnerships and competencies, the journey of being a downstream Oil and Gas sustainable hub has started.

In the 2017 reporting year, the combined entity began the journey with a detailed implementation and execution of a

change management strategy through numerous strategic sessions to define improved ways of carrying on the business of the downstream sector. This was followed with realignment of strategic business units and employees. We embarked on bespoke learning and development sessions in order to re-position our people for optimal performance and increased service delivery. We created new business units to drive the new vision, including Government Relations, Supply Chain, Strategy, Corporate Governance, Risk Management and Compliance among others.

During the year under review, new initiatives were implemented to enhance sustainability and additional value-added performance. We have improved the efficiency of our operations by increasing our product retail and sales initiatives to the door steps of our consumers through our door-to-door (D2D) sales initiatives. The feedback from this initiative has increased our service level delivery performance and ensured better customer satisfaction.

In line with the vision for sustainable operations of the company, Asharami Synergy Plc embarked on business expansion to deepen operations towards improved and increased service delivery to our customer. We expanded our operations to Kano and entered into business partnerships and alliances for optimal performance.

The following year will witness an expansion in warehousing and logistics terminals, provision of a more robust trading and supply management service, retail station expansion and increase our footprints into more regions in Africa.

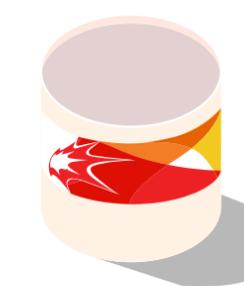
**We have improved the efficiency of our operations by increasing our product retail and sales initiatives to the door steps of our consumers through our door-to-door (D2D) sales initiatives. The feedback from this initiative has increased our service level delivery performance and ensured better customer satisfaction.**



## Economic Performance

The second half of the 2017 reporting year witnessed some improvements in the economic fortune of Nigeria as the country exited its first recession in over 25 years. This was mainly because of the stability experienced in the Niger Delta of Nigeria and increases in Crude Oil prices from the budgeted benchmark of about \$38/barrel in 2016, to an average of above \$50 in 2017. These resulted in positive Gross Domestic Product growth in the second half of the year. The combined impact of the improved enabling environment in Oil producing areas and the increase in oil prices led to the relative stability in the foreign exchange market at an average of between N305/\$ and N360/\$ in the CBN Nigerian Interbank Foreign Exchange (NIFEX) and Nigerian Autonomous Foreign Exchange (NAFEX) windows respectively.

These socio-economic improvements described above did not translate into a



| Products     | Volume in '000 Liters (2016) | Volume in '000 Liters (2017) |
|--------------|------------------------------|------------------------------|
| AGO          | 271,109                      | 202,316                      |
| PMS          | 344,096                      | 319,838                      |
| ATK          | 164,810                      | 139,720                      |
| <b>TOTAL</b> | <b>780,015</b>               | <b>661,874</b>               |

good year for most companies operating in Nigeria, and Asharami Synergy Plc was no different because we were affected by industry-specific issues such as FOREX rationing, stiff competitions, FOREX risk etc. Consequently the year recorded a decrease in the volume of products sold by 15% from about 780 million liters in 2016 to 662 million liters in 2017.

Though volume sold decreased in 2017, revenue increased by 25% from N102 billion in 2016 to N126 billion in 2017. This increase is attributable to 77% increase in the aviation business buoyed by increased slots from the airlines.

Although cost of sales increased from N94 billion to N117 billion, total gross profit increased from N5,5 billion



to N9.45 billion. This was largely driven by an increase in third party throughput revenue for the period.

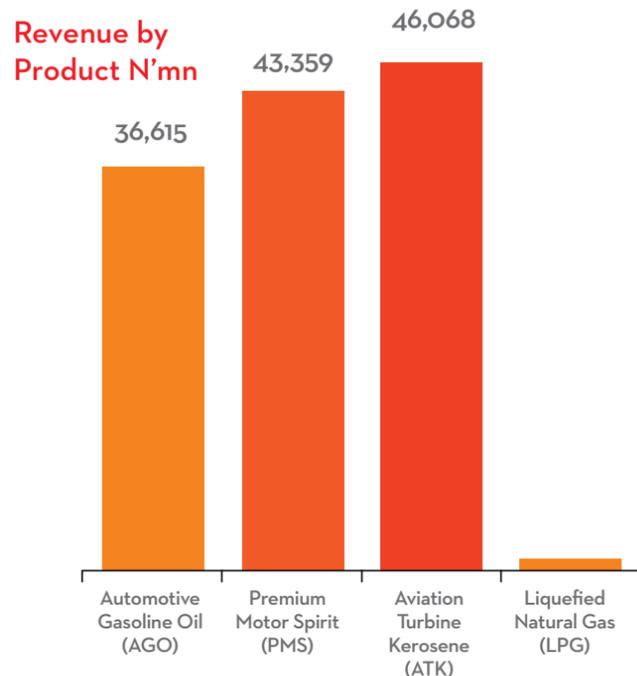
However, the company since consolidating her entities in the downstream sectors has leveraged experienced synergetic growth in its economic performance as well as its seamless flow of operations across board.

This has impacted positively on the entity and shaped its outlook for harnessing the prospect in the sector and positioning for changes in the market in the coming years.

Our quest for sustainability is demonstrated in our proactive actions to the current trends in the market and the perceived government actions in the industry

We have anticipated that the company can survive with its current strategy in the sector.

We have experienced efficiency in the areas of cost management by ensuring best prices from product suppliers as well as managing the volatility posed by the fluctuations in exchange rates.



**25%** Increase in revenue from 2016 - 2017



**126 Billion**  
Revenue in 2017

**30%**  
Increase in cost of sales in 2017

## Revenue by Products

Our ATK business operations contributed 37% to the total revenue for the 2017 reporting year. This is due to the robust base of our customers and the increase in number of additional services to airlines that we provide services to currently. This is an attestation to our efficient performance and is driven by the strategic partnership with the airlines both locally and internationally.

Our PMS sales is driven by bulk transactions and the operations of our retail stations in 11 locations across the country. We plan to expand our capital investments in this retail space towards increased volume sales in order to position our business for the attendant possibil-

ities in deregulated Oil and Gas market in Nigeria, in line with our strategic vision for continued relevance in the sector and enhancing our economic value.

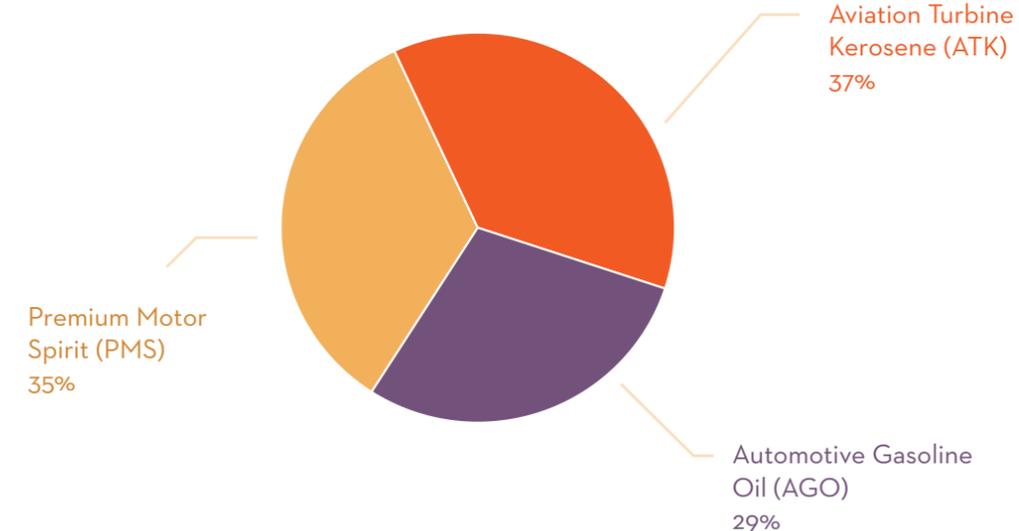
In spite of our improved revenue performance in the 2017 reporting year, we are still faced with the challenges of foreign exchange fluctuation in product importation and servicing our international airline clients, as such, we have adopted a strategic hedging mechanism to manage our foreign exchange exposures.

Also, we have increased demands for better credit terms from our major clients by setting up a more robust and experienced management credit committee to continually assess the credit worthiness

of the clients in line with our revised Enterprise Risk Management framework.

The screening committee reviews our exposures to clients thereby mitigating the inherent risks of bad and doubtful debts.

## Revenue contribution by products



## Maintaining Dominance in The Aviation Sector

Asharami Synergy Plc has maintained its dominance in the Aviation sub sector where we have ranked amongst the top two service providers even before the consolidation of the independent operating businesses. In 2016, our services represented by our business operations became the second largest by market share operations in aviation sales by supplying 25% of the country's aviation fuel requirements.

In the 2017 reporting year, in spite of new market entrants into the aviation's operations market, we provided 24% share of the total aviation supply market in Nigeria, making us the market leader.



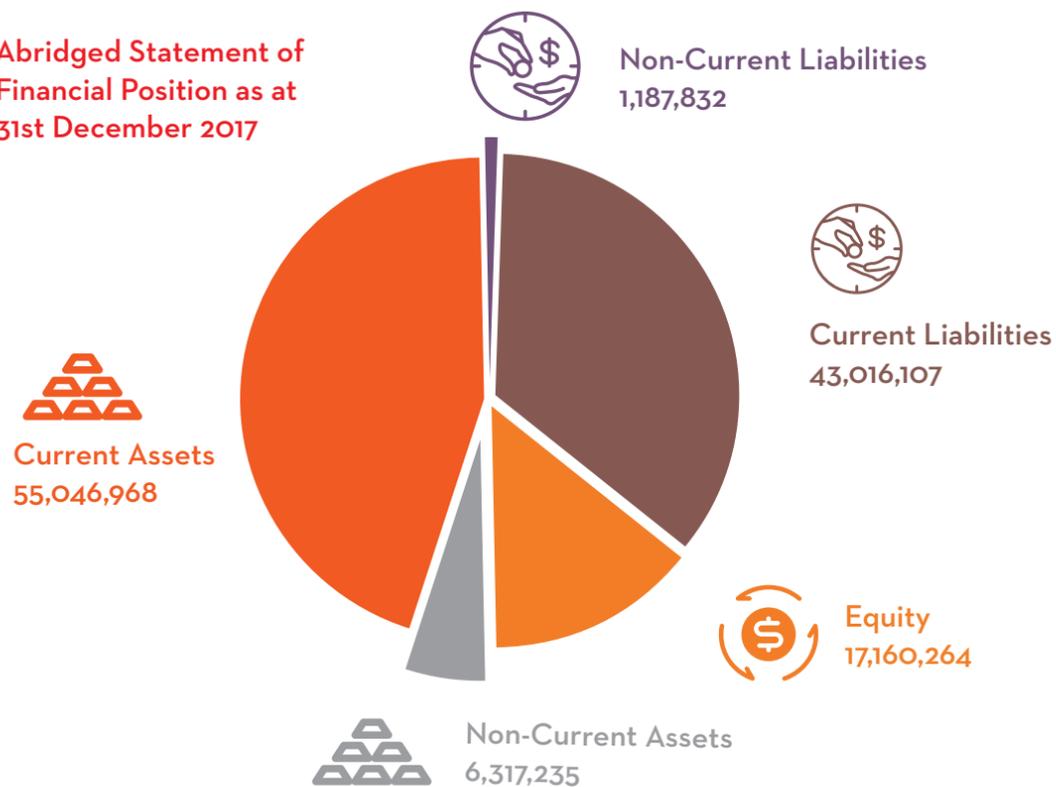
**24%** Asharami's market share of the Nigerian aviation's market



## Summary of Financial Performance - N'000

| FY   | Revenue     | Direct Cost   | Gross Profit | Other Operating Income | Operating Expenses | Operating Profit |
|------|-------------|---------------|--------------|------------------------|--------------------|------------------|
| 2017 | 126,462,953 | (117,006,909) | 9,456,044    | 458,430                | (4,814,856)        | 5,099,618        |
| 2016 | 102,959,596 | (92,482,294)  | 10,477,302   | 1,784,290              | (5,322,670)        | 6,902,922        |

### Abridged Statement of Financial Position as at 31st December 2017



## Financial Status

### Direct Economic Value Generated and Distributed

During the 2017 reporting year, Asharami Synergy Plc realized a revenue of about N126billion and this was utilized in settling our obligation towards improved operations as follows;

**95.19%**

Purchase of raw materials

**0.87%**

Employee obligations

**0.62%**

Providers of Finance

**0.38%**

Asset Maintenance

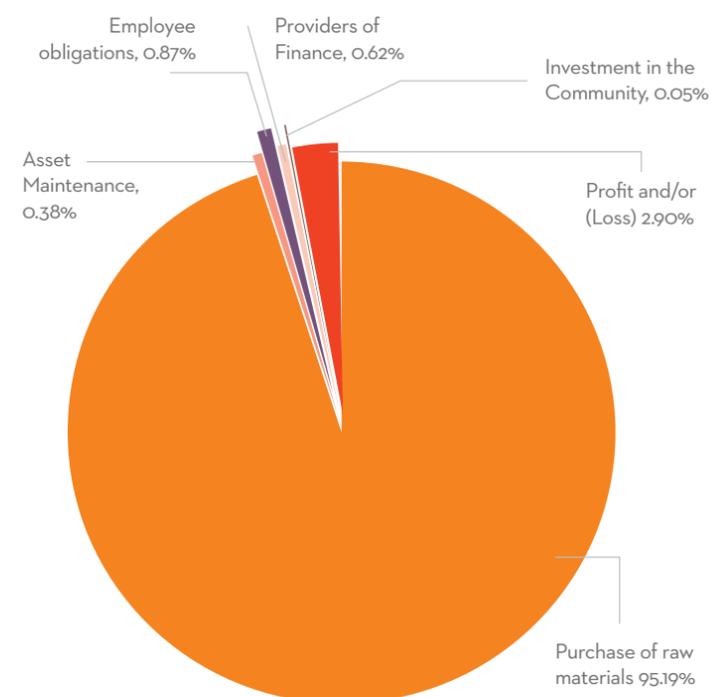
**0.05%**

Investment in the Community

**2.90%**

Profit and/or (Loss)

## Value Generation and Distribution



### Statement of Value Added

|                                   |                  |
|-----------------------------------|------------------|
| Revenue                           | 126,462,953      |
| Other Income                      | 909,341          |
| Brought in materials and services | (126,150,770)    |
| <b>Value Added</b>                | <b>1,221,524</b> |

#### Distributed as follows:

##### To pay employees

|            |             |
|------------|-------------|
| Staff cost | (1,095,070) |
|------------|-------------|

##### To pay providers of finance:

|              |           |
|--------------|-----------|
| Finance Cost | (780,987) |
|--------------|-----------|

##### Maintenance of assets and future expansion

|              |           |
|--------------|-----------|
| Depreciation | (486,504) |
|--------------|-----------|

|                               |           |
|-------------------------------|-----------|
| Profit or loss for the period | 3,646,084 |
|-------------------------------|-----------|

|                      |          |
|----------------------|----------|
| Community investment | (62,000) |
|----------------------|----------|

|                    |                  |
|--------------------|------------------|
| <b>Value Added</b> | <b>1,221,524</b> |
|--------------------|------------------|

##### Employee statistics

|                             |     |
|-----------------------------|-----|
| Average number of employees | 185 |
|-----------------------------|-----|

|                      |         |
|----------------------|---------|
| Revenue per employee | 683,584 |
|----------------------|---------|

|                          |       |
|--------------------------|-------|
| Value added per employee | 6,603 |
|--------------------------|-------|

## Indirect Economic Impact

At the local and host community levels, we engage in extensive stakeholder mapping and engagement to understand the indirect economic impact of any potential program or community/business interventions.

In line with our Corporate Responsibility (Personal Corporate Social Responsibility - PCSR) policy which adopts the principles of the International Finance Corporation (IFC) guidelines for Corporate Social Responsibility investments, we conducted necessary Needs Assessment in conjunction with host communities to determine the infrastructural needs.

During the 2017 reporting year, we increased the pool of our product transporters towards improved retail and bulk distribution service delivery. This action increased our indirect impact on the economy as there was the availability of more transportation companies invariably creating more employment within the distribution value chain.

## Financial Assistance Received from Government

Government financial assistance comes through several channels which include but not limited to - subsidies, grants, tax reliefs, credits, soft loans. During the 2017 reporting year, Asharami Synergy Plc did not receive any specific direct or indirect assistance from the Government except in the general allocation of FOREX already purchased and product Pro-Forma Invoices (PFIs) which were open to all practitioners in the industry.

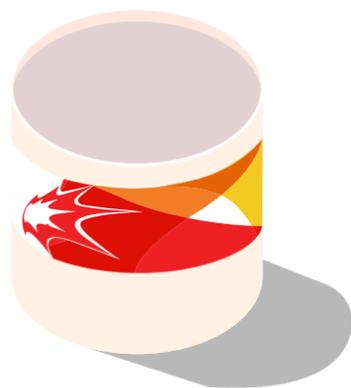


## Investment and Expenditure

### INFRASTRUCTURE INVESTMENTS

For increased and efficient service delivery towards enhancing our economic sustainability, we continued our investment plans in infrastructure development during the 2017 reporting year. Our infrastructural investment includes but not limited to the following:

#### Warehousing And Logistic Terminals Expansion



Kano Aviation Terminal

**100,000**  
→ **350,000**

Increase in Storage Capacity

Tanzania Terminal

**3 → 5**

Increased the loading gantry Island from 3 number Loading islands to 5 Loading islands

Maiduguri Aviation Terminal

**150,000**  
**Liters**

Registered our presence through the acquisition of land for the development of 150,000litres capacity terminal facility

### INVESTMENT IN COMMUNITY PROJECTS

In line with our Corporate Responsibility plans which provides the guidelines for our sustainability footprints, Asharami Synergy Plc believes in the creation and implementation of economic empowerment projects to our host communities. We have demonstrated this through our direct contribution to sustainable projects to enhance the economic wellbeing of these communities.

During the 2017 reporting year, we contributed to the road maintenance in the Apapa area of our operation. In total, we invested over N62m on the welfare of the community through various community incentives such as donations to schools, hospitals and scholarships to indigenes of host communities. We are consistently improving and increasing new avenues to give back to our communities in the future towards ensuring sustainability through economic empowerment, gender equality and wealth creation for future generations.



**N62Million**

Invested on community welfare through donations to hospitals, and scholarships

## Supply Chain Management



### Growth of The Local Economy

The ability to continually improve our business model to provide quality service delivery constantly requires financial, material and human capital investments that would bring about the needed economic, social and environmental impact for a sustainable local economy. The capability to secure the necessary human capital and material resources to support redefining our business model through the provision of efficient and effective supply chain management activities in the 2017 reporting year resulted in developments in the local economy.



Petroleum Product purchases

**N113.2billion**



Project Execution

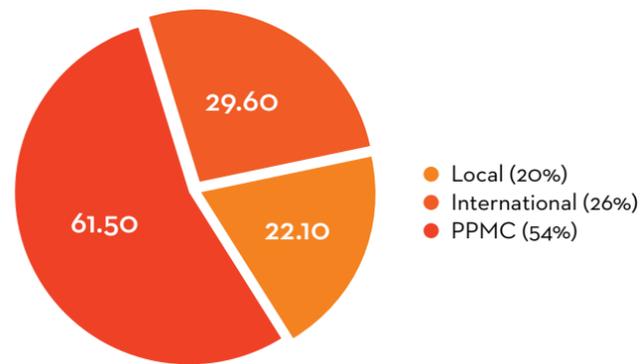
**N38.0billion**

TOTAL

**N151.2billion**

Our total expenditure on product supply chain management and project execution for the year

### Petroleum product purchase (Billion Naira)



As part of our local content development requirements in line with the Nigerian Local Content Development Act of 2013, we utilized 98% local contractors and suppliers in our project executions.

We expended 151.2 billion in our activities during the 2017 reporting year, of which 121.5 billion representing about 80% was expended locally. This amount includes N61.5 billion on products purchased from NNPC.

During project executions, all indirect labor engaged were sourced from the local communities thus impacting positively on the community. Our local contractors and distribution partners are all local companies of which about N60m were expended on distribution cost.



**98%** Percentage of local contractors and suppliers engaged in 2017



**80%** Budget expended on local suppliers in 2017

### Procurement Practices

Our procurement practices are designed to guarantee the sources for material resources to operate a sustainable business. These practices cover the spectrum of our supply chain management activities from product and service acquisition to satisfactory delivery to the final consumer. We however, do not compromise on quality service as we ensure that only capable, competent and tested vendors are registered with us.

Our vendors go through our detailed vendor vetting processes in line with our **Know Your Customer/Business Partner (KYC/BP)** policy, process and procedures before final selection and registration in our supplier data base. Annually these vendors/business partners are re-certified as a condition for their continued inclusion in our supplier data base. New vendors are subjected to our risk management process to ascertain their credibility.

We carry out audit process on our project vendors to determine their technical competence, level of experience as well as their level of compliance to regulatory requirement. With our tank cleaning vendors, we ensure that they are registered with the relevant Environmental Protection Agency, for example Lagos State Environmental Protection Agency (LASEPA).

#### Our Vendors are distributed as follows:

|  |            |
|--|------------|
|  <b>Project/Terminal Contractors</b>              | <b>150</b> |
|  <b>International Petroleum Product Suppliers</b> | <b>4</b>   |
|  <b>Local Petroleum Product Suppliers</b>         | <b>25</b>  |
|  <b>Shipping Agents and Service Providers</b>     | <b>27</b>  |
|  <b>Transporters</b>                              | <b>24</b>  |
| <b>TOTAL</b>   | <b>230</b> |

### Our Anti-Corruption Stance

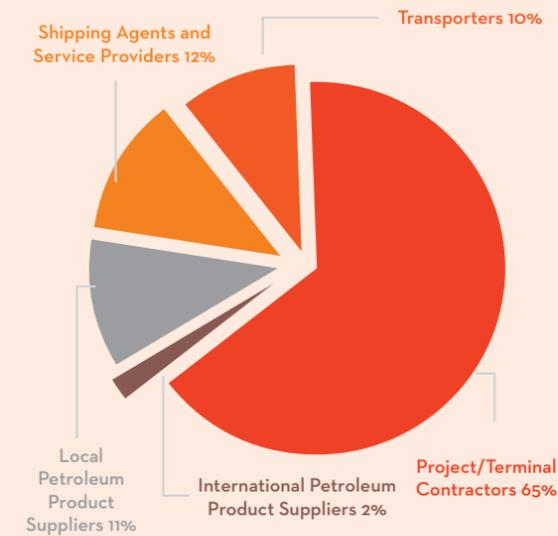
Asharami Synergy's commitment to the highest standards of integrity and business ethics is emphasized in our anti-corruption policies. The company achieves its success through our various policies, processes and procedures which promotes honesty, fairness and transparency. We enforce a strict zero tolerance stand against unethical behavior, such as Bribery and Corruption.

As part of this commitment, all forms of bribery and corruption are completely unacceptable. We ensure that all third-party agents and/or business partners acting on our behalf do not act corruptly and contrary to our corporate governance codes of ethics, Anti-Corruption and Anti-Bribery policies, and the Gift and Hospitality policies. In line with this commitment, all agents and/or third-party business partners must attest to our anti-corruption policies already mentioned above as well as our "Third-party Non-solicitation" policy.

Also, we ensure that the company and our employees hold our corporate ethical values and image in the highest esteem and passionately conducts our business in a corrupt-free, anti-fraud and highly ethical manner that promotes fairness, accountability, responsibility, transparency, free enterprise, excellence and competitiveness.

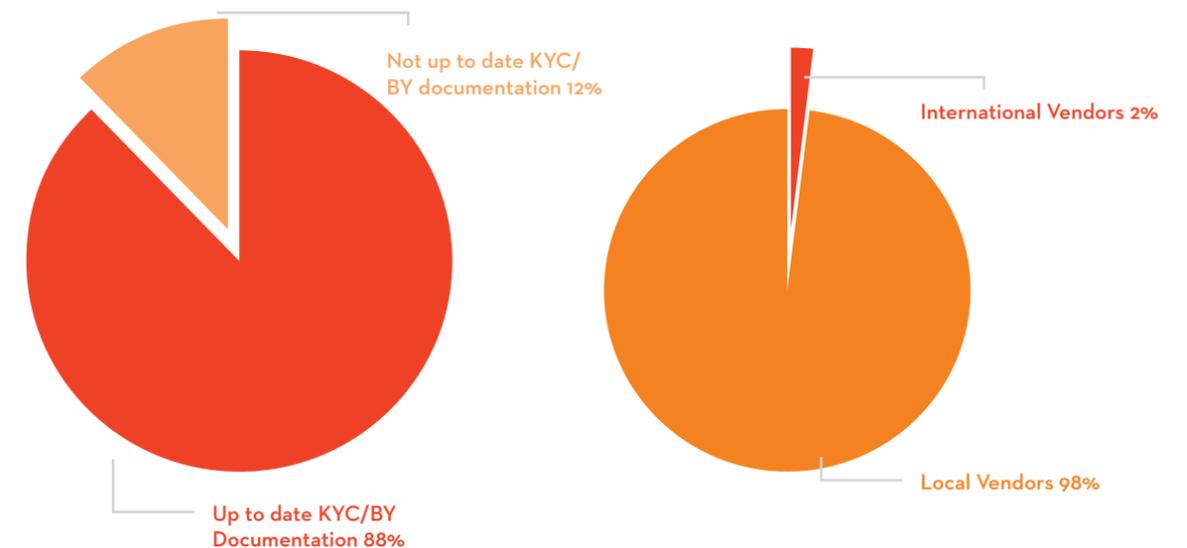
The Board has approved an Anti-Corruption and Anti-Bribery, Third-party Non-solicitation and the Gift and Hospitality policies that are effectively implemented and enforced by the Risk Management & Compliance Unit.

#### Contractor / Supplier Database



During the period under review, Asharami Synergy Plc reviewed all our contractor's engagement in line with our KYC/BP. In a total supplier and contractor database of 230 clients, about 88% (202 suppliers/contractors) met the requirements our KYC/BP process and procedures. In the 2017 reporting year, 4 new distribution transporters were verified and added to supplier/contractor database. In line with local content development policy, 98% of our supplier/contractor are local vendors, whilst the balance 2% are international vendors.

#### Contractor / Supplier Database





**Environmental  
Sustainability**



# Environmental Management



The environmental dimension of sustainability has to do with an organization's sustainability footprints on living and non-living natural systems, including land, air, water, and the ecosystem. This includes water discharges, the generation, treatment and disposal of waste and spills of chemicals, oils, fuels, and other chemical substances.

Asharami Synergy Plc is fully conscious of its environment and remains committed to identifying and assessing the impact of our business operations and activities at all stages towards incorporating them into our decision-making process.

We have put in place an environmental management system (EMS), in order to stimulate healthy environmental practices which are focused on protecting natural resources, minimizing waste and conducting spill management, with a commitment to continuous improvement of our environmental performance. We have implemented an envi-

**“ We have implemented an environmental management principle that is consistent with the provisions of Occupational Health and Management Systems (OHSAS) 18001.**

ronmental management principle that is consistent with the provisions of Occupational Health and Management Systems (OHSAS) 18001.

Our environmental activities comply with relevant environmental laws and are closely monitored by regulators such as the Lagos State Environmental Protection Agency (LASEPA), National Oil Spill Detection and Response Agency (NOSDRA) and Federal Ministry of Environment.

## Waste Management

Waste generation is a direct consequence of human and business activities on an on-going basis. Poor management of waste can lead to epidemics and negative health impact on our people and in the communities where we carryout business operations. This understanding motivates our planning and execution of a robust waste management system in line with regulatory standards that is simple, safe, and sustainable without negatively impacting our environment.

We have developed and implemented a system of segregating our waste into three major categories - metal wastes, plastic wastes, and biodegradable wastes. This system is essential considering the nature of our business especially as it relates to our warehousing, logistics and retail management locations. As a company we align our waste management

practice with the State and Federal Government waste management policies towards ensuring that we do evacuate waste by ourselves neither to we burn generated waste regardless of magnitude and nature. We are subscribed to the waste evacuation service of Lagos State Waste Management Agency (LAWMA), National Oil Spill Detection and Response Agency (NOSDRA) and Department of Petroleum Resources (DPR). It is this instrument of government that advises or carries out our waste evacuation from the dedicated waste retention areas on a regular basis. Through this simple practice we have maintained a healthy and sustainable sanitary environment within all our business locations.

By so doing, we are able to manage the evacuation of waste in line with our EMS for these types of waste:

### Solid Waste

Solid waste is the unwanted solid materials made from human activities in business locations, terminals and retail services areas.

Asharami Synergy's locations generated and evacuated about 320 tons of solid domestic wastes in the 2017 reporting year. In compliance with environmental regulations, for example, the Lagos State Waste Management Authority (LAWMA) is granted access to all our business locations in Lagos periodically to evacuate all generated waste. The same is applicable for all other locations where we have business operations.

### Liquid Waste

In the 2017 reporting year, we evacuated 80 tons of oil and oily waste through Lagos State Environmental Protection Agency (LASEPA) accredited agents. Most of these oils are unusable lubricating and transformer oils.

### Domestic Waste

About 9 tons of domestic waste were evacuated from our business locations weekly throughout the 2017 reporting year by regulatory accredited vendor. As a responsible organization, the company did not default in her obligation to these regulatory approved waste management agents.

### Oil Spill

Spills are accidental releases of hazardous substances that can affect human, health, land, vegetation, water body and groundwater. Spills of chemicals, oils, and fuels, among other elements, can potentially affect soil, water, air, biodiversity and human health. Asharami Synergy Plc has put in place an Oil Spill Management system as a preventive measure for oil spillage, and we have continually improved on it.

In 2017 reporting year, Asharami Synergy Plc recorded zero spills in all terminals



## WASTE DISPOSED

**320tons** Solid waste evacuated by LAWMA  
**80tons** Oil and Oily waste evacuated by LASEPA

**9tons** Evacuated from our business locations weekly

**0** Amount of oil spills recorded in 2017

### Hazardous Waste

Hazardous wastes are wastes that have substantial and/or potential threats to public health and the environment. Some of the hazardous wastes in Asharami Synergy Plc terminals are by-products of oil and water treatment.



## Water Management and Conservation



Waste water from our sewers, sinks and conveniences are piped directly into our sewage disposal systems. This system is monitored and evacuated using accredited vacuum evacuation vendors.

We have also implemented a different system for the arrangement of storm water. Whenever it rains storm water flows by gravity into our well laid out drainage network within the various locations which empties into the central drainage systems.

Our warehousing and logistics terminals are edged with bond walls in line with regulatory requirements, and these bond walls are fitted with valves at the discharge points which are connected to specially accredited spill areas as recommended by regulatory requirements. These valves serve to aid isolation of liquid petroleum products within the terminal, and for inspection of storm water from the space to ascertain non-oil inclusion before discharging into the central drainage.

Our spill management policy and framework cover minor and major spills. At the heart of the policy there are processes and procedures such as the provisions for washing, degreasing, flushing and other spill management requirements, which states clearly our principles for managing effluents of oil nature and how they are channeled into our Oil Water Separator (OWS) system.

Our commitment to environmental protection towards continued business sustainability is tied to a clean, healthy, secure and safe environment.

## Quality, Health, Safety, Security And Environment.

A safe, healthy and secure environment is a major priority in line with our Corporate Governance Business Principles. Our goal is to ensure that our business operations have no accidents, no harm to people and/or damage to the environment.

We are committed to ensuring the protection of people at all times at our terminals, offices, offshore vessels and all other locations where we carryout business activities. We do so by defining and strictly implementing a conducive quality, health, safety, security and environment (QHSSE) policy in line with international best practices across board.

The actions of our people, the excellence of our processes and our respect for our stakeholders, visibly demonstrate our QHSSE Key Performance Indicators' (KPI's) commitment to internationally acceptable standards.



Our QHSSE Objectives are demonstrated in the following;

- ✓ Maintain a zero fatalities rate
- ✓ Maintain a zero accidents and incidents
- ✓ Reduce the total recordable case frequency rate
- ✓ Continue to make improvements in our QHSSE process safety management system
- ✓ Continue the implementation of health risk assessments and follow ups at all our terminals
- ✓ Maintain a zero-spill rate across our terminals and areas of operations.
- ✓ Continue the implementation of the corporate security standards across Asharami Synergy Plc.
- ✓ Ensuring quality fuels are continually checked to ensure customer satisfaction and safe skies in our aviation business.

## Process Safety

Major accidents can result in serious harm. As such the need for excellent safety processes cannot be compromised. Process safety means designing our facilities to internationally accepted standards using tested engineering principles and standards.

Our process safety system uses a systematic approach to identify and manage the inherent hazards and risks throughout our operations' life cycle - from conception, through planning to closure. Our process safety management imbibes a culture of risk elimination and mitigation using risk assessment methodologies to reduce, monitor and manage inherent and/or perceived risks in the process cycle. For example, pipeline corrosion, operating mistakes and equipment malfunctions are just a few of the possible causes for a spill and/or loss of primary containment.

Our safety process management takes into consideration the understanding of how people, equipment and/or processes could lead to hazards towards enabling us to apply appropriate monitoring, management and mitigation measures. Within the system are checks and balances to measure the efficient and effective working of the system, thereby highlighting areas of high risks such as defects in order to correct such anomalies towards the non-occurrence of incidents.

Our use of advanced technology techniques has provided new and improved data gathering capabilities that enable faster decision-making in implementing corrective measures.

Our safety performance tracking mechanisms uses internationally accepted metric standards. These include tier 1 process safety events, which relates to primary containment losses of significant magnitude such as causing harm to an employee, major equipment damage and/or incidents exceeding defined minimum quantities for losses. Tier 2 events relates to safety incidents of lesser consequence.



Our use of advanced technology techniques has provided new and improved data gathering capabilities that enable faster decision-making in implementing corrective measures.



In the 2017 reporting year, the number of process safety events reduced by about 10% on all safety measurement matrices, continuing the downward trend over the past three years of business operations.

Our goal to achieve improved human performance in our safety process management system is a major priority for Asharami Synergy. Human performance in the process safety management system relates to how our people interact with equipment, processes and/or each other, which is fundamental to operating safely in carrying out our business activities.

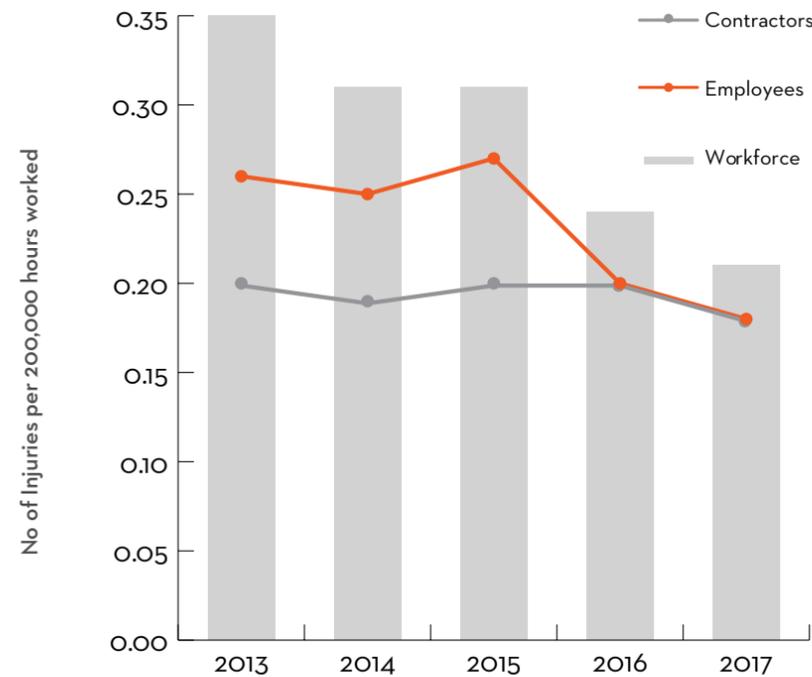
We have continually put in place safety processes and procedures that identify and adopt good safety practices for managing human performance. These policies which are reviewed regularly is drawn from experiences and/or near misses within the organization, industry and other sections of the global economy. Through our understanding and experience sharing information, our objective to improve our equipment and process gaps and/or failures better supports and increases the knowledge of our people towards reducing the likelihood of errors occurring in critical safety events.

### A learning organization

A key component of our Corporate Governance Business Principles is our people. As an organization, our people are our greatest assets. In this regard we remain focused on improving safety across Asharami Synergy Plc for our people and all other stakeholders. Our safety process management system, which covers requirements on safety, security, contractual relationships and organizational learning, is designed to manage risks in order to achieve significant improvements in our business operations and/or activities. Our learning and development expectations analyzes our safety performance in order to enable us apply lessons learnt from incidents, near misses, self-verification, assurance and audit findings, which are used in capturing inherent risk challenges, thereby providing requisite information for decision-making with respect to areas where we can concentrate safety improvement expectations.

As an organization, our people are our greatest assets. In this regard we remain focused on improving safety across Asharami Synergy for our people and all other stakeholders.

### Recordable Injury Frequency



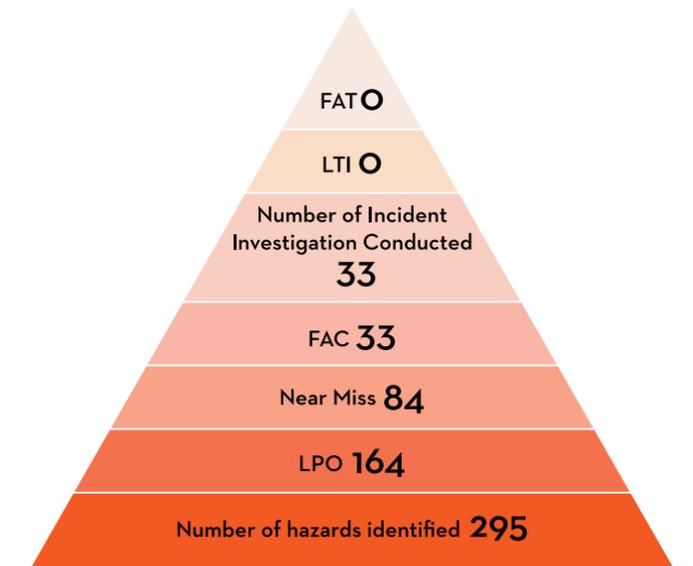
### Personal health and safety

Our people, being our greatest assets, we ensure our commitment to keeping them in a safe and secure working environment. Also, as part of commitment to increase and/or improve our sustainability footprints, we are continually ensuring that we create a healthy and safe environment for all our stakeholders whether they work on our sites and/or live in communities where we carry out business operations and/or activities. In the 2017 reporting year, we achieved zero fatality in our operations and business activities.

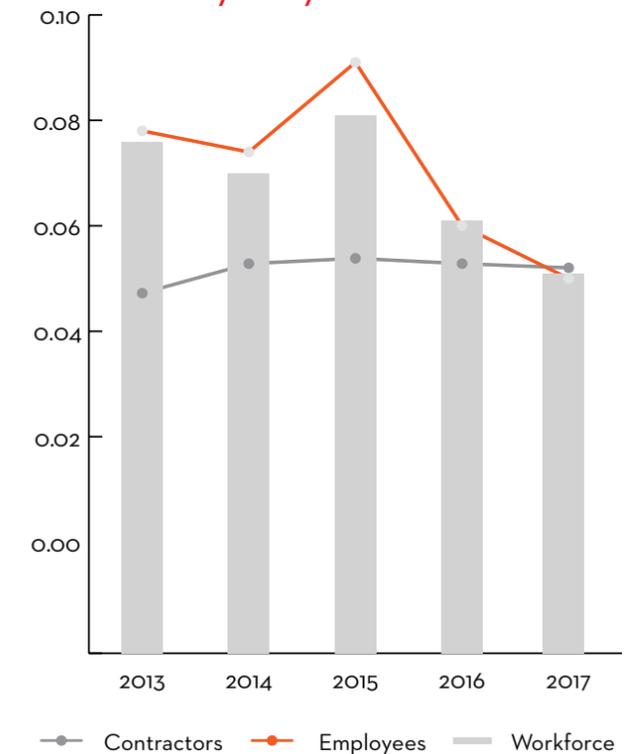
### Golden rules

Our golden rules with respect to our safety process provides the essential guideline for keeping our employees and/or other stakeholders safe and secure while performing tasks with potentials to cause harm. These rules are enshrined in our safety process management system and focuses on areas such as working at heights, lifting operations and driving safety.

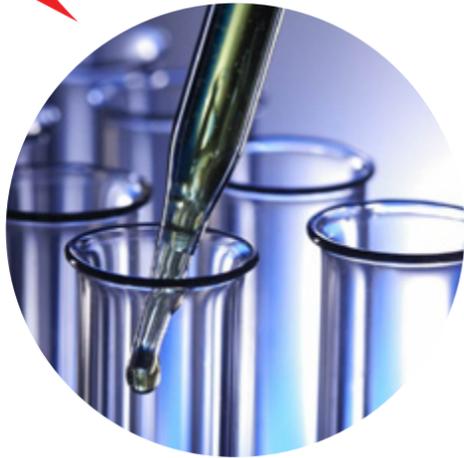
Leadership and creating the right capability for maintaining an efficient and effective safety culture is an essential part of our safety process management system. Our high level of strong leadership and embedment of personal responsibility of all employees have provided an adequate platform for the needed authority and responsibility to imbibe a culture of working safely in our organization.



### Days away from work



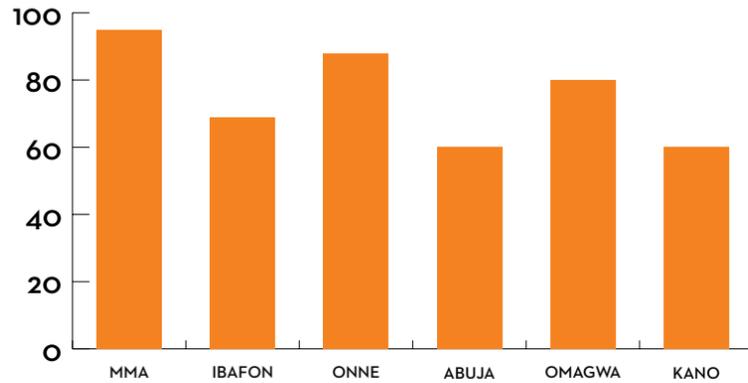
|             | 2013   | 2014   | 2015   | 2016   | 2017   |
|-------------|--------|--------|--------|--------|--------|
| Workforce   | 0.076  | 0.07   | 0.081  | 0.061  | 0.051  |
| Employees   | 0.078  | 0.074  | 0.091  | 0.06   | 0.05   |
| Contractors | 0.0004 | 0.0060 | 0.0070 | 0.0060 | 0.0052 |



## Product Safety

As part of our safety process management system, we continually assess the quality of our products in order to identify any potential and/or inherent health, safety, security and/or environmental compliance consequences and verifying compliance with chemical control standards, criteria, product safety, security and hazard. The system emphasizes communication with respect to current and/or updated product regulations, monitoring of new developments in product regulation using globally accepted standards.

### Percentage of Identified Hazards Closed Out



## Our Performance

Our performance measurement matrices provide for regular and up to date review, monitoring and reporting on key workforce personal safety indices. This is compulsory for both employees and other business stakeholders in our database. Our records of injury frequency and days away from work has seen reductions in the 2017 reporting year. This continues the trend of improvement in personal safety over a number of years. However, our goal is to ensure we maintain our efforts in the safety process management to continue the improved trend in safety in our business activities and operations.

|        | Number of HSE Walk-through Inspections carried out. | Number of hazards identified | % of identified hazards closed out | Number of safety Alert/Lessons Learned shared | Number of Loss Prevention Observations conducted | Number of Toolbox & Safety meetings held | Number of emergency drills conducted | Number of PTW/JSA Audits conducted | Number of Alcohol & Drug test conducted | Number of Near Miss reported | % Number of Near Miss Reports investigated | % of MCP Compliance | % of Alcohol & Drug Compliance |
|--------|---|------------------------------|------------------------------------|---|--|--|--------------------------------------|------------------------------------|---|------------------------------|--|---------------------|--------------------------------|
| MMA    | 503   | 126                          | 98.30%                             | 48  | 0  | 152                                      | 12                                   | 163                                | 0                                       | 7                            | 100%                                       | 100%                | 100%                           |
| IBAFON | 631   | 36                           | 69%                                | 9   | 19   | 162                                      | 12                                   | 21                                 | 2                                       | 25                           | 100%                                       | 100%                | 100%                           |
| ONNE   | 290   | 31                           | 95%                                | 20  | 29   | 42                                       | 12                                   | 181                                | 1                                       | 9                            | 100%                                       | 100%                | 100%                           |
| ABUJA  | 82  | 52                           | 60%                                | 18  | 32   | 44                                       | 9                                    | 42                                 | 2                                       | 25                           | 100%                                       | 100%                | 100%                           |
| OMAGWA | 117   | 39                           | 80%                                | 12  | 74   | 92                                       | 12                                   | 24                                 | 1                                       | 16                           | 100%                                       | 100%                | 100%                           |
| KANO   | 60  | 11                           | 60%                                | 3   | 10   | 3  | 3                                    | 2                                  | 0                                       | 2                            | 100%                                       | 100%                | 100%                           |
| TOTAL  | 1683  | 295                          |                                    | 110   | 164  | 495                                      | 60                                   | 433                                | 6                                       | 84                           |  |                     |                                |

We measure our workforce recordable injury frequency, which is the number of reported work-related incidents that result in a fatality or injury per 200,000 hours worked.

|           | Number of First Aids (Minor injuries - Non-prescriptive management) | Number of Medical Treatment (Prescriptive treatment due to incident) | Number of restricted work (light due to incident) | Number of Loss Time Incident (Days away from work due to incident) | Number of Fatality (Death resulting from injury) | Number of security incidents reported (Theft, violence, etc.) | Number of Environmental incident reported (Spills and Sheens) | Number of Occupational Illness reported (Health due to exposure) | Number of incident investigation conducted | Other incident | % of Action item closed |
|-----------|---|--|---|--|--|---|---|--|--|----------------|-------------------------|
| MMA       | 6   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 16   | 0              | 100%                    |
| IBAFON    | 5   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 5  | 0              | 100%                    |
| ONNE      | 6   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 12   | 0              | 100%                    |
| PAF ABUJA | 7   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 5  | 0              | 100%                    |
| OMAGWA    | 9   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 0  | 0              | 100%                    |
| KAT KANO  | 0   | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 0  | 0              | 100%                    |
| TOTAL     | 33  | 0  | 0   | 0  | 0  | 0   | 0   | 0  | 38   | 0              |                         |

## QHSSE Standards, practices and audits

Our QHSSE standards set the expectations and requirements for performance to drive consistency throughout Asharami Synergy Plc in achieving our set objectives. These standards are reviewed regularly and updated to reflect changes in laws or regulations, incorporate recommendations arising from audits and incident investigations, and continuously improve performance.

Our QHSSE programs through our developed and implemented policies, processes and procedures, plan, learning and development sessions, creates the needed awareness for all employees of Asharami Synergy Plc with respect to their roles and responsibilities in meeting the expectations of these standards.

Our tiered QHSSE audit program promotes adherence to these standards and compliance with regulations.

All units develop plans and corrective actions to address audit findings and we have in place necessary mechanisms for follow up checks and reviews to ensure corrective actions are acted upon and completed.

Our QHSSE Management Systems have been developed and maintained in line with ISO standards to ensure consistency in our operational processes and procedures across Asharami Synergy Plc, with the company being certified in the following ISO Standards.

- ✓ ISO 9001:2008 (Quality Management System)
- ✓ ISO 1400:2004 (Environmental Management System)
- ✓ OHSAS 18001:2007 (Occupational Health and Safety Management System)

Our commitment to QHSSE Management systems and performance is evident in all aspect of business, such as leadership, employee behavior, learning and development, record management, business planning, communication and stakeholder engagement, incident investigations and reporting, change management, contractor and supplier relationships.

The management of our terminals and the planning and response mechanisms to risk, emergencies, environmental impacts, security threats and occupational health hazards are structured around the governing principles of our QHSSE guidelines and in line with industry best practices.

All our terminals and business operating locations exercise appropriate duty of care that is above the minimum standard requirements of local laws and regulations and all our business and operational activities includes relevant quality, health safety, security, environmental and financial contractual clauses.

We conduct our business to the highest ethical standards through continuous dialogue with all our stakeholders.

The management of our terminals and the planning and response mechanisms to risk, emergencies, environmental impacts, security threats and occupational health hazards are structured around the governing principles of our QHSSE guidelines and in line with industry best practices.



## Security and Crisis Management

Potential threats to our business are not predictable and could come in various forms. A few examples of such threats include but not limited to major accidents, political instability, health alerts, extreme weather and/or physical attacks to our terminals.

Our security and crisis management systems have put in place mechanisms towards anticipating security and crisis challenges in readiness for managing any occurrence of any incident and/or crisis.

### Security

Asharami Synergy Plc monitors actions that could cause harm to our people or disrupt our business operations. We assess risk on an ongoing basis in all areas of our business activities with high potentials for political and social unrest, terrorism, armed conflict and/or criminal activity.

Our central security team provides guidance and support to our businesses through a network of regional security advisers, who always ensure the safety of our people and the communities in which we carry out business operations.

### Customer Health And Safety

Health and safety are at the heart of our strategy and operational plan. Our QHSSE Management System sets the minimum requirements to assure the continuous improvement of our services and our operations across our supply chain.

Our processes on quality management of the products, product labelling, marketing and communication of the business/products and customer privacy are part of the Company QHSSE policy, ISO 9001, ISO 14001, OHSAS 18001 requirements and implemented by our operating system with the health and safety of our customers being our priority.

We collaborate with various security and crisis management response agencies in order to put in place continuity management planning in line with the organization's expectations in keeping our people and the public safe and to mitigate impacts to the community and/or environment. As part of our business's operations, we carry out crisis response exercises at both local and regional level to test our readiness.

### Emergency Preparedness

Asharami Synergy's emergency preparedness and response our essential components of our safety and security process management systems' mechanisms as clearly outlined in our QHSSE Management System. Our emergency preparedness and response plans are developed, reviewed and implemented taking into consideration the nature of the potential emergency, based on appropriate hazard identification and risk assessment and this is communicated regularly across all our business locations.

As part of our emergency preparedness activities, ad-hoc and regular fire drills are conducted at all our business locations towards ensuring a continuous high level of staff preparedness at all times.





**Social  
Responsibility**



# Community Relations

**T**owards strengthening our community relationships and in accordance with our overall stakeholder management system, Asharami Synergy Plc directly engages with the community, through its periodic community forum in order to better understand their needs in line with our Personal and Corporate Social Responsibility (PCSR) Policy Needs Assessment process.

The community engagements are carried out to ensure that all stakeholders share their concerns and opinions, on how the organization can continue their peaceful co-existence for the mutual benefits of both parties. The organization maintains its commitment to its cordial relations with community leaders and other community stakeholders, with the aim of identifying and proffering solutions to critical challenges that threaten the peaceful coexistence of all parties in the community.



By partnering with the communities, Asharami Synergy seeks to:

Increase the standard of living and quality of education in the environment through the provision of scholarship schemes to members of the community.

Provide sustainable support for infrastructural upgrades within the communities.

Provide employment opportunities (skilled and unskilled).



Encourage dialogue with local communities to maintain the peaceful and economic co-existence within the community.

Support and encourage our employees and partners to support local community organizations and activities in our environment, particularly local charities.



In line with Asharami Synergy's commitment to community engagement and development, we engaged in several community programs during the 2017 reporting year. We carried out extensive stakeholder mapping to ensure participation of host communities towards addressing critical community challenges. One of the critical challenges we focused on was literacy and numeracy levels of various age demographics within some of our host communities. We were able to design and implement programs which would proffer some of the needed solutions to these challenges amongst members of our host communities.





In 2017 reporting year, Asharami Synergy Plc in collaboration with Sahara Foundation successfully carried out the Grooming Film Extrapreneur's Season 2, which was themed "Empowering the Girl Child in Africa". The project which was in line with our UN Sustainable Development Goals (SDG's) footprint - SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 10 (Reduced Inequality) had Zuriel Oduwole (the youngest film maker in the world) and a globally acclaimed Girl Education advocate as the project ambassador.

The project impacted young ladies with in the Surulere and Ijora communities. The Ijora community hosts the Asharami Synergy's Head Office. The program included advocacy messages for girl's rights and was focused on covering stories with respect to the living condition of disadvantaged girls. We provided the opportunity for 35 selected young ladies from a large pool of entrants and equipped them with the relevant skills towards enabling them become film makers.

Through this partnership, we highlighted major challenges faced locally by young girls which include but not limited to issues concerning early marriages, educational deprivation, loss of inheritance, female genital mutilation and limiting societal expectations amongst others.

The project ambassador along with other Nollywood actors and actresses facilitated various discussions on the opportunities for the girl child and carried out learning and development sessions towards training successful candidates on various aspects of being a film maker, whilst also exposing them to different tools available for creating and editing videos that would help them their stories and those of other girl children towards wealth creation in order to build sustainability for themselves and other girl children.



**35** Young girls provided the opportunity to become film makers by the Film Extrapreneur Season 2 programme



Asharami Synergy Plc in partnership with the Sahara Foundation and ENACTUS Nigeria implemented the Sahara-Enactus Youth Extrapreneurship Challenge. The project titled "Reaching the Goals" is an integrated developmental program which seeks to create awareness and the process for achieving the SDGs in Nigeria. The objective of the project is getting more young people to recognize and challenge critical stakeholders amongst the youth population to make commitments and lead the charge towards achieving the SDGs for long-term sustainability across Nigeria.

The project which is targeted at students of tertiary institutions with ENACTUS membership, witnessed students from several tertiary institution pitching various ideas and products which are designed to address one or more of the SDGs. Participating institutions included - University of Port Harcourt (UNIPORT), Ahmadu Bello University (ABU), Federal University of Technology, Owerri (FUTO), Kaduna State Polytechnic and University of Lagos (UNILAG) and presented these ideas to potential accelerators and investors.

**The project focused on addressing challenges relating to SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities).**

In line with our vision and as part of our commitment to the SDG's in Nigeria, we in collaboration with Sahara Foundation brought together the office of the SDG's in Nigeria and other private sector companies to promote and discuss the universality of the Sustainable Development Agenda and it's 17 goals, leading to the creation of the SDG Private Sector Advisory Group (PSAG) in Nigeria.

The platform encourages the exchange of best practices and ideas on how to measure and raise awareness of the SDG's within various private sector industries as well deliberate and identify various means for the incorporation and implementation of the SDGs into their core business activities and operations.

As a founding member of the PSAG, and through the Sahara Foundation we are collaborating with other private sector companies to achieve the SDGs in Nigeria. Critical to this partnership is our leadership role which has seen us work with and guide other PSAG member organizations that share host communities with us to channel resources towards the development of these communities in line with the SDG goals. Though we are yet to execute any project collaboratively with our PSAG partners, we have used the 2017 reporting year to galvanize the interest of fellow member organizations towards participating in these collaborative projects to ensure we achieve maximum impact of the SDG's in subsequent years.

**ee** As a founding member of the PSAG, and through the Sahara Foundation we are collaborating with other private sector companies to achieve the SDGs in Nigeria.





## Our Vision For The Future

As an organization that has its people as the key to business sustainability, we believe in the development of human capital geared towards providing a large pool of human capital resources for the future.

As such, our community engagement plans over the near future will be geared more towards the Extrapreneurship drive which seeks to empower young people with the requisite knowledge, skills and network for the creation of wealth and its sustenance.

Our community engagement strategy is aligned with our corporate business objectives and recognizes that our operations drive economic development, which could sometimes create social and environmental dis-equilibrium. On this basis, we are continually seeking opportunities to manage our operational risk whilst simultaneously creating strong alliances and partnerships with our host communities and/or other stakeholders to ensure that our sustainability journey footprint remains positive.

As a strategic member and founder of the PSAG, the SDGs are a critical guide to informing and measuring what types of sustainability projects we carry out. Our alignment of our business activities and interventions with the SDGs ensures that we are not only making an impact but showcases that the fact that these pacts make a difference and that they are measurable.

In line with our Personal and Corporate Social Responsibility processes and procedures, we have conducted our needs assessment in line with IFC's sustainability criteria. Through this process, we have identified some areas of Sustainable Development intervention for the future. These interventions will enable Asharami Synergy Plc deliver on its value proposition to beneficiaries in our host communities and other stakeholders, thereby increasing brand awareness, goodwill and mostly meeting our obligations and commitments to the SDG's. Some the identified interventions include, but are not limited to the following

**Our community engagement strategy is aligned with our corporate business objectives and recognizes that our operations drive economic development, which could sometimes create social and environmental dis-equilibrium.**

### YOUTH EMPOWERMENT PROGRAMS



Following the success and impact of the "Reaching the Goals" project in partnership with ENACTUS Nigeria, the program will be continued in 2018.

In subsequent reporting years, the "Reaching the Goals" Project will be looking to see how the approved submissions of the 2017 reporting year has been improved upon by measuring their impact on the various communities. Doing this will help identify solutions to gaps highlighted that would make these projects better marketable and retain economic viability.



## SAHARA HUB

As part of our contribution to Sahara Group's capacity building activities for young people and towards impacting millions of young people over the next five years, we will be collaborating with the Sahara Foundation in improving its Extrapreneurship hub [www.SaharaHub.com](http://www.SaharaHub.com). This platform provides opportunities for young people to connect to career building/enhancing opportunities by reaching out to Subject Matter Experts (SMEs) in various areas of the economy through mentorship, coaching and other learning and development capabilities thereby creating an ecosystem for young people to gather needed knowledge and experience in becoming entrepreneurs.

The hub also provides a platform that finds, creates and connects young people with business interests in emerging markets to solve common social problems, in line with our goal of achieving the SDG's in Nigeria.

As part of our vision, we collaborated with the office of the Presidency of the Federal Republic of Nigeria, Federal Ministry of Trade and Investment as well as other private sector stakeholders in putting together and investing in the Aso Villa Demo Day, which was a three day intensive boot camp for thirty selected innovators, structured towards the delivery of the following for young upcoming entrepreneurs.

- ✓ Pitching business ideas
- ✓ Proposing market viability strategies
- ✓ Creating, implementing and maintaining sustainable models of operations.

The best three entrepreneurs from the boot camp were provided financial support towards expanding their business ventures as well being inducted into the Sahara Hub platform. The other twenty-seven business ventures are also registered on the platform and are working closely to drive the long-term sustainability of their business innovations.

The Sahara Hub grants registered members access to Sahara Foundation's scholarship schemes of which we will be providing some levels of scholarships as part of our contribution with the aim of connecting beneficiaries and channeling their activities to the right support systems for business incubation, improvements, investments and direct relationships with key resources for support.

Our goal through the Sahara Hub is to impact 12 million youths across our business locations directly and indirectly through our various support systems provided by the Sahara Hub.



### Sahara Hub

<http://saharahub.com>



### PRIVATE SECTOR ADVISORY GROUP

Building on the foundation laid in 2017 reporting year, our relationships with other private sector companies on the Private Sector Advisory Group (PSAG) will be maintained and improved upon. Our intention is to further increase and foster better collaborations amongst member organizations. In addition, we plan to work with some of these organizations by cooperating in the implementation of sustainability related projects in the future.



## Improved Community Relationships



Our commitment to continuously improve on community relations in order to enhance the quality of life for stakeholders within our host communities, promote the long-term strategies for stakeholder management, build positive and sustainable relationships and improve wealth creation opportunities in these communities with key individuals, groups and organizations is a major objective for increasing our sustainability footprints in the coming years.

Asharami Synergy Plc intends to improve its strategy in community relations in subsequent years by:



✓ Constantly reviewing the Personal and Corporate Social Responsibility (PCSR) policies, practices, processes and procedures in line with changing trends and internationally acceptable standards.



✓ In line with the Local Content Development Act of Nigeria, we will continue to focus on using competent local merchants, contractors and other professionals for provision of goods and services as a means of empowering community members.



✓ Ensuring continuous contribution towards the wellbeing of Asharami Synergy's communities through sustainable partnerships with all stakeholders in the community.



✓ Upgrade existing communication channels to be more effective and conducive for feedback from the community stakeholders as well as continuously keeping them well informed about the organization's future plans and activities



In the 2017 reporting year, Asharami Synergy Plc invested over N62 million towards PCSR activities and implementation of community projects. We expect this to increase in subsequent years in order to meet the achievement of our Sustainable Development Goals objectives





## Our People

In Asharami Synergy Plc, our people are our greatest and most valuable assets and resources. Our people are extremely talented, exceptional and committed to the growth of the organization across locations and in all spheres.

Our appreciation for zeal, hard work and enthusiasm is showcased by our highly diverse and professional workforce. As such we have put in place the right policies and programs which fosters an enabling safe working environment that is free from segregation, prejudice and any form of discrimination. We are committed to creating an inclusive work environment that embraces diversity with respect to race, nationality, gender, disability, religion and/or age.

In the 2017 reporting year, our policies and programmes focused on capacity building, equity in the workplace, healthy living, work-life balance and development of well-rounded individuals with the requisite technical and soft skills to take up leadership positions. We are working continuously to improve upon existing policies, processes and procedures to ensure staff are provided with opportunities for career advancement and a safe, healthy, conducive and happy work environment.

A total of fourteen (14) people joined our workforce. Five (5) came through our highly competitive Graduate Management Trainee (GMT) and Graduate Accounting and Audit Programs (GAAP), while nine (9) employees joined through our direct hire programs.

We leveraged on Sahara Group's GMT and GAAP programs which are designed to develop and train a new generation of leaders for the organization's succession and sustainability plans.

A total of twenty-six people exited in the reporting year.

Our appreciation for zeal, hard work and enthusiasm is show-

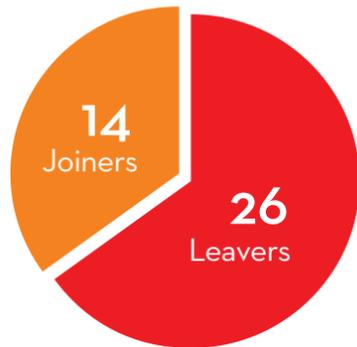
cased by our highly diverse and professional work force.





**14** Total addition to workforce in 2017

JOINERS & LEAVERS IN 2017



**9** Through the highly competitive Graduate Management Trainee (GMT) and Graduate Accounting and Audit Programs (GAAP)

**5** Direct Hires

## Developing Future Leaders

The Graduate Management Trainee (GMT) and Graduate Accounting and Audit Program (GAAP) are initiatives of our affiliate company, the Sahara Group, aimed at hiring and developing talented young individuals and prospective leaders from a cross-cultural environment.

Whilst the GMT program is open to graduates of all fields, the GAAP program is open to candidates with finance, economics and/or accounting backgrounds.

The candidates are selected from a recruitment process open to all graduates of every discipline. GMT's require a high degree of initiative, resourcefulness, ability to think outside the box, flexibility and a pro-active approach to achieve both business objectives and personal success. They go through a period of classroom and practical learning and development sessions, and upon engagement, are given opportunities to work in different business units in the company with regular supervision and coaching to further enhance their knowledge of the business across various business activities.

The Graduate Accounting and Audit Program (GAAP) trainees are specially trained and equipped with the knowledge of how to use data, metrics and business trends towards making predictions, analyzing business performance, proffering recommendations on solutions and developing strategy for the Asharami Synergy Plc under guidance, mentorship, supervision and coaching from experienced finance and business analysis supervisors and senior management officers. The GAAP trainees start off their careers in the Finance, MIS and Strategy units of Asharami Synergy, with the opportunity to becoming business managers based on the accelerated level of learning and development sessions they are provided with.

## Diversity and Equal Opportunity

Asharami Synergy Plc carries out its operations through a dynamic and well-equipped workforce that is comprised of 75% male and 25% female employees in the 2017 reporting year. The employee total at the end of the reporting year stood at 182 of which 136 were male and 46 were female employees. A testament to our diversity is reflected in the position of the Chief Executive Officer, who is also one of the female members of The Board.



**136**



**46**

Employee composition





## Continuous Learning and Development for all Employees

Our people are our greatest assets and resources, as such at Asharami Synergy Plc we believe and have embedded a culture of continuous learning and development which is fundamental to our success and growth capabilities. We emphasize and will never compromise on the development of our people through various learning and development programs, which includes out of office learning and development sessions, internal capacity managed learning and development sessions and a well-designed Personal Development Program (PDP).

Asharami Synergy Plc encourages its employees to get certifications and other qualifications officially and personally towards improving their knowledge capacity. To ensure that employees get the opportunity to improve their qualifications, we have embedded in our leave policy the provision of examination leave of absence to enable employees sit for qualifying examinations when necessary.



## Personal Development Plan

In line with our commitment to people development, Asharami Synergy Plc in the 2017 reporting year introduced the Personal Development Plan (PDP) program for its employees. The concept is a tool that is used by the Learning and Development department of the Human Capital Division to articulate - Specific, Measurable, Assignable, Relevant and Time-based (S.M.A.R.T) personal learning and development goals for all

employees in a well-defined and structured personal learning and development plan. The PDP program has been put in place to guide employees on the best way to bridge knowledge/skill gaps through other available resources besides the regular learning and development interventions organized by the organization.

This initiative ensures that all employees adopt a continuous learning culture and strive for holistic personal development as opposed to growth in technical competence alone.

## Learning and Development



Asharami Synergy Plc is focused on equipping employees with the right knowledge, skills and attitude required to meet job objectives, ensure sustained organizational growth/expansion and assist in developing the full potential of each employee. These channels include but are not limited to:

### 1. Annual Learning and Development:

Based on the learning and development needs analysis conducted at the end of each financial year, a comprehensive learning and development plan is implemented in the subsequent year. Learning and development interventions are strategically deployed through various mechanisms that include but are not limited to classroom sessions, e-learning modules,

information sharing sessions and internal workshops.

Our selection criteria are based on skill gaps identified irrespective of gender, experience and/or grade. The objective is to ensure that employees undertakes a minimum of one learning and development intervention in a year. Once selected and participation achieved, every employee who has benefited from any learning and development intervention is required to submit a feedback report in line with our learning and development policy, which is used to assess the level of coverage of learning gaps identified during the preceding year and also forms the starting point for future learning and development interventions.

### 2. Targeted Managerial & Non-Managerial trainings:

To ensure employees throughout their work life cycle are adequately prepared to take up evolving business challenges and responsibilities, several generic learning and development interventions which are focused on developing lifelong managerial and supervisory soft skills are deployed across each grade level.

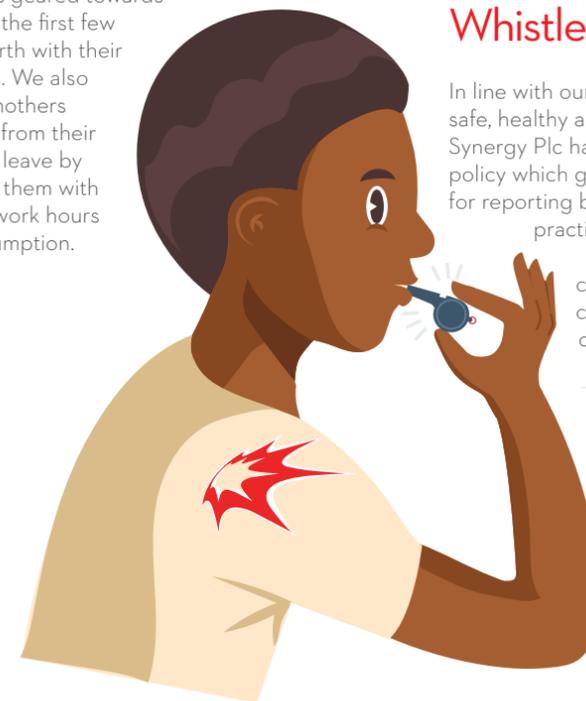
We have in place mechanisms to ensure that we develop our in-house learning and development facilitators to provide high level internal learning sessions as well as external facilitators where necessary towards creating a dynamic blend of knowledge transfer.



## Parental Leave

Asharami Synergy Plc with its goal of creating business sustainable ensures that it has a dynamic mix of young and experienced talent as its employees. In view of this, we have provided in our policies the needed incentives for young parents towards ensuring a healthy work life balance.

Asharami Synergy Plc has provision for a paid maternity leave period of three months for mothers as well as paid paternity leave of three days for fathers geared towards spending the first few days of birth with their newborns. We also support mothers returning from their maternity leave by providing them with reduced work hours upon resumption.



## Equal Opportunity



As an organization that comprises of people from diverse backgrounds, we encourage a civil and inclusive community characterized by mutual respect for each employee and their respective contributions. Our Equal Opportunity and Fair Treatment Policy provides the needed guidelines for our actions with regards to creating a discrimination free work environment for the organization

In the 2017 reporting year, we recorded zero reported incidents of discrimination and/or unfair treatment within the organization.

## Whistle Blower

In line with our Corporate Governance framework and to ensure a safe, healthy and equal opportunities working environment, Asharami Synergy Plc has put in place a Board approved "Whistle Blowing" policy which guides our employees on the processes and procedure for reporting breaches of the law, illegal, corrupt and/or unsafe work practices.

For all whistle blowing activities, stakeholders are encouraged to send their complaints through the following communication channels for quick resolution of such complaints using the "express yourself" email address:

- ✓ [expressyourself@sahara-group.com](mailto:expressyourself@sahara-group.com)
- ✓ or the "express yourself" section on the Sahara Group website the affiliate company of Asharami Synergy.

A whistle blower can report anonymously if he/she so desires. The company investigates all reports and where necessary reports breaches of the law to the appropriate government agency.



## Talent and Career Management



Career Management is an important aspect of human capital management and is of utmost priority to Asharami Synergy. To ensure that employees are optimally engaged, regular career management reviews are carried out for all employees.

At the beginning of every year, employees in conjunction with their line managers set Key Performance Indicators (KPI's) which will be used in assessing performance for the year. Regular feedback is provided on employee performance through monthly reviews between line managers and reports. The mechanism uses a 360-degree review methodology twice in the year - half year and end of year for all employees.

### Mid-year Reviews

We carry out mid-year appraisal reviews at the beginning of the second half of a financial year (July) towards assessing employee performance during the first half of the year. The mid-year reviews provide line managers an opportunity to provide appropriate feedback to their line reports on their performance levels and also highlight areas of improvement to meet KPI's by the end of the year.

During this review periods, line managers are able to identify learning and development interventions especially for line reports who they believe are ready for the next level of competence framework for their roles and responsibilities.

### Year-end Reviews

A final performance assessment is carried out for employees within the first quarter of the subsequent final year by line managers. The year-end assessments are the basis for approving employee rewards based on their previous year performance.

During the 2017 reporting year, performance assessment for all junior level employees was recorded at 100%, whilst that for middle and senior level employees was recorded at 90%. We will ensure that the organization records full compliance with year-end performance assessment in the subsequent reporting years.

**100%**

Performance assessment for all junior level employees

**90%**

Performance assessment for all mid-level employees

### Workforce Insurance

Asharami Synergy Plc provides Group Life Insurance cover on all its employees annually and this was also done in the 2017 reporting year. The insurance policy is designed to provide a lump sum payment to the dependents of an employee of Asharami Synergy Plc who die whilst in the employment of the company.

In the 2017 reporting year, Asharami Synergy Plc also made contributions on behalf of its employees to the Nigerian Social Insurance Trust Fund. This is an employee compensation scheme provided by Asharami Synergy Plc as a corporate responsibility and in compliance with the law. The insurance scheme provides compensation for employees for injuries from work place accidents, injury in the course of work carried out outside the work place and diseases emanating from working conditions. Asharami Synergy Plc in the 2017 reporting year remitted 10% of all employee salaries as employer's contribution to their pension accounts through the employee's pension fund administrators in compliance with the Pension Reform Act.



## Occupational Health and Safety

The safety of our people is an integral part of our responsibility as an employer. A major KPI of Asharami Synergy Plc is ensuring a safe, secure and healthy workplace for all employees, as well as providing guidance and training required to maintain same at all times. We recorded a total of 33 first aid incidents over the course of the 2017 reporting year.

Our employees' security, health, safety and well-being are a key KPI for our business and we ensure that all employees are conversant with and trained on safety procedures for their daily activities. Our risk profiling mechanisms includes but not limited to behavioral factors, and by implementing a transparent approach. In our safety, security and health management practices we maintain a conducive work environment and a culture of responsibility for our employees and all other stakeholders.

As part of our recognition of the importance of safety at work; we have created a system where employees are represented in joint management health and safety committees for larger business activity areas, whilst having a voluntary committee mechanism for smaller business activities areas.

We aim to manage health hazards that could cause harm to our workforce or nearby communities'. To achieve this, we managed the reduction to noise exposure by using sound proof equipment and building sound barriers mechanism where appropriate. Our health programs consider global concerns, such as the possibility of a contagion. We encourage our employees to assess their lifestyles and provide physical and/or online information modules in areas where we see the most need, such as fatigue, stress, office ergonomics and travel health.

**Asharami Synergy Plc considers the well-being of its employees as a key KPI. We place emphasis on ensuring the well-being of our employees such as social, physical and/or mental health challenges in our work environment. Asharami Synergy Plc makes deliberate efforts to create a work environment that is conducive to creativity, dynamism and growth; both for our people and the organization as a whole.**

### Creating a healthy work environment





Asharami Synergy Plc demonstrates our commitment towards creating a safe, secure, healthy and conducive work environment through various enterprise-wide initiatives, which includes but is not limited to the following:



### HEALTH FAIRS

We organize various health fair initiatives throughout the year focused on creating awareness on health-related concerns. One of such fairs was conducted in October of the 2017 reporting year with focus on checking employees - blood pressure, body mass index and non-fasting blood sugar levels.

The exercise was company initiated in collaboration with the organization's approved Health Maintenance Organization who carried out a learning session presentation on hypertension and blood pressure



### FREE MEDICAL TESTS AT OFFICE LOCATIONS ON WORKING DAYS

We organize various health fair initiatives throughout the year focused on creating awareness on health-related concerns. One of such fairs was conducted in October of the 2017 reporting year with focus on checking employees - blood pressure, body mass index and non-fasting blood sugar levels.

The exercise was company initiated in collaboration with the organization's approved Health Maintenance Organization who carried out a learning session presentation on hypertension and blood pressure

### ANNUAL MEDICAL EXAMINATIONS



In addition to the on-site visits, all our employees are enrolled in a comprehensive health plan managed by professionally accredited HMO providing health care services for Asharami Synergy.

We encourage employees to conduct annual comprehensive health checks as part of their company-sponsored medical coverage.



### ON-SITE GYM FACILITIES



As part of our employee fitness expectations, we have provided On-site Gym Facilities in three of our business activities locations across Nigeria towards encouraging employees to maintain healthy lifestyle habits. Employees are encouraged to use the gym before or after official work hours in order to ensure a healthy and balanced lifestyle.

Our gym facilities are equipped with treadmills, weight machines, exercise balls and various other equipment. It has proper air conditioning and changing rooms with showers for both male and female employees.



### TEAM BONDING PROGRAMS

As part of our organizational objectives of ensuring that we are not all about work, team bonding exercises are carried out at least once every year in all our business locations with all employees participating fun-filled day of leisure activities.



As part of the team bonding sessions, we come together with other affiliates within the Group once every two years to participate at the annual sports and games events - Saharalympics. The independent companies that were consolidated in the 2017 reporting year will be participating for the first time in the 2018 reporting year, as Asharami Synergy Plc



# Our Sustainability Footprints

In the 2017 reporting year, Asharami Synergy Plc continued its sustainability journey in collaboration with the Sahara Foundation by taking the fore front in ensuring the achievement of the Sustainable Development Goals (SDG's). Our coordination of the Private Sector Advisory Group in Nigeria was key to the achievement of SDG 17 - (Partnership for the Goals) by bringing together other private sector organizations towards achieving the SDG's in Nigeria.

In line with our continued commitment to supporting global efforts in achieving the Sustainable Development Goals, our activities in collaboration with Sahara Foundation, have had an impact on 7 additional goals of the 17 SDG

goals, thereby making it a total of eight SDG goals achieved in the 2017 reporting year.

Through our PCSR and Volunteer Management policy, which encourages employees to initiate and participate in various activities that give back to the society, we have implemented various community development programmes and successfully contributed to the achievement of 8 out of the 17 Sustainable Development Goals. The following development programmes below have been achieved in line with the SDG's.

A list of the achieved goals and a table describing our developmental activities and programs towards achieving the goals are as below;



| Goals | Goal Definition                                | Specific Activities towards attainment  | Goal Portrait |
|-------|--|---|---------------|
| 4     | <b>Quality Education</b>                       | Grooming Film Extrapreneurs 2, with Zuriel Oduwole - "Empowering the Girl Child in Africa" Knowledge and Capacity Building Hub for upcoming entrepreneurs - www.saharahub.com |               |
| 5     | <b>Gender Equality</b>                         | Grooming Film Extrapreneurs 2, with Zuriel Oduwole - "Empowering the Girl Child in Africa"  |               |
| 7     | <b>Affordable and Clean Energy</b>             | "Reaching the Goals" project in partnership with ENACTUS Nigeria,   |               |
| 8     | <b>Decent Work and Economic Growth</b>         | "Reaching the Goals" project in partnership with ENACTUS Nigeria,   |               |
| 9     | <b>Industry, Innovation and Infrastructure</b> | "Reaching the Goals" project in partnership with ENACTUS Nigeria,   |               |
| 10    | <b>Reduced Inequalities</b>                    | Grooming Film Extrapreneurs 2, with Zuriel Oduwole - "Empowering the Girl Child in Africa"  |               |
| 11    | <b>Sustainable Cities and Communities</b>      | "Reaching the Goals" project in partnership with ENACTUS Nigeria,   |               |
| 17    | <b>Partnership for the Goals</b>               | Founder and Lead Member of the Private Sector Advisory Group (PSAG) Nigeria   |               |



# Appendix

## GRI Content Index

### GRI 101: FOUNDATION

This report has been generated in accordance with the Global Reporting Initiative Standards. The emphasis on the application of the reporting principles that should define the quality and content of a sustainability report was made by the GRI standards and implemented in this sustainability report.

In defining the report content, internal and external stakeholders were involved in the identification of where impacts occur and the potential threats to our business. Also, the report has attempted to present Asharami Synergy Plc's activities in the wider context of sustainability whilst completely covering material topics that specifically describe Asharami Synergy Plc's impact on the economy, environment and society. .

We have ensured that this 2017 sustainability report adheres strictly to the principles stipulated by the Global Reporting Initiative that guarantee high quality reporting. These principles seek to ensure that the sustainability report is balanced enough to manifest both positive and negative performance in the reporting year, in manner that enables our stakeholders sufficiently form an opinion of our overall performance in the year 2017.

Furthermore, Asharami Synergy Plc has decided to report its economic, environmental and social impacts on a regular basis, for stakeholders to receive timely information to make decisions. In the course of the reporting process, the clarity and reliability of the disclosures were emphasized. This was to ensure that stakeholders are abreast with the data that have been compiled, analyzed and subjected to quality and materiality checks. Also, this data has been presented in a manner that will be understandable and accessible to stakeholders.

| GRI Standard Disclosure Number | Disclosure Definition   | Disclosure Location                       | Disclosure Status | Direct Response and Clarification                             |
|--------------------------------|---|---|-------------------|---|
| <b>ORGANIZATIONAL PROFILE</b>  |   |   |                   |   |
| Disclosure 102 - 1             | Name of the organization  | Company and Profile                       | Disclosed         | -   |
| Disclosure 102 - 2             | Activities, brands, products and services                                     | Company and Profile                       | Disclosed         | -   |
| Disclosure 102 - 3             | Location of headquarters.   | Company and Profile                       | Disclosed         | -   |
| Disclosure 102 - 4             | Location of operations.   | Company and Profile                       | Disclosed         | The company also has operations in Ghana, Tanzania and Zambia |
| Disclosure 102 - 5             | Ownership and legal form.   | Asharami Synergy Plc Ownership Structure  | Disclosed         | -   |
| Disclosure 102 - 6             | Markets served.   | Company and Profile                       | Disclosed         | -   |
| Disclosure 102 - 7             | Scale of the organization.  | Company and Profile                       | Disclosed         | -   |
| Disclosure 102 - 8             | Information on employees and other workers.                                   | Our People                                | Disclosed         | -   |
| Disclosure 102 - 9             | Supply Chain.   | Supply Chain Management                   | Disclosed         | -   |
| Disclosure 102 - 10            | Significant changes to the organization and its supply chain.                 | Supply Chain Management                   | Disclosed         | -   |
| Disclosure 102 - 11            | Precautionary Principle or approach.  | Environment                               | Disclosed         | -   |
| Disclosure 102 - 12            | External initiatives.   | -   | Disclosed         | Not Applicable  |
| Disclosure 102 - 13            | Membership of associations.   | Profile and Company                       | Disclosed         | Depot and Petroleum Marketing Association of Nigeria (DAPMAN) |
| <b>STRATEGY</b>                |   |   |                   |   |
| Disclosure 102 - 14            | Statement from the senior decision-maker.                                     | Board Chairman's Message                  | Disclosed         | -   |
| Disclosure 102 - 15            | Key impacts, risks and opportunities.   | CEO's Statement                           | Disclosed         | -   |
| <b>ETHICS AND INTEGRITY</b>    |   |   |                   |   |
| Disclosure 102 - 16            | Values, principles, standards, norms of behaviour.                            | Asharami Synergy Plc Corporate Governance | Disclosed         | -   |
| Disclosure 102 - 17            | Mechanisms for advice and concerns about ethics.                              | Diversity and Equal Opportunity           | Disclosed         | -   |
| <b>GOVERNANCE</b>              |   |   |                   |   |
| Disclosure 102 - 18            | Governance Structure.   | Board of Directors                        | Disclosed         | -   |
| Disclosure 102 - 19            | Delegating authority.   |   | Not Disclosed     | Not Applicable to Core "In Accordance" Option                 |
| Disclosure 102 - 20            | Executive-level responsibility for economic, environmental and social topics. |   |                   | Not Applicable to Core "In Accordance" Option                 |



|                     |  |                 |           |   |
|---------------------|--|-----------------|-----------|---|
| Disclosure 102 - 21 | Consulting stakeholders on economic, environmental and social topics.    |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 22 | Composition of the highest governance body and its committees.           |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 23 | Chair of the highest governance body.                                    |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 24 | Nominating and selecting the highest governance body.                    |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 25 | Conflicts of interest.   |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 26 | Role of highest governance body in setting purpose, values and strategy. |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 27 | Collective knowledge of highest governance body.                         |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 28 | Evaluating the highest governance body's performance.                    |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 29 | Identifying and managing economic, environmental and social impacts.     |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 30 | Effectiveness of risk management processes.                              | Risk Management | Disclosed |   |
| Disclosure 102 - 31 | Review of economic, environmental and social topics.                     |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 32 | Highest governance body's role in sustainability reporting.              |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 33 | Communicating critical concerns.   |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 34 | Nature and total number of critical concerns.                            |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 35 | Remuneration policies.   |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 36 | Process for determining remuneration.                                    |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 37 | Stakeholder's involvement in remuneration.                               |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 38 | Annual total compensation ratio.   |                 |           | Not Applicable to Core "In Accordance" Option |
| Disclosure 102 - 39 | Percentage increase in annual total compensation ratio.                  |                 |           | Not Applicable to Core "In Accordance" Option |

**STAKEHOLDER ENGAGEMENT**

|                     |   |                         |           |   |
|---------------------|---|-------------------------|-----------|---|
| Disclosure 102 - 40 | List of stakeholder groups.             | Stakeholders Engagement | Disclosed | - |
| Disclosure 102 - 41 | Collective bargaining agreements.       | Procurement Practices   | Disclosed | - |
| Disclosure 102 - 42 | Identifying and selecting stakeholders. | Stakeholders Engagement | Disclosed | - |
| Disclosure 102 - 43 | Approach to stakeholder engagement.     | Stakeholders Engagement | Disclosed | - |
| Disclosure 102 - 44 | Key topics and concerns raised.         | CEO's Message           | Disclosed | - |

**REPORTING PRACTICE**

|                     |   |                      |           |                           |
|---------------------|---|----------------------|-----------|---------------------------|
| Disclosure 102 - 45 | Entities included in the consolidated financial statements. | Economic Performance | Disclosed | Only Asharami Synergy Plc |
|---------------------|---|----------------------|-----------|---------------------------|

|                     |   |                            |               |  |
|---------------------|---|----------------------------|---------------|--|
| Disclosure 102 - 46 | Defining report content and topic Boundaries.             | CEO's Message, Materiality | Disclosed     |  |
| Disclosure 102 - 47 | List of material topics.                                  | Materiality                | Disclosed     | -  |
| Disclosure 102 - 48 | Restatements of information.                              | -                          | Not Disclosed | Not Applicable. This is the maiden sustainability report for Asharami Synergy  |
| Disclosure 102 - 49 | Changes in reporting.                                     | -                          | Not Disclosed | Not Applicable. This is the maiden sustainability report for Asharami Synergy  |
| Disclosure 102 - 50 | Reporting period.   | -                          | Disclosed     | January 2017 to December 2017  |
| Disclosure 102 - 51 | Date of most recent report.                               | -                          | Disclosed     | November 2017  |
| Disclosure 102 - 52 | Reporting cycle.  | -                          | Disclosed     | Annual   |
| Disclosure 102 - 53 | Contact point for questions regarding the report.         | About this report          | Disclosed     | Corporate Governance, Risk Management & Compliance unit.<br><a href="mailto:corp.gov@AsharamiSynergy.com">corp.gov@AsharamiSynergy.com</a>         |
| Disclosure 102 - 54 | Claims of reporting in accordance with the GRI standards. | About this report          | Disclosed     | This report has been prepared in accordance with the GRI Standards: Core Option.   |
| Disclosure 102 - 55 | GRI content index.  | -                          | Disclosed     | Most of the disclosures needed to be disclosed by a downstream oil and Gas company like Asharami Synergy Plc, were disclosed in the content index. |
| Disclosure 102 - 56 | External assurance.                                       | -                          | Disclosed     | No external assurance was provided for the 2017 sustainability report.   |

**ECONOMIC IMPACTS**

**GRI 201: Economic Performance**

|                    |   |   |               |   |
|--------------------|---|---|---------------|---|
| Disclosure 201 - 1 | Direct economic value generated and distributed.                                | Financial Status                              | Disclosed     | -   |
| Disclosure 201 - 2 | Financial implications and other risks and opportunities due to climate change. |   | Not Disclosed | -   |
| Disclosure 201 - 3 | Defined benefit plan obligations and other retirement plans.                    | -   | Disclosed     | Asharami Synergy Plc maintains a defined contribution Pension Scheme in accordance with the Pension Reform Act, 2004. Based on the reviewed Pension Reform Act 2014. The scheme covers 100% of the pension benefit and liabilities. The participation in retirement plans is mandatory, as it is guided by the Pension Reform Act 2014. |
| Disclosure 201 - 4 | Financial assistance received from government.                                  | Financial Assistance Received from Government | Disclosed     | The company received no financial assistance from the government.   |

**GRI 202: Market Presence**

|                    |   |            |           |   |
|--------------------|---|------------|-----------|---|
| Disclosure 202 - 1 | Ratios of standard entry level wage by gender compared to local minimum wage. | Our People | Disclosed | - |
|--------------------|---|------------|-----------|---|



|   |   |                             |               |   |
|---|---|-----------------------------|---------------|---|
| Disclosure 202 - 2                        | Proportion of senior management hired from the local community.               | -                           | Disclosed     | None in employment  |
| <b>GRI 203: Indirect Economic Impacts</b> |   |                             |               |   |
| Disclosure 203 - 1                        | Infrastructure investments and services supported.                            | Investments and Expenditure | Disclosed     | -   |
| Disclosure 203 - 2                        | Significant indirect economic impacts.  | Financial Status            | Disclosed     | Engagement of more transporter created indirect employment  |
| <b>GRI 204: Procurement Practices</b>     |   |                             |               |   |
| Disclosure 204 - 1                        | Proportion of spending on local suppliers.                                    | Growth of the Local Economy | Disclosed     | -   |
| <b>GRI 205: Anti - Corruption</b>         |   |                             |               |   |
| Disclosure 202 - 1                        | Ratios of standard entry level wage by gender compared to local minimum wage. | Our People                  | Disclosed     | -   |
| Disclosure 202 - 2                        | Proportion of senior management hired from the local community.               | -                           | Not Disclosed | None in employment  |
| Disclosure 205 - 3                        | Confirmed incidents of corruption and actions taken.                          | -                           | Not Disclosed | No confirmed incidents of corruption.   |
| <b>ENVIRONMENTAL IMPACTS</b>              |   |                             |               |   |
| <b>GRI 301: Materials</b>                 |   |                             |               |   |
| Disclosure 301 - 1                        | Materials used by weight or volume.   | -                           | Not Disclosed | Not Applicable.   |
| Disclosure 301 - 2                        | Recycled input materials used.  | -                           | Not Disclosed | Not Applicable.   |
| Disclosure 301 - 3                        | Reclaimed products and their packaging materials.                             | -                           | Not Disclosed | Not Applicable.   |
| <b>GRI 302: Energy</b>                    |   |                             |               |   |
| Disclosure 302 - 1                        | Energy consumption within the organization.                                   | -                           | Disclosed     | The information is not currently being recorded. Systems will be put in place to collate this data in subsequent years. |
| Disclosure 302 - 2                        | Energy consumption outside of the organization.                               | -                           | Disclosed     | The information is not currently being recorded. Systems will be put in place to collate this data in subsequent years. |
| Disclosure 302 - 3                        | Energy intensity.   | -                           | Disclosed     | The information is not currently being recorded. Systems will be put in place to collate this data in subsequent years. |
| Disclosure 302 - 4                        | Reduction of energy consumption.  | -                           | Disclosed     | The information is not currently being recorded. Systems will be put in place to collate this data in subsequent years. |

|                                   |  |                                   |               |   |
|-----------------------------------|--|-----------------------------------|---------------|---|
| Disclosure 302 - 5                | Reductions in energy requirements of products and services.  | -                                 | Disclosed     | The information is not currently being recorded. Systems will be put in place to collate this data in subsequent years.                                       |
| <b>GRI 303: Water</b>             |  |                                   |               |   |
| Disclosure 303 - 1                | Water withdrawal by source.  | Water Management and Conservation | Disclosed     |   |
| Disclosure 303 - 2                | Water sources significantly affected by withdrawal of water.   | Water Management and Conservation | Disclosed     |   |
| Disclosure 303 - 3                | Water recycled and reused.   | Water Management and Conservation | Disclosed     |   |
| <b>GRI 304: Biodiversity</b>      |  |                                   |               |   |
| Disclosure 304 - 1                | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. |                                   | Disclosed     | Operational locations   |
| Disclosure 304 - 2                | Significant impacts of activities, products, and services on biodiversity.   |                                   | Disclosed     | Biodiversity  |
| Disclosure 304 - 3                | Habitats protected or restored.  |                                   | Not Disclosed |   |
| Disclosure 304 - 4                | IUCN Red List species and national conservation list species with habitats in areas affected by operations.                                | -                                 | Not Disclosed | Asharami Synergy Plc does not have the total number of IUCN red list species and national conservation list species affected by our operations at the moment. |
| Electric Utilities Disclosures 13 | Biodiversity of offset habitats compared to the biodiversity of the affected areas.  |                                   | Not Disclosed | Not Applicable  |
| <b>GRI 305: Emissions</b>         |  |                                   |               |   |
| Disclosure 305 - 1                | Direct (Scope 1) GHG emissions.  | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |
| Disclosure 305 - 2                | Energy indirect (Scope 2) GHG emissions.   | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |
| Disclosure 305 - 3                | Other indirect (Scope 3) GHG emissions.  | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |
| Disclosure 305 - 4                | GHG emissions intensity.   | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |
| Disclosure 305 - 5                | Reduction of GHG emissions.  | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |
| Disclosure 305 - 6                | Emissions of ozone-depleting substances (ODS).   | -                                 | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.   |



|   |  |                         |               |   |
|---|--|-------------------------|---------------|---|
| Disclosure 305 - 7                                | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.   | -                       | Not Disclosed | The information is not currently available. This data will be collated and disclosed in subsequent reports.                             |
| <b>GRI 306: Effluents and Waste</b>               |  |                         |               |   |
| Disclosure 306 - 1                                | Water discharge by quality and destination.  | -                       | Disclosed     | Water Management and Conservation   |
| Disclosure 306 - 2                                | Waste by type and disposal method.   | -                       | Disclosed     | Waste Management  |
| Disclosure 306 - 3                                | Significant spills.  | -                       | Disclosed     | Spill Management  |
| Disclosure 306 - 4                                | Transport of hazardous waste.  | -                       | Disclosed     | Waste Management  |
| Disclosure 306 - 5                                | Water bodies affected by water discharges and/or runoff.   | -                       | Disclosed     | Water Management and Conservation   |
| <b>GRI 307: Environmental Compliance</b>          |  |                         |               |   |
| Disclosure 307 - 1                                | Non-compliance with environmental laws and regulations.  | -                       | Disclosed     | Environmental Management  |
| <b>GRI 308: Supplier Environmental Assessment</b> |  |                         |               |   |
| Disclosure 308 - 1                                | New suppliers that were screened using environmental criteria.   | -                       | Disclosed     | No Supplier was screened in the reporting year using environmental criteria.  |
| Disclosure 308 - 2                                | Negative environmental impacts in the supply chain and actions taken.  | -                       | Not Disclosed | The information was not taken in the reporting year 2017. Systems may be put in place to collate the information in the nearest future. |
| <b>SOCIAL</b>                                     |  |                         |               |   |
| <b>GRI 401: Employment</b>                        |  |                         |               |   |
| Disclosure 401 - 1                                | New employee hires and employee turnover.  | Our People              | Disclosed     |   |
| Disclosure 401 - 2                                | Benefits provided to full-time employees that are not provided to temporary or part-time employees.                            | Workforce Insurance     | Disclosed     | Group life Insurance and NSITF contributions, Disability and invalidity coverage Housing Allocation Welfare packages                    |
| Disclosure 401 - 3                                | Parental leave.  | Parental Leave          | Disclosed     |   |
| <b>GRI 402: Labour Management Relations</b>       |  |                         |               |   |
| Disclosure 402 - 1                                | Minimum notice periods regarding operational changes.  | -                       | Disclosed     | One Month   |
| <b>GRI 403: Occupational Health and Safety</b>    |  |                         |               |   |
| Disclosure 403 - 1                                | Workers representation in formal joint management-worker health and safety committees.   | QHSSE                   | Disclosed     | -   |
| Disclosure 403 - 2                                | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities. | Our Performance (QHSSE) | Disclosed     |   |
| Disclosure 403 - 3                                | Workers with high incidence or high risk of diseases related to their occupation.  | -                       | Not Disclosed | Details are not available at the moment.  |

|  |   |                                |               |  |
|--|---|--------------------------------|---------------|--|
| Disclosure 403 - 4   | Health and safety topics covered in formal agreements with trade unions.  | -                              | Not Disclosed | Health Topics are selected by the HR in conjunction with the HMO for periodic health talks to all staff  |
| <b>GRI 404: Training and Education</b>                           |   |                                |               |  |
| Disclosure 404 - 1   | Average hours of training per year per employee.  | Key Figures                    | Key Figures   | All staff members are scheduled to proceed on training annually irrespective of gender level or cadre. However, for the year 2017, not all employees went on training due to paucity of funds.   |
| Disclosure 404 - 2   | Programs for upgrading employee skills and transition assistance programs.                                      | Training (Our People)          | Disclosed     |  |
| Disclosure 404 - 3   | Percentage of employees receiving regular performance and career development reviews.                           | Talent and career management   | Disclosed     | Male: 100%<br>Female: 100%   |
| <b>GRI 405: Diversity and Equal Opportunity</b>                  |   |                                |               |  |
| Disclosure 405 - 1   | Diversity of governance bodies and employees.   | Our People<br>Gender Diversity | Disclosed     | -  |
| Disclosure 405 - 2   | Ratio of basic salary and remuneration of women to men.   |                                | Disclosed     | Ratio 1:1  |
| <b>GRI 406: Non - Discrimination</b>                             |   |                                |               |  |
| Disclosure 406 - 1   | Incidents of discrimination and corrective actions taken.   | -                              | Disclosed     | None   |
| <b>GRI 407: Freedom of Association and Collective Bargaining</b> |   |                                |               |  |
| Disclosure 407 - 1   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. | -                              | Disclosed     | None   |
| <b>GRI 408: Child Labour</b>                                     |   |                                |               |  |
| Disclosure 408 - 1   | Operations and suppliers at significant risk for incidents of child labour.                                     | -                              | Disclosed     | None   |
| <b>GRI 409: Forced or Compulsory Labour</b>                      |   |                                |               |  |
| Disclosure 409 - 1   | Operations and suppliers at significant risk for incidents of forced or compulsory labour.                      | -                              | Disclosed     | None   |
| <b>GRI 410: Security Practices</b>                               |   |                                |               |  |
| Disclosure 410 - 1   | Security personnel trained in human rights policies or procedures.  | -                              | Disclosed     | Asharami Synergy Plc employed the services of a third-party company to ensure the safety and security of the facility and the environs. The third-party company reports that 100% of its security personnel have undergone human rights trainings. |
| <b>GRI 411: Rights of Indigenous Peoples</b>                     |   |                                |               |  |
| Disclosure 411 - 1   | Incidents of violations involving rights of indigenous peoples.   | -                              | Disclosed     | None   |
| <b>GRI 412: Human Rights Assessment</b>                          |   |                                |               |  |
| Disclosure 412 - 1   | Operations that have been subject to human rights reviews or impact assessments.                                | -                              | Disclosed     | None   |

|  |   |                     |               |  |
|--|---|---------------------|---------------|--|
| Disclosure 412 - 2   | Employee training on human rights policies or procedures.   | -                   | Disclosed     | None at the moment.  |
| Disclosure 412 - 3   | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. | -                   | Disclosed     | None at the moment.  |
| <b>GRI 413: Local Communities</b>                              |   |                     |               |  |
| Disclosure 413 - 1   | Operations with local community engagement, impact assessments, and development programs.                                   | Community Relations | Disclosed     | -  |
| Disclosure 413 - 2   | Operations with significant actual and potential negative impacts on local communities.                                     | Community Relations | Disclosed     | -  |
| <b>GRI 414: Supplier Social Assessment</b>                     |   |                     |               |  |
| Disclosure 414 - 1   | New suppliers that were screened using social criteria.   | -                   | Disclosed     | None, as this system was not in place in the reporting year 2017.  |
| Disclosure 414 - 2   | Negative social impacts in the supply chain and actions taken.  | -                   | Disclosed     | In the reporting year 2017, no supplier was captured to have significant actual and potential negative impact on the society with respect to our supply chain management system. |
| <b>GRI 415: Public Policy</b>                                  |   |                     |               |  |
| Disclosure 415 - 1   | Political contributions.  | -                   | Not Disclosed | None   |
| <b>GRI 416: Customer Health and Safety</b>                     |   |                     |               |  |
| Disclosure 416 - 1   | Assessment of the health and safety impacts of product and service categories.  | QHSSE               | Disclosed     |  |
| Disclosure 416 - 2   | Incidents of non-compliance concerning the health and safety impacts of products and services.                              | QHSSE               | Disclosed     | None   |
| <b>Electric Utilities Disclosure: Access</b>                   |   |                     |               |  |
| Electric Utilities Disclosure 27                               | Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime     | -                   | Not Disclosed | Asharami Synergy Plc is a power generation company, and therefore does not interface directly with residential, commercial, or industrial electricity consumers.                 |
| Electric Utilities Disclosure 29                               | Average power outage duration.  | -                   | Not Disclosed | These are performance indices for power transmission and distribution companies, and are not applicable to GENCOs.   |
| <b>Electric Utilities Disclosure: Provision of Information</b> |   |                     |               |  |
| <b>GRI 417: Marketing and Labeling</b>                         |   |                     |               |  |
| Disclosure 417 - 1   | Requirements for product and service information and labeling.  | -                   | Disclosed     | None   |
| Disclosure 417 - 2   | Incidents of non-compliance concerning product and service information and labeling.  | -                   | Disclosed     | None   |
| Disclosure 417 - 3   | Incidents of non-compliance concerning marketing communications.  | -                   | Disclosed     | None   |
| <b>GRI 418: Customer Privacy</b>                               |   |                     |               |  |

|   |   |   |           |      |
|---|---|---|-----------|------|
| Disclosure 418 - 1                        | Substantiated complaints concerning breaches of customer privacy and losses of customer data. | - | Disclosed | None |
| <b>GRI 419: Socio-Economic Compliance</b> |   |   |           |      |
| Disclosure 419 - 1                        | Non-compliance with laws and regulations in the social and economic area.                     | - | Disclosed | None |

