



# Collaborating for Global Impact



[www.sahara-group.com](http://www.sahara-group.com)

2018

Sustainability  
Report



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**About This Report**

**S**ahara Group's 2018 Sustainability Report reflects our economic, social and environmental activities from January 1 to December 31, 2018. The report is our fourth sustainability report, and our third report written in line with the GRI standard. As it is our practice, the intended audience for this report are our key stakeholders such as our shareholders, customers, employees, suppliers, government and regulatory organisations. These stakeholders directly impact and are also directly impacted by the activities of the organisation.

**GRI CONTENT**

The 2018 Sustainability Report has been organized and presented in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The guidelines seek to achieve consistency amongst corporations reporting on their sustainability activities.

**CONTACT US**

This report was prepared by the Governance and Sustainability Unit of Sahara Group Limited in accordance with GRI Sustainability Reporting Standards and Principles.



Please send comments or questions about this Report to [corp.gov@sahara-group.com](mailto:corp.gov@sahara-group.com) or in writing to:

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# Director's Message Collaborating for Global Impact

Our 2018 Sustainability Report with the theme "Collaborating for Global Impact" provides details on the economic, environmental, social, governance and risk impact of our businesses globally. The theme aligns with our activities and projects in 2018 which traverse global partnerships and collaborations, institutionalising global standards in our businesses.



## Our Global Impact Our People



We were deliberate with our experienced hires with a focus on impact, global network and sustainability.

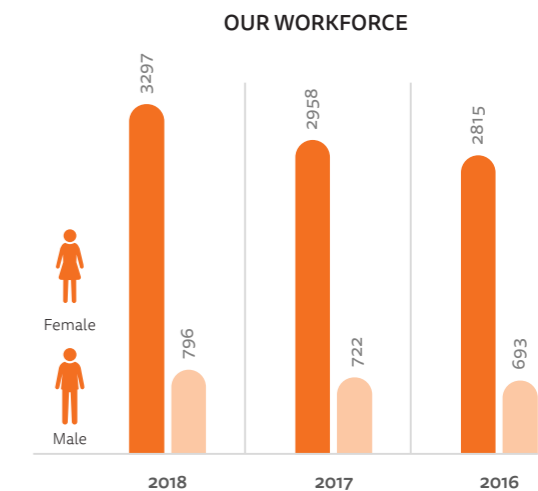


**796**

**Female employees**  
An increase from 722 in 2017; part of our plan to have a more gender-balanced workforce by 2020



**O**ur people have been pivotal to the growth and global impact of our organization by effectively establishing, managing and sustaining these international collaborations. It is critical to our sustainability that we attract and retain the right talent to achieve this feat. This year, we have expanded our talent pool from 3680 employees in 2017 to 4093 in 2018. To cultivate a workforce capable of growing and sustaining the business impact, we enhanced the recruitment and selection processes of pre-existing programmes. We were deliberate with our experienced hires with a focus on impact, global network and sustainability. In light of this, there was a significant increase in the number of our female employees from 722 in 2017 to 796 in 2018 as compared with 2016 (693) to 2017 (722) increment. Our target is to have a more gender-balanced workforce by 2020.



4093

Total Employees in 2018



An increase of 11% from 3281 in 2017

19%

Increase in our female employees in 2018

A step to meeting our 2020 target of a more gender-balanced workforce

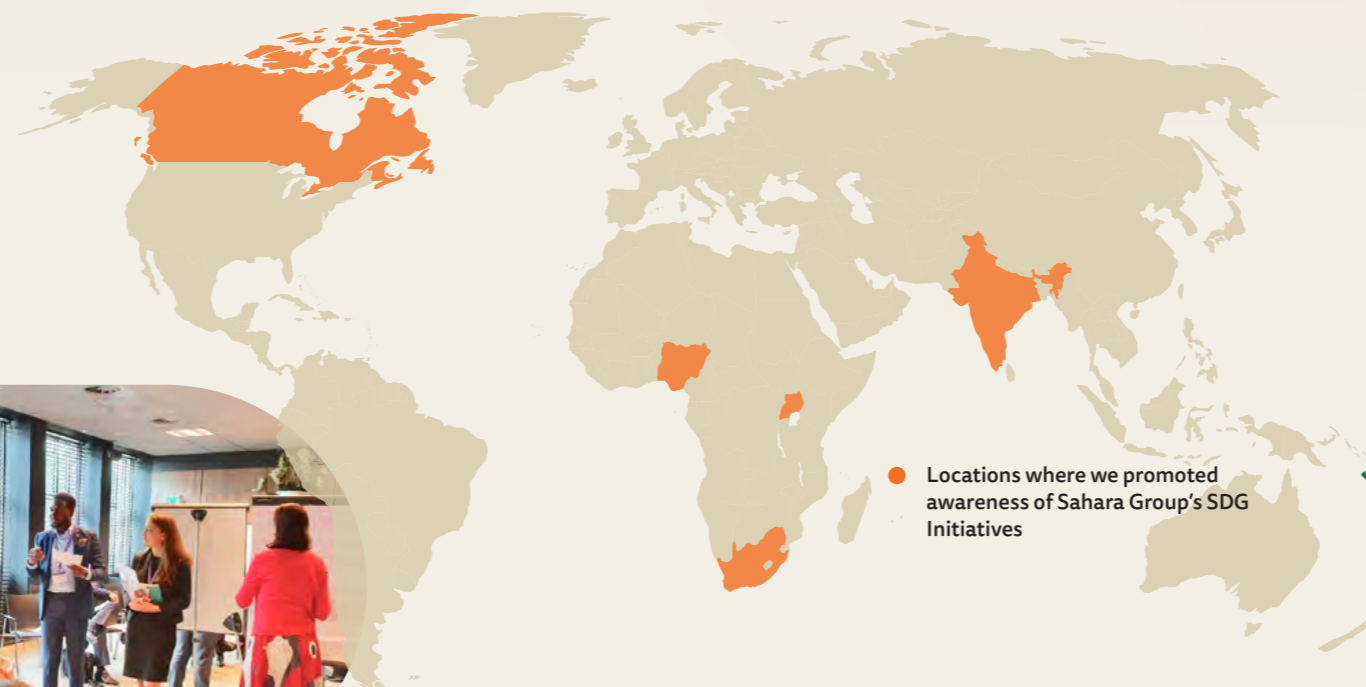


**Unwavering passion, for the rule of law**

Evident in our participation at the conference on **'The Role of the Private Sector in Fostering Justice, Peace and Sustainable Institutions'** at the Bingham Center for Rule of Law in the Hague



Babatomiwa representing Sahara at a speaking engagement



Locations where we promoted awareness of Sahara Group's SDG Initiatives

Furthermore, we promoted awareness of Sahara Group's SDG initiatives through various high level reports and speaking engagements across Canada, South Africa, India, Nigeria and Rwanda. Babatomiwa Adesida represented Sahara Group at South Africa, Canada and Rwanda speaking engagements. In line with our global thought leadership role in the energy sector, we joined world leaders and other stakeholders to underpin the importance of collaboration in safeguarding the future of Oil at the Organization of Petroleum Exporting Countries (OPEC) 7th International Seminar in June 2018 in Vienna. Speaking as a panellist in one of the sessions, Executive Director, Tope Shonubi reinforced the need for cooperation towards achieving transparency, market balance, safety and environmental protection.



Tope Shonubi speaking at OPEC's 7th international seminary in June 2018 in Vienna

**IN ADDITION, WE HAVE:**



Promoted awareness of the activities of the SDG Fund by attending Private Sector related events in Canada, South Africa, India, Nigeria and Rwanda



Developed a toolkit on the contribution of sports to the achievement of the SDGs. This was launched during a side event at the UN's High-Level Political Forum on the 9th of July 2018.

In the year under review, we have continued to strengthen our safety mechanism through our continued collaboration with the British Safety Council. We are confident that a zero-fatality rate across our plants and workplaces is achievable and we will continually channel our resources towards embedding a culture of safety and compliance.

We are passionate about the rule of law and to demonstrate this, we had our colleague Oluseyi Ojurongbe (Manager, Sahara Foundation) represent us at the conference on 'The Role of the Private Sector in Fostering Justice, Peace and Sustainable Institutions' at the Bingham Center for Rule of Law in the Hague. In addition to the above, we also had members of the team go on secondment opportunities with the UN SDG-Fund such as Babatomiwa Adesida who was in secondment with UN SDG-F: Private Sector Engagement Specialist 2017-2018. The key objective of this relationship being to strengthen private sector participation and collaboration in the attainment of the UN-SDGs. Since our partnership with the UN through Babatomiwa's secondment, we have remained a committed partner to the UN and provided support to the development and implementation of the SDG Fund's private sector and philanthropy engagement in Africa and beyond.



The key objective of our relationships is to strengthen private sector participation and collaboration in the attainment of the UN-SDGs

**Some of our speaking engagements since 2017:**

- Keynote speaker at Sustainable Development Goal training programme for students from MacEwan University and the University of Calgary in Calgary, Canada - October 2017
- Keynote speaker at Student-Led ENACTUS Competition in Calgary Canada - March 2018
- Panellist at the African Innovation Summit in Kigali Rwanda - June 2018
- Panellist at the 9th edition of the Africa PPP Conference in Cape Town South Africa - November 2017
- Panellist on several events hosted at the UN headquarters
- Keynote speaker at the World CSR Congress in Mumbai India - February 2018



**In recognition of our efforts in fulfilling the SDGs, Sahara Group was one of only two African companies from 100 across the globe to sit on the UN's first ever Private Sector Advisory Board**



Beyond the external activities carried out in this regard, internal measures regarding the promotion of the SDGs have included the integration of the SDG's into the company's policies and core business operations such as the introduction of paternity leave, substantial female representation at management level, favourable working conditions for staff and constant business growth through innovative strategies.



Sahara Group has aligned its operations to the UN-SDGs since they were launched in 2015. We have adopted the Goals and Targets as global standards to attain sustainable development and the ambitious targets in Agenda 2030.

Our passion did not go unnoticed and in 2016, the United Nations Sustainable Development Goals Fund launched the Private Sector Advisory Group on the SDGs and selected Sahara Group as one of only two African companies from 100 across the globe to sit on the UN's first ever Private Sector Advisory Board. Taking a cue from the PSAG launch and the inclusion of Sahara Group on the PSAG Global board of 13 companies, our employees/Board members spear-headed the launch of a local PSAG in Nigeria in February 2017. The major aim is to support the Government of Nigeria in achieving its targets for the UN-SDGs as well as its national priorities in the Economic Recovery and Growth Plan ERGP (2017-2020) whilst spearheading the necessary collaboration of other private sector participants in collaborating and leveraging for the attainment of the SDGs. In 2018, one of the key achievements of PSAG Nigeria was the creation of an SDG Reporting Tool. This tool will enable private sector companies in Nigeria to report their SDGs related intervention in a central location that will be fed into the country's voluntary national report that is submitted yearly to the UN. In other words, private sector contributions towards development objectives will now be collated centrally and reported as part of the national drive towards the Goals. As part of our commitment, our Director of Sustainability and Governance, Pearl Uzokwe, currently sits on the Board of PSAG-Nigeria and with her experience in law, has helped to facilitate setting up the governance framework for the Group which should be completed in 2019. Additionally, we run the secretariat of PSAG-Nigeria with a dedicated team selected solely for this initiative.



**In 2018, one of the key achievements of PSAG Nigeria was the creation of an SDG Reporting Tool**

**The commitment of our Board to collaboration for global impact in the area of corruption has been reflective since 2016.** We are committed to the global fight against corruption and are currently signatories to the World Economic Forum's Partnering Against Corruption Initiative (PACI). Our membership was a recognition of the role played in spearheading a growing wave of transparency and good governance principles. Being members of the steering committee requires that we are currently partnering with PACI to achieve sustained efficacies in terms of Responsible Leadership, Public-Private Cooperation, and Technological Advancement. In 2018, we began working to entrench these tenets at the core of our corporate governance framework, and this should be finalized in 2019. This initiative will also leverage on the 2018 Federal Reporting Council of Nigeria Code of Corporate Governance which will be launched in 2019. The partnership with PACI makes it incumbent that we operate at the highest level of good corporate governance globally and locally. Maintaining transparency in the disclosure of information relating to business activities and promotion of anti-corruption initiatives designed to eliminate corruption in all aspects of businesses therein are priorities. We have currently begun other global collaborations with entity-specific multilateral agencies fighting corruption as it relates to each of our entities.



## Investment

Our investments in real estate and operating assets have always been the sustainable factor in our business as shown in the increase of our operating assets from about N950 billion in 2017 to N1 trillion in 2018 and real estate assets of over N400 million. Our revenue has increased yearly from N253.39 billion in 2016 to N348.52 billion in 2018.



**N1 trillion**

Operating assets in 2018  
An increase from the N950 billion in 2017

Sahara Group Revenue (N'Billion)



**348.52 billion**

Revenue in 2018  
A 38% increase from 2016 figure of N253.39 billion



**350 million**

Community investments in 2018  
Over 40% increase from 2017 figure of N250 million

We have acquired and expanded our operations in the infrastructure and downstream value chain in Zambia and Tanzania increasing our international outlook and operation in the Eastern African region with a key focus on introducing greater efficiency and improving intra-African trade. Acquisitions and investments also increase our carbon footprint as seen in the case of Egbin and FIPL which are our power generating entities and are responsible for more than 99% of Sahara Group's greenhouse gas (GHG) emissions. About 890,000 tons CO<sub>2</sub>e was emitted in 2016 and this increased to 1,100,000 tons CO<sub>2</sub>e in 2018 because of overhaul and efficiency improvement of some turbines. Thus, as we expand and invest, efforts are being made to reduce GHG emissions from other entities within the Group.



**More Investment, Less Emissions**

**As we continue to improve the efficiency of our infrastructure, we are also making giant efforts in reducing our GHG emissions footprint across all entities within the group**

In addition, our global stance on our investments is apparent in procurement where we encourage local participation. Consequently, our suppliers are mainly from within our operating region but most of the machines/materials they supply are manufactured globally. We maintain a relationship with these global manufacturers in areas of operations and maintenance. More specifically, in 2018, we had major overhauls of our power generating engines managed by FIPL and Egbin and this enhanced our global collaboration with the original equipment manufacturing (OEM) partners. Our belief is that as we improve local capabilities by supporting local content where available, we will continually increase local participation and standards in an increasingly competitive global market.

Furthermore, we have increased investment in communities and countries where we operate. Our spending increased by over 40% from N250 million in 2017 to N350 million in 2018.

# Community Investment

Sahara Group Spend on Foundation and Community investments (N' Million) 2016 - 2018

**346.7 million**  
2018

**252.3 million**  
2017

**38.4 million**  
2016

This consisted of regional projects with global collaborations:



## THE FOOD AFRICA PROJECT

The Food Africa Project in Kaduna State, Nigeria (directed at alleviating poverty through food security and people empowerment), involves a partnership with the UN-SDG Fund Office, Food and Agriculture Organization (FAO), International Labour Organization (ILO) and International Trade Centre (ITC) as well as local stakeholders such as the Federal Ministry of Agriculture and Rural Development and Kaduna State Agriculture Development Agency.



## COLLABORATION ON SDGs

We commenced partnership discussions with the UNDP for the attainment of SDG 7 (provision of access to clean and affordable energy) in Nigeria, Ghana and Cote d' Ivoire. This will be finalized in 2019.



## READ TANZANIA



Realizing Education for Development (READ) International, Tanzania (providing access to quality education and promoting gender equality across Tanzania). Our partner in this programme is Realized Education for Development (READ) International, Tanzania. READ is an International charity that aims to improve access to education in East Africa by renovating school libraries and providing educational materials. READ began as a United Kingdom-based charity but has since moved operations mostly to Tanzania



## THE VISION OF HOPE



The Vision of Hope, Zambia (supporting and empowering displaced girls in Zambia, mostly victims from unrest in neighbouring Sudan and DRC) Our implementing partner on this Gender Equality/ Girl Empowerment Programme was Vision of Hope (VoH). VoH is the only organization serving the specific needs of female youth on the streets in Zambia. The organization works to change the future of girls in crisis, prevent streetism, and build a Zambia where girls and women are free from exploitation. Through the support of Sahara Foundation, an outdoor kitchen was constructed and equipped to serve as a platform for the girls to acquire vocational skills in catering, cooking and baking.



## W.A.T.E.R GHANA

W.A.T.E.R Africa, Ghana (empowering young men and women in rural Ghana with skill and tools that will help towards self-reliance). Our implementing partner on this project was Water in Africa Through Everyday Responsiveness (W.A.T.E.R). Since 2004 WATER has been undertaking water and sanitation projects in Africa. This includes mechanized boreholes, construction of latrines, educating communities on maintenance and undertaking health and hygiene education. The 25 beneficiaries from our 2018 intervention were trained in the construction of household latrines, simple rain catchment systems, low energy cookstoves and water filters.




## SAHARA FOUNDATION EYE CARE PROGRAMME

Sahara Foundation Eyecare Programme in partnership with Light First International, Cote d' Ivoire (provision of cataract screening and surgeries in Katiola, Northern Cote d' Ivoire) Our partner on this programme was Light First International. In this programme, 960 individuals were screened for cataract and other eye defects over a 5-day period. Also 270 individuals received free eye medication and counselling and 101 cataract surgeries were carried out.





# Sustainability Highlights across the Sahara Group

Entity	Highlights
 <p><b>Sahara Foundation</b></p>	<p><b>Empowering Youth and Engendering Economic Growth &amp; Development - Sahara Foundation</b> has put in place a strategy to directly impact 12,000,000 Nigerian youth and create value through the identification, development and maintenance of relevant stakeholders through which beneficiaries can grow and sustain businesses.</p> <p><i>Our major activities in 2018 in the Foundation includes but not limited to -</i></p> <p><b>Health</b></p> <ul style="list-style-type: none"> <li>● Cancer awareness, screening and treatment programmes,</li> <li>● Eye Care programmes,</li> <li>● Provision of Care for People Living With HIV/AIDS (PLWHA),</li> <li>● Provision of Care for People living with Disabilities,</li> <li>● Upgrade of Medical /Laboratory Facilities,</li> <li>● Water and Sanitation</li> </ul> <p><b>Education &amp; Capacity Building</b></p> <ul style="list-style-type: none"> <li>● School Feeding Programme,</li> <li>● Creativity Competition among the Youth,</li> <li>● Career Counseling Programmes for Senior Secondary Students,</li> <li>● Upgrade of Classroom Facilities,</li> <li>● Scholarships for indigent students</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>● Promotion of Green Energy Initiatives and Green Energy Campaign - Sustainable Community Development</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>● Provision of social amenities</li> <li>● Sponsorship of Youth-Led Developmental Initiatives</li> <li>● Recruitment of the semi-skilled and 100% of unskilled labour from host communities</li> </ul>

Entity	Highlights
 <p><b>Asharami Energy Limited</b></p>	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>● Commenced steps towards the use of gas to power our offshore activities</li> </ul>
 <p><b>Asharami Synergy Limited</b></p>	<p><b>Health Safety and Environment</b></p> <ul style="list-style-type: none"> <li>● Certified to ISO 9001 &amp; 14001 standards in line with leading international good practices</li> </ul> <p><b>Risk &amp; Compliance</b></p> <ul style="list-style-type: none"> <li>● We deployed a customized Business Intelligence tool for Customer Management and Distribution Management.</li> </ul>
 <p><b>Centrum Properties Limited</b></p>	<p><b>Health Safety &amp; Environment, Facility Management</b></p> <ul style="list-style-type: none"> <li>● We put in place strategies to reduce energy and water consumption such as Installation of Solar panels and Prepaid meters at select locations. Furthermore, we deployed structures and processes to mitigate fire disasters.</li> </ul>
 <p><b>Egbin Power Plc.</b></p>	<p><b>Corporate Communications/Public Affairs</b> – As part of CSR activities for the host community, the Company provides uninterrupted power supply to Iljede Hospital Ikorodu. We also provide anti-malaria drugs to Ijede hospital on a quarterly basis</p> <p><b>Operations</b> – We put in place the following R&amp;D activities aimed at improving operations between 2016 to 2018 such as;</p> <ul style="list-style-type: none"> <li>● Variable speed drive to reduce auxiliary power consumption;</li> <li>● Local alternative source for station air compressor rubber coupling;</li> <li>● Development of electronic data collection system; and</li> <li>● Research on the drivers of power generation.</li> </ul>
 <p><b>First Independent Power</b></p>	<p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>● In ensuring the quality of gas supply we put in place a Gas Chromatograph to continually monitor the quality of gas supplied for our operations and better monitor usage.</li> </ul>
 <p><b>Ikeja Electric</b></p>	<p><b>Operations</b> – To improve on our service delivery and monitoring of transmission, we deployed the utilization Autoreclosure study across the network</p>

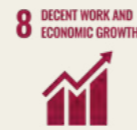
Using the SDGs and targets as global standards, our investments have been able to contribute to the following Goals



We are committed to collaborating in various ways with all stakeholders in ensuring that we harness our various strengths towards leveraging for the greater good and sustainability of our societies.



Whilst supporting and promoting all the SDG's remains important to us, SDG 17 which is "partnership for the goals" resonates loudly as we recognize that businesses cannot truly be said to be succeeding in societies that are failing. With that in mind we are committed to collaborating in various ways with stakeholders such as the multi-lateral and bi-lateral organisations, Governments, public and private sector participants, civil society and employees in ensuring that we harness our various strengths towards leveraging for the greater good and sustainability of our societies.



Pearl Uzokwe  
Director Governance and Sustainability



# Profile



# About Sahara Group

## Corporate Governance

**O**ur Corporate Governance structures and management systems helps us monitor and maintain an ethical, effective corporate culture with the goals of providing value for stakeholders and enabling sustainable growth. Our governance strategies, policies, processes and procedures are implemented across our entire value chain. Our organisational culture is controlled to protect the interests of and deliver value to our stakeholders. The highest governance body, the Board of Directors have a prominent role in ensuring the sustainable growth of the or-

ganisation by meeting throughout the year and deliberating on administrative, financial, operational and sustainability issues amongst others. The Board/Committee Charter and the memorandum and articles of association guide the activities of the Board and its Committees. The Board Charter sets out guidelines on Board/Committee composition, meeting procedures and guidelines on how the Board is to manage its affairs. In addition to formulating and approving the company's corporate governance framework, the Board drives its implementation through its committees.



**Our organisational culture is controlled to protect the interests of and deliver value to our stakeholders.**

## Code of Ethics

**Our Code of Ethics and Professional Conduct ("the Code")** strengthens our corporate governance framework and business principles. 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:

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 ethical behaviour is additionally supported by our established business principles. The 'Business Principles' set out and establish our core beliefs and behaviours, guiding the way that our employees conduct our business.** As a company, we believe there is no trade-off between our performance and principles, as such, our Business Principles provides additional Board Governance Policies that guide our four cardinal principles of – People, Conduct, Society and Environment.



**As a company, we believe there is no trade-off between our performance**

## Anti-bribery and Corruption

Anti-corruption is material to us due to the nature of our activities and operations especially in dealing with regulators and customers. The company manages its anti-corruption risk in accordance with the board-approved Anti-Corruption and Bribery policy that is implemented and enforced by the Risk and Compliance function. Our commitment to the highest principles and standards of ethics, integrity and business conduct requires that we do not tolerate any forms of bribery and corruption including those related to third parties with which we transact business.

Our anti-bribery, corruption and anti-money laundering and compliance programs set out the requirements for screening our operations, our suppliers and potential business partners. Training of board members and staff on anticorruption policies and procedures is provided at the start of engagement and subsequently provided on an as needed basis. Plans are currently being finalized to conduct anti-corruption assessment of all operations and facilitate training for all employees, board members and suppliers / vendors. Nonetheless, we have had no public corruption incidents and no incidents involving our supply chain. We had no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.

We aim to conduct our business in a corruption-free, anti-fraud and highly ethical manner that promotes free enterprise, excellence and competitiveness. Our anti-corruption and bribery policy set out guidelines for members of our board, executive management, employees, clients, third party business partners, and governments of the localities in which we operate, the main principles for countering fraud, bribery, extortion and corruption. The policy links closely to the company's vision and supports values of integrity and discipline and outlines acceptable and non-acceptable behaviours to ensure compliance with anti-corruption laws, such as the Nigerian Corrupt Practices and other Related Offences Acts, US Foreign Corrupt

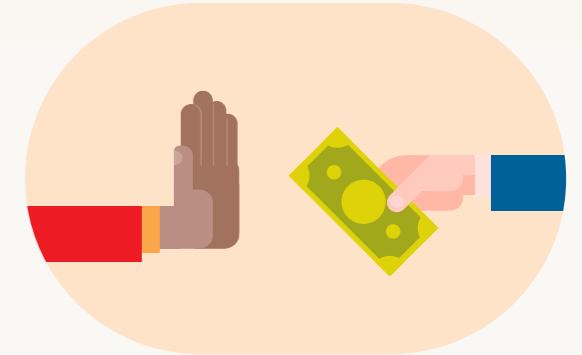
Practices Act (FCPA) and the UK Bribery Act. Also, in our adherence to this, there were no legal actions in 2018 regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation, in which we were identified as a participant.

## Whistle-Blowing



In line with the National Code of Corporate Governance, our Whistleblowing Policy and Guidelines allows for the confidential and timely reporting of all unethical activities that come to anyone's attention. We have implemented whistleblowing channels for employees and other stakeholders to make reports in a confidential manner which avails the company the opportunity to take corrective measures against those involved and limit/or prevent possible financial and reputational damage to the Company.

Our Whistle Blowing policy addresses our commitment to our tenets of integrity and ethical behaviour by ensuring that we maintain an environment where employees and all our other stakeholders can act appropriately, without any fear of retaliation. Our employees and other stakeholders with genuine and reasonable concerns about misconduct, malpractice and any serious breach of any policies, procedures, law and/or regulation within and outside the company, the opportunity to come forward to raise concerns in an atmosphere of mutual trust and confidence. Whistle blowers are encouraged to raise issues without delay once they are noticed on all our whistleblowing platforms across the Group. It is also worthy of note that we are constantly updating our processes in line with best practices; and as such, we have commenced steps towards having our Whistleblowing Channels managed by Deloitte via their Whistle Blowing Platform by 2019.



**We aim to conduct our business in a corruption-free, anti-fraud and highly ethical manner that promotes free enterprise, excellence and competitiveness**

## Human Rights Guidelines

We are committed to earning the trust of all stakeholders with our set of values, as such we have developed our human rights guideline statement, which ensures our business aligns with all internationally accepted human rights principles. Till date, no incident of discrimination has been reported or discovered across the Group.

## Our Commitment to Fair Treatment

Our commitment to fair treatment is a major deliverable at our Board and Management level, ensuring that all employees including Board members have equal opportunity, are treated fairly, not bullied, not discriminated against on any basis, not harassed, disciplined maliciously and have a duty to report any perceived wrong doing and ensuring confidentiality of employee issues. Our Equal Opportunity and Fair Treatment processes outline our commitment to ensure these actions we embrace have the following values: civility and respect, fostering an inclusive environment, valued contribution, personal and professional integrity, and responsibility and accountability.



# Sahara Foundation

**A**t the heart of Sahara's business objectives, lies an unwavering commitment to promoting good corporate citizenship across the globe. This is achieved through the Sahara Foundation - the vehicle for the Group's Personal and Corporate Social Responsibility (PCSR) initiatives. The activities of the Sahara Foundation are aimed at empowering the communities where we operate in a sustainable, transparent and efficient manner.

Sahara Foundation has in the past implemented its PCSR initiatives in the areas of Health, Education & Capacity Building, Environment and Sustainable Development. However, at the start of 2016, the activities of the Foundation were streamlined to focus our activities in line with the concept of Extrapreneurship. This concept involves creating value through leveraging internal and external strengths to drive cross-sectoral collaboration by connecting the right people and organizations towards providing sustainable solutions to global social problems. The core of the extrapreneurship framework is 'to create a platform that finds, creates and connects young extrapreneurs in emerging markets'. This will be achieved by leveraging on Sahara Foundation's key strength to bringing together various committed stakeholders through a platform that will promote cross-sectoral collaboration thereby creating and preserving wealth.

Over the next four years (2017- 2021), Sahara Foundation plans to directly impact 12 million Nigerian youth and also create value through the identification, development and maintenance of relevant stakeholders through which beneficiaries can grow and sustain businesses. This will be driven through a dedicated online platform - **The Sahara Hub** that will provide resource materials, inspire networking and collaboration on a mass scale for local, regional, national and global beneficiaries.

We look forward to generating a multiplier effect with this new model by exposing young business owners to boundless opportunities that exist within the various networks in our dedicated web portal where leading business individuals and organizations will be available to effectively guide and support budding extrapreneurs. We are particularly excited that this is a sustainable approach to empowering youth and engendering economic growth and development.



The activities of Sahara Foundation are aimed at empowering the communities where we operate in a sustainable, transparent and efficient manner.



**12 million**  
Youth around Africa to be directly impacted through our various programmes

## Our Objectives In The Foundation



To promote access to quality healthcare



To create avenues that promote conducive learning



To empower the youth to self-reliance



To provide a platform for emerging talents



To promote the use of alternative sources of energy



Basic social amenities to enhance the wellbeing of our host communities

## Focus Areas



### Health

- Cancer awareness, screening and treatment programmes
- Eye Care Programmes
- Provision of Care for People living with HIV/AIDS
- Provision of Care for People living with Disabilities
- Upgrade of Medical / Laboratory Facilities
- Water and Sanitation



### Education & Capacity Building

- School Feeding Programme
- Creativity Competition among in and out of school youth
- Career Counselling Programmes for Senior Secondary Students
- Upgrade of Classroom Facilities
- Scholarships for indigent students
- Economic Empowerment Programmes



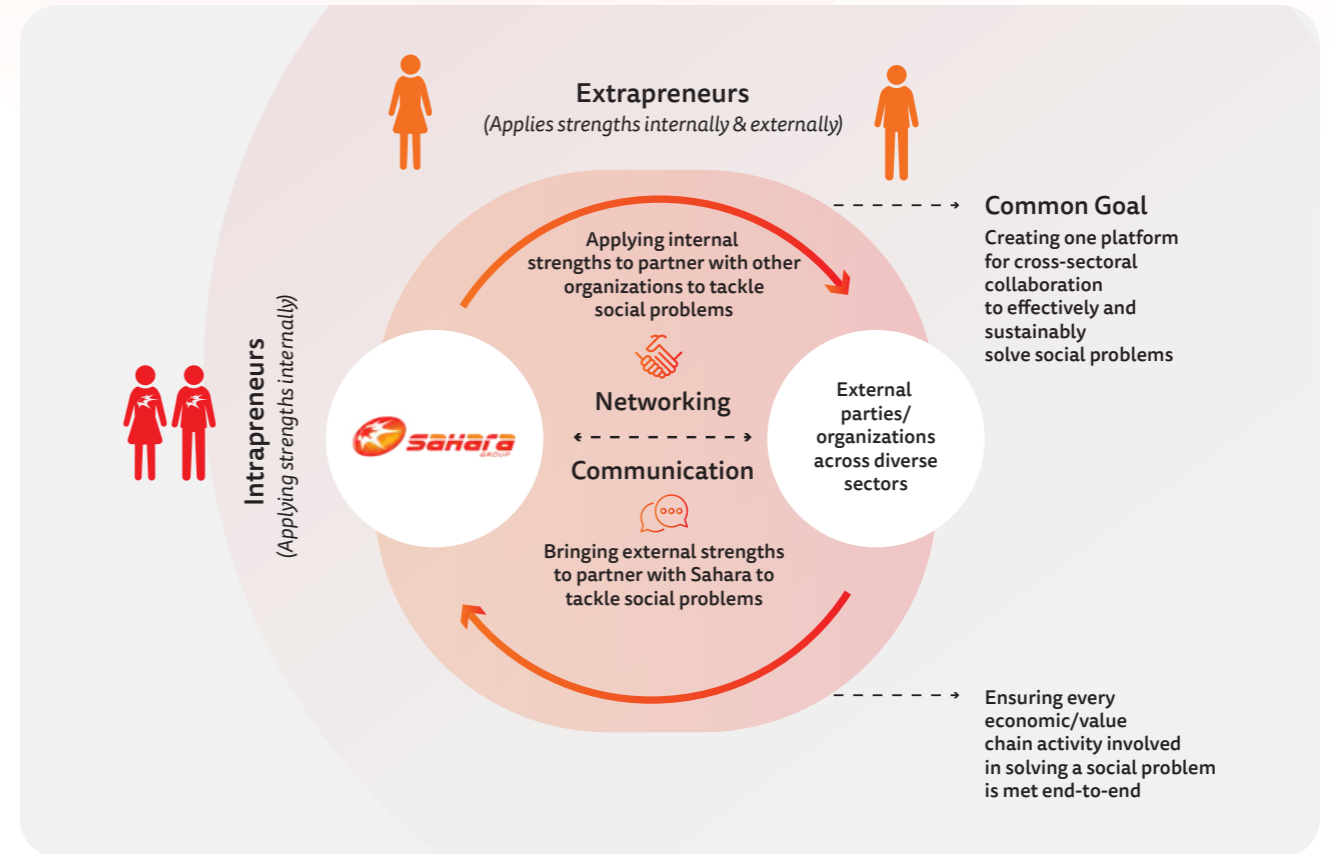
### Environment

- Promotion of Green Energy Initiatives and Green Energy Campaign- through our partnership and initiatives with ENACTUS Nigeria



### Sustainable Community Development

- Provision of social amenities
- Sponsorship of Youth-Led Developmental Initiatives
- Recruitment of skilled, semi-skilled and unskilled labour from host communities



The Extrapreneurship focus areas have been embedded in the following ongoing projects/programmes:

- Food Africa Project, Nigeria
- Sahara Hub
- Private Sector Advisory Group, Nigeria
- Sahara - Enactus Reaching the Goals Challenge, Nigeria
- Sanitation Project at Salma Kikwate School, Dar Es' Salam
- Wood Work Technical Laboratory Upgrade, Ghana
- Cataract Screening & Surgeries, Cote d' Ivoire
- Scholarship Programme for Displaced Persons, North- East Nigeria
- Vocational & Extrapreneurship Programmes for in school youth
- 2018 International Women's Day in partnership with UN Women
- Improved Access to Vocational Skills & Entrepreneurship, Lusaka

### Funding

Funding of Sahara Foundation's projects and programmes comes from the operating entities within Sahara Group. Five percent (5%) of the annual profit of the entities is allocated to the Foundation. In 2017, we spent N88 million and \$70,000 on our projects/programmes; this was increased to N50 million and \$185,000 in 2018. In 2019 the budget has been projected to be N74.2Million and \$235,500.



5%

Of annual profit of all operating entities allocated to the Foundation

>N116 million

Spent on our projects/programmes in 2018, with considerable more projected for 2019



# Impact of Projects/Programmes

## Food Africa Project



Beneficiaries with facilitators of the Food Africa Project

**F**ood Africa Project is a collaborative initiative between Sahara Group, United Nations-Sustainable Development Goal Fund and the Kaduna State Government, directed at empowering the people and alleviating poverty through food security. The strategic project management approach is a forward and backward integration model aimed at optimizing the entire food value chain. Value chain development has become one of the best strategies public sectors employ to engage and attract private investment in the agribusiness sector. The project was launched in 2016 and moved from a conception to implementation in 2017. Farmers were identified and project partners (FAO, ILO, ITC, UN SDG Fund, Kaduna State government and Sahara Group) commenced action on their individual responsibilities. So far, 1300 farmers and 5 Extension Officers have been trained through our UN partner agencies. The completion of the processing and storage facility was accelerated in 2018 as well as the training of forty (40) farmers with the support of the International Labour Organization (ILO) and Food Agriculture Organization (FAO) on modern farming practices, improving crop yield and reduction in post-harvest loss. Through this agro-base initiative will project will promote integration of the entire food value chain – the farmer, wholesaler, retailer and consumer- providing a sustainable source of food security, poverty alleviation and eradication, skill acquisition and social inclusiveness.

  
**> 1300**

**Farmers and Extension Officers trained**

  
**Through this agro-base initiative will project will promote integration of the entire food value chain**

### Related UN-SDGs and Targets

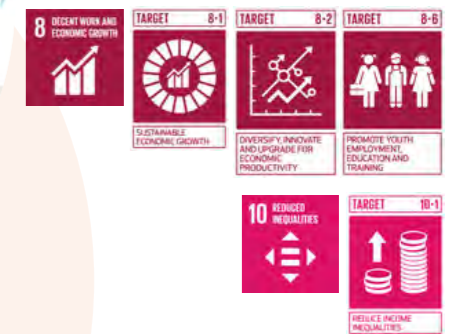


## Sahara Hub



Sahara Hub Staff Volunteers

### Related UN-SDGs and Targets




**T**his platform was created to promote the Extrapreneurship framework of Sahara Foundation. The Extrapreneurship concept involves creating value through leveraging internal and external strengths to drive cross-sectoral collaboration by connecting the right people and organizations towards providing sustainable solutions to global social problems. The website, www.saharahub.com, is a platform for the provision of growth and development opportunities to young people (15 to 35 years old). Through the platform, we will plan to directly impact the lives of 12 million young people across Africa. Sahara Hub grew membership to over 2,800 registered users and we held four (4) tweet chats/forum sessions with subject matter experts in 2017. In 2018, we organized four (4) tweet chats and webinars focused on entrepreneurship, storytelling, education and women empowerment using our social media channels and the ZOOM platform. We also provided thirty (30) entrepreneurs within the first three (3) years of business startup a resourcing training on strategy, sales, financing, digital marketing and communications to commemorate the Global Entrepreneurship Week. Through the Hub, we provided access to more than 200 education, conference and career building opportunities. We also had weekly posts on the opportunities section of the Hub with opportunities in the areas of scholarships, training and mentoring. We also invested in instituting partnerships and alliances that will result in unique sustainable growth opportunities. The core of the extrapreneurship framework is 'to create a platform that finds, creates and connects young people in emerging markets'. This will be achieved by leveraging Sahara Foundation's key strength to bringing together various committed stakeholders thereby creating and preserving wealth.



**12 million**  
**Youth around Africa to be directly impacted through our various programmes**

 **7,200**  
**Registered Hub users**

 **4**  
**Tweet chats, webinars and in class training focused on entrepreneurship**

  
**Through the Hub, we provided access to more than 200 education, conference and career building opportunities.**

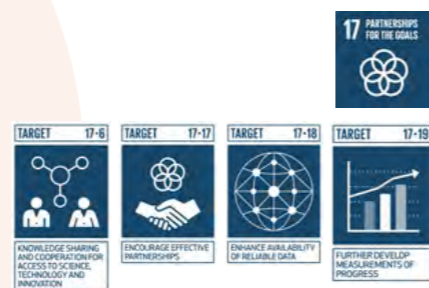
## Private Sector Advisory Group (PSAG)



Members of PSAG after a Board Meeting



### Related UN-SDGs and Targets



The Private Sector Advisory Group (PSAG) exists to bring together a range of private sector companies to promote and discuss the universality of the Agenda for Sustainable Development and its 17 goals by 2030. The platform encourages the exchange of best practices and ideas on how to articulate a Universal Agenda in different private sector industries, contexts and sizes to incorporate and implement the SDGs into the core business activities and operations. PSAG was launched in 2016 by the United Nations Sustainable Development Goals Fund. Taking a cue from the PSAG launch and the inclusion of Sahara Group on the PSAG Global board of 13 companies, a local Private Sector Advisory Group was formed and inaugurated for Nigeria in February 2017. The major aim is to support the Government of Nigeria in achieving its targets for the UN-SDGs as well as its national priorities in the ERGP (2017-2020). In 2018, one of the key achievements of the group is the creation of an SDG Reporting Tool. This tool when launched will enable private sector companies in Nigeria to report their SDGs related intervention in a central location that will be fed into the country's voluntary national report that is submitted yearly to the UN. In other words, private sector contributions towards development objectives will now be collated centrally and reported as part of the national drive towards the Goals.

SDG Reporting tool created in 2018 to help the private sector to report their SDGs related intervention



As a result of the work done by the PSAG, private sector contributions towards development objectives will now be collated centrally and reported as part of the national drive towards the Goals

## Sahara-Enactus Youth Extrapreneurship Challenge

As part of its youth extrapreneurship programs, the Sahara Foundation partnered with Enactus Nigeria to implement a program called "Reaching the Goals". It was an integrated developmental program structured to facilitate the process of achieving the SDGs in Nigeria by recognizing and challenging critical stakeholders to make commitments and lead the charge towards achieving the SDGs. The project involved student teams pitching their ideas and products designed to address one or more SDGs to an audience of potential accelerators and investors. Of a pool of over thirty innovative projects from student teams across the country, four of the most innovative were shortlisted for the final presentation event. The top 5 students developed mini grid power solutions that include fuelless generator, solar powered mobile phone charging booth and a heat sensor that helps save on your electricity bill. All of which are able to power small households and micro SMEs. The winner of the pitch received financial reward and professional support to refine their solution for commercial use.



The winning innovations for the Reaching the Goals Initiatives for 2018 were:

- Federal University of Technology, Owerri - A system designed to internally generate electrical energy with which to run its self and provides surplus for other uses (i.e. a power bank made from scrap battery cells).
- Kaduna State Polytechnic, Kaduna - A portable inverter system that utilizes light strips to conserve solar energy and produces an energy output of 1000 watts per hour.
- Ahmadu Bello University, Zaria - Automated mobile based application to conserve energy consumption for domestic appliances.

### Related UN-SDGs and Targets



## 2018 International Women's Day

The event was held during the United Nations Commission of the Status of Women with the aim of using art as an advocacy tool for gender equality and women empowerment. The Nigerian culture was showcased to a global audience of over 10,000 people. The event which was in partnership with the Office of the Deputy Secretary General showed the impact of using Extrapreneurship as a model of creating impact while leveraging on shared strengths.



10,000

Global audience reached with the message of using Extrapreneurship as a model of creating impact

### Related UN-SDGs and Targets



## Scholarship Programme for Displaced Persons



Beneficiaries of the scholarship for displaced persons

### Related UN-SDGs and Targets



**20** Young people benefit in an all-round scholarship that includes healthcare, clothing, feeding, books, housing and schooling

The Northeastern part of Nigeria has experienced violent extremism over the last ten (10) years, which has made it difficult for children to go to school in the region. This scholarship programme provides access to quality education for internally displaced persons in North-East Nigeria. Currently the programme has twenty (20) pupils enrolled in an all-round scholarship that caters for tuition, educational materials, housing, transportation, feeding, medical and clothing for the children.

## Cataract Screening and Surgeries

Working with Light First Foundation, Cote d'Ivoire, an Eyecare Programme was implemented in Katiola, Northern Cote d'Ivoire where 960 individuals were screened for cataract and other eye defects over a 5-day period. Two hundred and seventy (270) individuals received free eye medication and counselling and 101 cataract surgeries were carried out. The programme was targeted at underserved rural dwellers who are predominantly farmers and traders.



### Related UN-SDGs and Targets



**270** Beneficiaries of eye-care medication & counselling



**101** Cataract surgeries performed

## Improved Access to Vocational Skills & Extrapreneurship

Across Ghana, Tanzania and Zambia, we provided vocational and entrepreneurial training for women and youth to acquire skills that will help improve their sources of livelihoods. Five hundred (500) young people participated in a life skills training in Tanzania and 50 of them benefited from the vocational and literacy workshop which also provided them with startup kits after the training. Our implementing partner on this programme is Realizing Education for Development (READ) International, Tanzania - an International charity that aims to improve access to education in East Africa. In Ghana, our implementing partner on this project was Water in Africa Through Everyday Responsiveness (W.A.T.E.R). Since 2004, WATER has been undertaking water and sanitation projects in Africa this includes mechanized boreholes, construction of latrines, educating communities on maintenance and undertaking health and hygiene education. The 25 beneficiaries from our 2018 intervention were trained in the construction of simple rain catchment systems, micro-flush toilets, low energy cook stoves, ceramic pot filters and business acumen in Ghana. In Zambia, a catering facility was constructed to support displaced girls and train them on baking, catering and hospitality management to improve their livelihood. Our implanting partner on this project was Vision of Hope (VoH) - an organization that serves the specific needs of female youth on the streets of Zambia to change their future. Through the support of Sahara Foundation, an outdoor kitchen was constructed and equipped to serve as a platform for the girls to acquire vocational skills in catering, cooking and baking.

### Related UN-SDGs and Targets



A kitchen built to serve as a platform for girls to acquire vocational skills in catering, cooking and baking



**500** Participants in life skills training

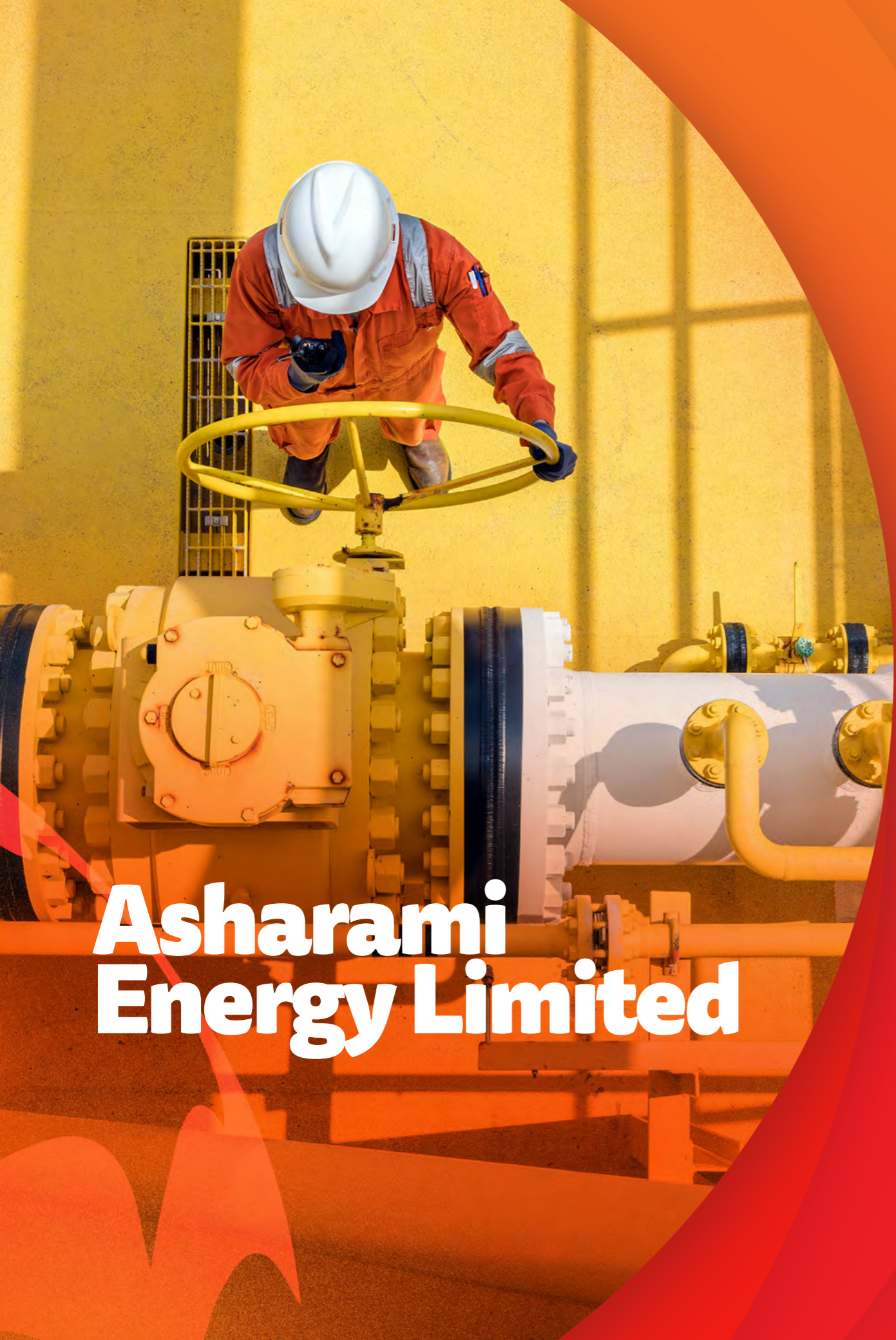


**50** Beneficiaries of the vocational and literacy workshop



**25** Beneficiaries participated in construction of rain catchment systems





# Asharami Energy Limited

## Delivering Sustainable Value in Our Upstream Operations

### MANAGING DIRECTOR'S MESSAGE

Sustainability is integral to our operations at Asharami Energy Limited. This Sustainability Report is written in accordance with the core requirements of the Global Reporting Initiative. In line with specific requirements, we have adopted a shared value approach, with a particular focus on delivering real value to the nation. The report details our performance from January to December 2018 as it relates to our mandate in consonance with the United Nations Sustainable Development Goals. In achieving our sustainability mandate, our host communities as partners are key to the delivery of our purpose, thus we have leveraged on an inclusive approach to fostering growth, empowerment, and sustainable development within the communities through continuous stakeholder engagement, and prioritization of their needs for larger impact.

Consultation is a critical tool for achieving sound business relationships with stakeholders, as well as attaining business objectives. This provides the useful social license and freedom to operate in our host communities; it also builds trust between the local and external stakeholders, as well as allowing for business activities to be incorporated into local social, economic and environmental processes of doing things; which is acceptable to the communities. Through our robust engagement and consultative process, project stakeholders are able to express their concerns about a particular or sets of business activities that could have adverse effect on their own activities. Hence, consultation provides transparency, inclusiveness and allows for good governance especially when the outcomes are properly and strictly followed. This has further entrenched our commitment to sound corporate governance across board.

As an open-minded company, we at Asharami Energy Limited believe that

consultations with our stakeholders are critical and very important at every stage of a project cycle. Even whilst a project phase remains the same, it is still important to consult so as to maintain a good business relationship, learn early about issues and concerns before they escalate or get out of control. Stakeholders are people or groups that are affected by the project or that can affect the project. Our safety success is brought to the strategic partnerships we have established with our service providers, which have never been better. Simply put, our attitude towards safety and what it means for the business. A number of local content firsts were achieved, during this process, attesting to our commitment and disciplined project management approach.

The economy began to recover from a period of painful economic recession at the end of the second quarter of 2017. We remain hopeful in the economy which has thankfully begun to show signs of recovery. Our commitment is to continue to work with all our stakeholders towards contributing to the growth of the economy. As we positively look forward to the coming years, I would like use this medium to appreciate all our stakeholders for having faith in us and making the journey seamless. We are committed to a sustainable world, a better and secure future for us all.

*Olajumoke Ajayi  
Managing Director  
Asharami Energy Limited*



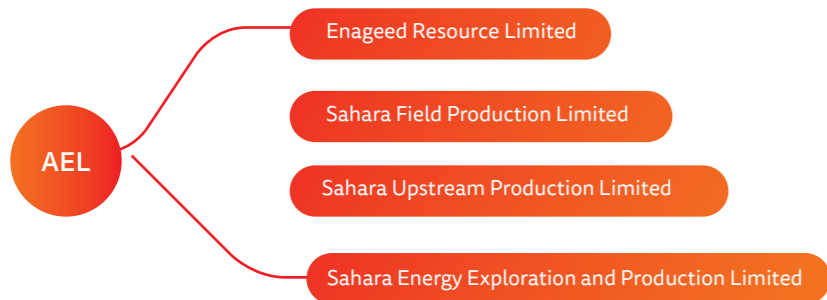
As an open-minded company, we at Asharami Energy Limited believe that consultations with our stakeholders are critical and very important at every stage of a project cycle

# The Entity

Asharami Energy Limited (AEL) is an upstream Sahara Group Company that is involved in the acquisition of assets, exploration, drilling and production and monetization of its hydrocarbon resources in a sustainable and safe manner across sub-Saharan Africa. We acquire, explore, appraise and develop commercial oil and gas assets in established basins and emerging frontiers.



Asharami Energy is the management company that oversees the upstream assets.



Since its incorporation in 2014 under the provisions of the Corporate Affairs Commission of Nigeria, the company has remained a limited liability company. There has not been any change to the ownership structure of the company in the last two (2) years. Currently, the company has a daily production of 12,000 bopd with plans to boost production to at least 100,000 bopd over the next five (5) years. All our wells are onshore and our operations are administered from the head office located on 7A Fowler road, Ikoyi, Lagos while our branch office and field operations are located in Benin City and Ajoki respectively both of which are in Edo State.

 **12,000 bopd**  
Current production volume, with plans to increase to 100,000 in 5 years



In Nigeria, our huge investments in three (3) prolific onshore assets is in line with our strategy to deliver long-term sustainable growth. These are:

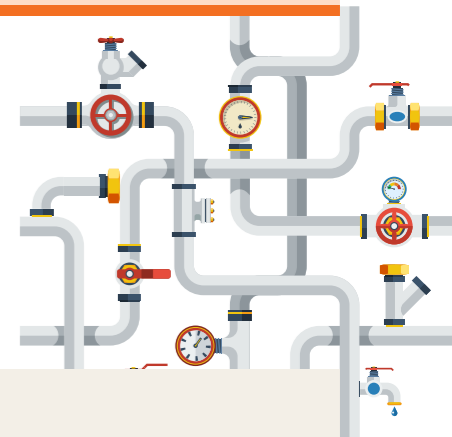
OML 18 (onshore Nigerian oil and gas asset), at Onshore Niger Delta with 16.2% interest operated by Eroton Exploration and Production Company.

OML 148, at Onshore Niger Delta with 100% interest and operated by Enageed Resource Ltd


OML 228, at Onshore Niger Delta with 100% interest and operated by Sahara Upstream Production Nigeria Limited

We serve clients operating in the oil and gas, power, petrochemical and infrastructure sectors directly or indirectly. Our long-term contract with Shell West Supply and Trading Limited makes the final destination for our cargo select refineries and countries such as France, South Africa, India, Panama, Netherlands, Switzerland and the United States of America (USA). In line with our ambitions, we commenced a Gas Master plan in December 2018 with the aim of developing a gas processing plant by 2020 with the view to monetizing the yields from the flared gas in line with Nigeria's Nationally Determined Contributions (NDCs) policy on zero flare by 2020.

 **Gas Master Plan commenced in December 2018, with the view to monetizing the yields from gas flare in Nigeria**







## Risk Management Framework

 Our risk management systems and policy provide a consistent and clear framework for managing and reporting risks. The board regularly reviews how we identify, evaluate and manage risks. We are mindful of the precautionary principle and its related obligations as our structured risk management approach ensures that future risks to the company, the society and the environment from AEL's activities are identified and considered.

Our risk management framework ensures that we have identified all possible risks and have put in place measures to prevent them from crystallizing.

Our risk register captures all our risks with ratings for the impact and likelihood their occurrence ranging from Catastrophic, Disastrous, Major, Significant, Moderate, Minor, Minimal, Negligible, Insignificant with adequately documented strategies to mitigate them. Our board and management are mindful of our precautionary principle in risk management when developing new plans for expansion.

### RISKS

-  Financial
-  Operational
-  Assets/Property
-  Legal/Governance
-  Reputation/Media
-  Health Safety Security and Environment (HSSE) and Compliance
-  Environmental
-  Contract Delivery
-  Technology

# Sustainability at Asharami Energy Limited

At AEL, we innovatively plan our business activities and operations to align with our continuity plan to be a sustainable business.

The energy we produce helps to improve the quality of life for millions of people around the world. This in turn creates jobs, drives economic development and generates revenue for governments. Our people understand and apply sustainability principles and techniques in all they do; their projects, managing the people, suppliers, customers and the local communities thus our sustainability strategy is woven through the entire fabric of our existence.

## Stakeholder Engagement

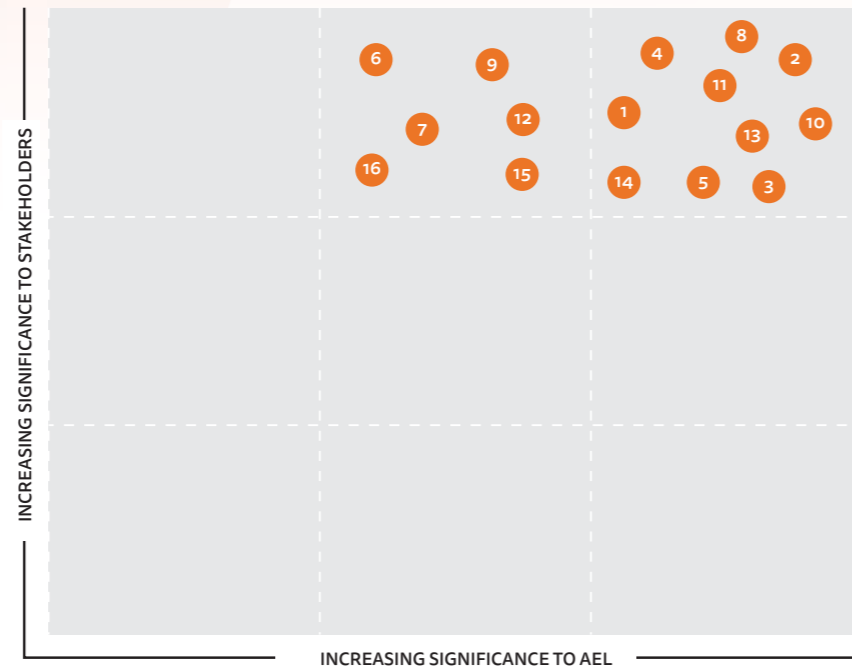
The basis for identification, selection and engagement of stakeholders is impact on our operations in line with Sahara Group's philosophy and approach. Our identified stakeholders include:

- Our Employees
- Our Investors
- The host communities, pipelines access & impact communities which together constitute the communities in which we operate: Ajoki, Ajamimogha, Kolokolo, Koko, Imuan, Ikara & Ajatiton
- Our Contractors and Suppliers
- Governments and Regulatory agencies

AEL Stakeholders	Type of Stakeholder (Internal or External)	Topics/Concerns relevant to our stakeholders	Frequency	Engagement Channels
Federal Ministry of Environment (FMEnv)	External	Regulatory Compliance, Value Generation	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	One-on-one meetings, phone calls, emails, focus group sessions, etc.
Ministry of Petroleum Resources (MPR)	External	Regulatory Compliance, Value Generation	Annually	One-on-one meetings, phone calls, Industry and Professional association events
Edo State Ministry of Solid Minerals, Oil and Gas	External	Regulatory Compliance	Annually	One-on-one meetings, phone calls, Industry and Professional association events
Edo State Ministry of Environment (EDSG MoE)	External	Regulatory Compliance	Annually	One-on-one meetings, phone calls, Industry and Professional association events
National Oil Spill Detection and Response Agency (NOSDRA)	External	Regulatory Compliance	Annually, Quarterly	One-on-one meetings, phone calls, Industry and Professional association events
Department of Petroleum Resources (DPR)	External	Regulatory Compliance	Annually, Quarterly, On a need basis	One-on-one meetings, phone calls, Industry and Professional association events
Nigerian Petroleum Development Company Ltd (NPDC)	External	Regulatory Compliance, Value Generation	Annually	One-on-one meetings, phone calls, Industry and Professional association events
National Petroleum Investment Management Services (NAPIMS)	External	Regulatory Compliance, Value Generation	On a need basis	One-on-one meetings, phone calls, Industry and Professional association events
Nigerian Content Development and Monitoring Board (NCDMB)	External	Regulatory Compliance	Annually	One-on-one meetings, phone calls, Industry and Professional association events
Nigerian Petroleum Exchange (NIPEX)	External	Value Generation	Annually	One-on-one meetings, phone calls
Local Communities	External	Socio-economic contribution to the communities, Adherence to agreements	Quarterly, Adhoc	One-on-one meetings, phone calls, focus group sessions,
Employees	Internal	Compensation and Benefits, Employee Welfare, Sustainability, Working Conditions, Occupational Health and Safety	Monthly, Weekly, Adhoc	One-on-one meetings, phone calls, emails, focus group sessions, employee engagement surveys, performance reviews, etc.
Suppliers	External	Product Quality, Responsible business practices	Adhoc	One-on-one meetings, phone calls, emails, sub-contractor prequalification

## Materiality Matrix

We have developed a matrix reflecting the sustainability issues that are relevant to our business and our stakeholders for 2018; these concerns were highlighted through engagements with our stakeholder groups throughout the year. The issues are prioritized according to how important they are to our stakeholders and how they could affect our ability to deliver our strategic objectives.



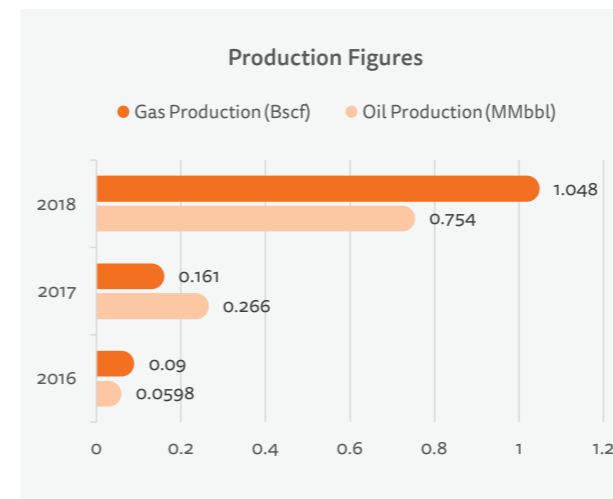
AEL Sustainability Pillars	Material Issues	Significance to AEL	Significance to Stakeholders
Economic	1. Business (economic) Performance & Value Generation	High	High
	2. Regulatory Compliance	High	High
	3. Supplier Chain Efficiency	High	High
	4. Risk Management	High	High
	5. Market Intelligence	High	High
	6. Technology	Medium	Medium
	7. Customer Centric Processes	Medium	Medium
	8. Responsible Procurement (Product Quality, Responsible business practices)	High	High
Environmental	9. Climate Change	High	Medium
	10. Responsible Procurement	High	High
	11. Regulatory Compliance	High	High
Social	12. Governance and Ethics	High	Medium
	13. Quality, Health and Safety	High	High
	14. Community engagement (Socio-economic contribution to the communities, Adherence to agreements)	High	High
	15. Employee engagement (Compensation and Benefits, Employee Welfare, Sustainability, Working Conditions, Occupational Health and Safety)	High	High
	16. Human Rights	High	Medium

## Delivering Sustainable Value In Our Upstream Operations

### Economic Sustainability

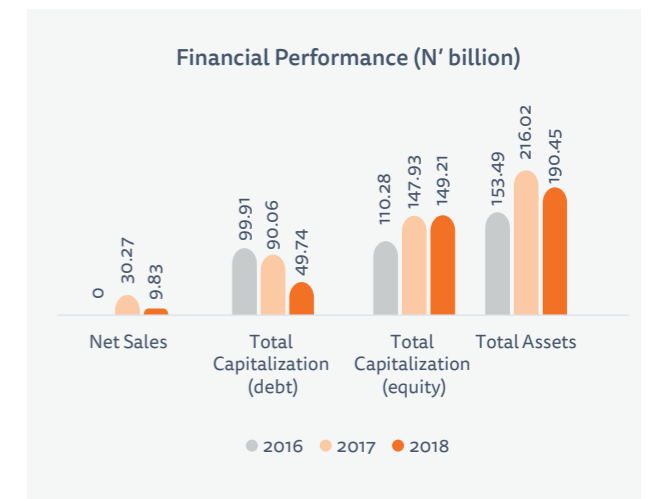
#### Operational Efficiency and Reserve Management

Our production figures of crude oil and gas have increased from 2016 to 2018. Estimated reserves at our Oki-Oziengbe well as at 2018 is: Oil – 36 mmbbl; and Gas – 97.3 bscf.



#### Financial Performance

AEL generates revenue through sales of the crude oil. In 2018, the company generated a revenue of Ng.8 billion, a 65.5% reduction from the revenue generated in 2017 (N30.27 billion).

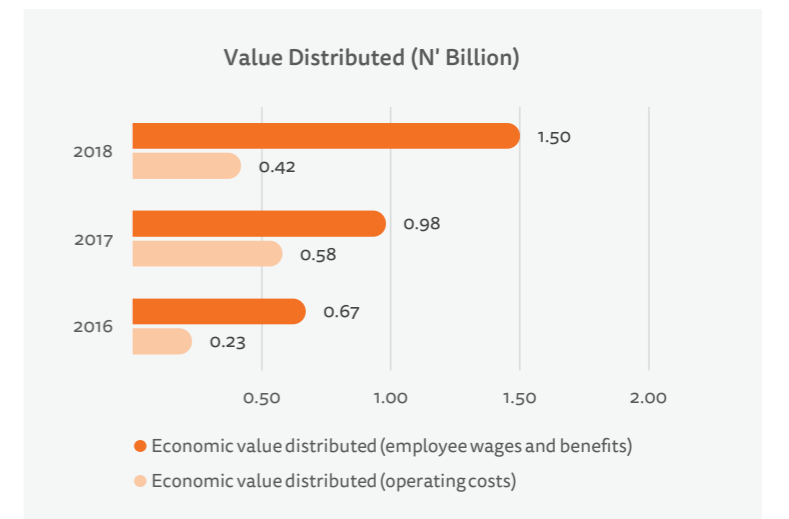


#### Economic Value Distributed

In terms of economic value distributed, we have contributed significantly to decent economic growth through our operating costs, which benefits our employees, local suppliers, and the communities in which we operate.

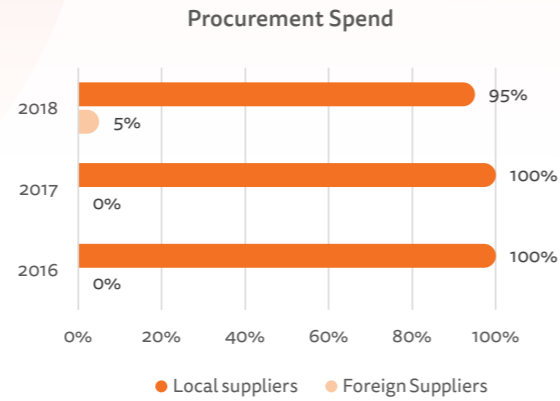


No significant financial assistance was received from government; no tax relief, tax credits, subsidies, awards, royalty holidays and none from export credit agencies (ECA).



## Procurement Practices

By operating in communities in which we have a presence, AEL creates significant value for local suppliers and sub-contractors. This is reduced where plant and equipment can only be sourced from offshore principals, in which event the commitment is to spend the balance locally. We endeavour to source most of our outsourced services from local suppliers resulting in a 100% local spend as was the case in 2016 and 2017.



**100%**  
Local spend of procurement budget in 2018 consistent with 2016 and 2017

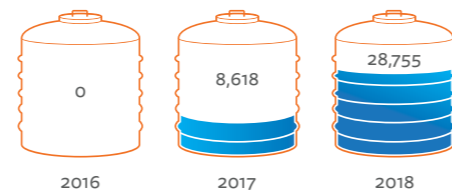
## Ensuring Environmentally Sustainable Operations

### Water Use and Conservation

AEL, we recognise that water is an increasingly scarce and critical global resource. Apart from the crude processing process, most of our operations are not water intensive. Our upstream operations is a zero discharge zone for onshore flow station facility and no water discharge is done here.



Volume of Water Withdrawn (m<sup>3</sup>)



#### OUR KEY WATER SOURCES



Borehole facilities at our locations, which supply most of the water that is consumed and



Portable water supply for personnel use.

We are committed to more efficient water consumption by ensuring leak proof facility components, supply of potable water for drinking at our facilities, water-efficient fixtures at our facilities, prudent usage and possible recycling and water-harvesting initiatives. Through these initiatives, we strive to minimise the risk of any future water constraints and realise the commercial benefits of effective and efficient water usage.

We are committed to more efficient water consumption by ensuring leak proof facility components, prudent usage and possible recycling and water-harvesting initiatives

## Spills Management

Our Oil Spill Contingency Plan (OSCP) is in place to outline response actions for potential spills of any size, including a worst-case scenario for our project activities/operations. The OSCP identifies key response personnel and their roles and responsibilities in the event of a spill, as well as the equipment and other resources available to respond to a spill. It details spill response procedures that will minimize potential health and safety hazards, environmental damage, and clean-up efforts. The Department of Petroleum Resources (DPR) has outlined response categories for oil spills as Tier 1, Tier 2, and Tier 3 and our OSCP is so designed such that spill responses can be initiated according to the size/class of the spill. These spills are classified according to a combination of the following factors: magnitude, actual and potential impact, and resources required for effective response.

**Designated teams manage the response to an oil spill.** AEL has a four-tiered response structure for managing oil spill incidents – the Operation Emergency Response Team (OERT), the Incident Support Team (IST), the Emergency Response Team (ERT) and the Crisis Management Team (CMT). Key personnel responsible for managing the response to an oil spill have appropriate training prior to commencement of any operations/project to maintain the capability for a rapid and effective response to a spill that may occur during our operations/projects. This facilitates a good understanding of oil spill equipment and strategies throughout the emergency response structure such that robust support can be provided and sound decisions can be made in the event of a spill.

In 2018, we had four (4) significant spill occurrences with volumes totalling thirteen (13) bbl. All were crude oil spills with probable effects of land and water pollution. The required remedial action and precautions were implemented to prevent future incidents. Where applicable, the incidents were reported to the relevant authorities. All of the spills had no significant or long-term impairment of ecosystem function or surface/ground water resource.



### SPILL CLASSIFICATION

#### Tier 3 (Major Spill)

Discharge of more than 250 bbls of oil into the facility or inland waters or more than 2,500 bbls of oil to the coastal waters. However, regardless of the above quantitative definitions, any discharge of oil that poses substantial threat to the public health or welfare or results in critical public concern shall be classed as a major spill. Massive resources would be required, possibly beyond those available within Nigeria to assist in protecting vulnerable areas and in the clean-up

#### Tier 2 (Medium Spill)

Discharge of oil to the facility or inland waters of between 25 and 250 bbls or a discharge of oil to coastal waters of between 250 and 2,500 bbls. Third party call-out contracts will be initiated and always on standby for quick response.

#### Tier 1 (Minor Spill)

Discharge of oil to the facility or inland waters of less than 25 bbls or a discharge of oil to coastal waters of less than 250 bbls. This can be handled by ERL.



**4** Spill occurrence handled by our designated spill response team, without effects on the environment

#### Spill Information (Crude Oil)

Location	Date	Volume
Ikara-Ologbo (TP15)	March 1, 2018	5 bbl
Ikara-Ologbo (TP15)	March 25, 2018	2 bbl
Ajatiton-Ikara (TP8)	August 19, 2018	3 bbl
Ajatiton-Ikara (TP9)	November 14, 2018	3 bbl

## Efficient Waste Management

AEL's goal is to execute all activities with environmental excellence. To this end, effective waste management practices are implemented during all phases of projects to avoid or minimize potential impacts on the environment and protect the public health, safety and welfare. This is documented in our comprehensive Waste Management Plan (WMP). Our waste management principles and priorities are based on an integrated approach or hierarchy, which involves using a combination of techniques and programs to manage waste. Source reduction is at the top of the hierarchy, followed by recycling, recovery or reuse as preferred options to disposal. We ensure strict compliance with government regulations on waste management practices by keeping abreast of required standards, codes and relevant waste management acceptable criteria in line with:


- Department of Petroleum Resources (DPR) Environmental Guidelines Standards for Petroleum Industries in Nigeria (EGASPIN), 2002
- Safe Handling of Chemicals (SHOC)
- Federal Environmental Protection Agency, Management of Solid and Hazardous Waste
- FMEEnv: Environmental Guidelines and Standards for Pollution Control in Nigeria (1991)

Regular inspection, audit and reviews of our waste management processes and procedures include daily inspection by HSSE Officers at work sites, bi-annual audits by the HSSE Manager, annual audits by FMEEnv/DPR representatives. Audit and review findings are rectified within agreed timelines.




**We ensure strict compliance with government regulations on waste management practices by keeping abreast of required standards, codes and relevant waste management acceptable criteria**






The largest volumes of waste at AEL is due to production sludge which is generated in the course of processing of crude oil. To dispose the production sludge (1.2 million litres in 2017; 625,500 litres in 2018), we have an arrangement with a DPR-certified waste management company which collects the waste for separation either in-situ or takes the waste to their facility for further processing. To reduce this waste, we have plans to upgrade the station for an effective three (3) phase separation in the form of chemical treatment such as decantation or other methods such that there is clear water and clear crude. This will minimise the sludge generated by flow station operations.



We have developed a means to utilise gas in our operations to reduce our environmental footprint. Currently, we use gas to power our gas generator which supplies electricity to our facility in Edo State. This gas is also used in cooking as it is channelled through a pipe connection that goes to the restaurant. This accounts for 10% utilization while the remaining 90% is flared. We intend to build a compressor station that channels the gas elsewhere and make it useful for other purposes to ensure 100% utilization.

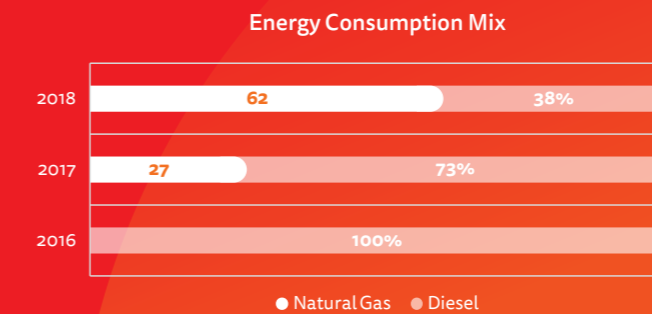


Waste generated as a result of our business operations and activities are categorised as bio-degradable (kitchen, toilets, sanitary), non degradable (kitchen, construction scraps, medical waste and sharps, used batteries, empty paint and solvent cans) and petroleum products (servicing of equipment, oil spill, waste pit, saver pit, leaking or damaged storage tank) include domestic waste such as food waste, medical waste and sewage which are all handled by certified waste contractors.

**We intend to build a compressor station that channels gas and make it useful for other purposes to ensure 100% utilization.**

## Energy Consumption and Emissions

As an upstream company, the natural gas generated from our operations at our flow station facility at Oki-Oziengbe is used to power our gas generators. Apart from the natural gas, diesel is the other major contributor to our power generation and emissions due to greenhouse gases (GHG). As we do not consume electricity from the National Grid to power our operations, our emissions are Scope 1 emissions from our use of gas and diesel generators. We do not maintain records of other significant emissions like ozone-depleting substances (ODS), NOx, SOx, Persistent organic pollutants (POP), Volatile organic compounds (VOC), Hazardous air pollutants (HAP), and Particulate matter (PM).



	TOTAL CONSUMPTION (kWh)	TOTAL EMISSIONS (kg CO <sub>2</sub> e)
2018	5,159,399.27	1,085,976.79
2017	3,808,742.63	891,629.91
2016	351,036.86	88,775.02

## Environmental Compliance

Although progression is important to AEL, we cannot grow at any cost. For us, we believe in doing business the right way, not just the easy way, which means continuously working to reduce our environmental impact by managing our operations and committing to environmental, protection and compliance programmes.

We are guided by the environmental compliance requirements of the DPR, NOSDRA and FMEEnv.

Our compliance with these regulators is evidenced by periodic facility and operation audits conducted by these bodies and the environmental compliance reports submitted to them. The DPR conducts a quarterly pipeline and process facility audit that is overseen by our operations team. Annually, Health, Safety and Environment (HSE) and Oil Spill Contingency Plan (OSCP) activation audits are conducted by DPR between May and June and by NOSDRA between October and December to ensure that our environment and spill response capability continues to be relevant,

effective and is commensurate with the environmental and oil spill risks of our facility. Where regulatory non-conformities are noted we deploy the necessary resources for prompt rectification.

When new projects are being conceived, an Environmental Impact Assessment (EIA) is initiated; to evaluate the likely impact of these projects on the environment; the reports submitted to DPR and FMEEnv for review and approval. EIA was conducted in 2011 and approval was issued in same year for the seismic acquisition and drilling of five (5) wells. In 2017, a preliminary environmental impact assessment was carried out for the pipe laying and mooring point construction. In 2018, we conducted an Environmental Evaluation Study (EES) to understand the status of the environment if it has been positively or negatively impacted by our operation. Currently, the EES report has been submitted and under review by DPR.

The data generated during the EES can be used to determine the impact of our future

projects such as facility preparation, pipeline laying, etc. and where negative impacts have occurred, the environment can be restored to its previous state before embarking on a new project. Although our pending well completion projects have been covered by our previous EIA, our plans for further drilling projects (Oki 10, Oki 7, Egugu, Pologbene and Tonjor, Oluegi) necessitates the relevance of the EES for these projects.



**Since we took over the operatorship of the Oki-Oziengbe field, no environmental violation has been recorded in our facilities.**

# Social Betterment

## Our People

At AEL, we remain committed to building a workforce that reflects the communities in which we operate. Within all areas of our business, we strive to create an inclusive talent pool, one that taps into the vast potential found across races, genders, sexual orientations and other demographics.

We acknowledge that the quality of our people is directly related to the success of the company. In 2018, we achieved 50% of our target for total number of employees. In addition, our full-time employees contribute 65.38% of our total staff strength.



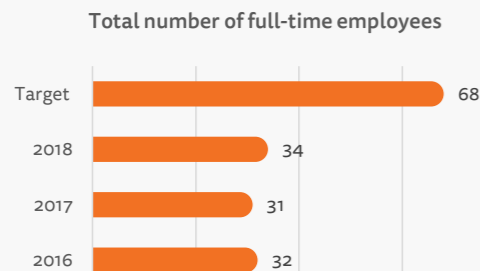
### 2016 - 2018 Board Composition (Gender)



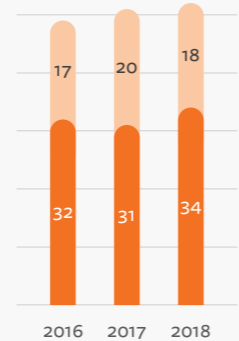
We acknowledge that the quality of our people is directly related to the success of the company



**50%**  
of our target for total employees achieved



### Employee distribution by nature of employment



**65.38%**  
percentage of full-time employees

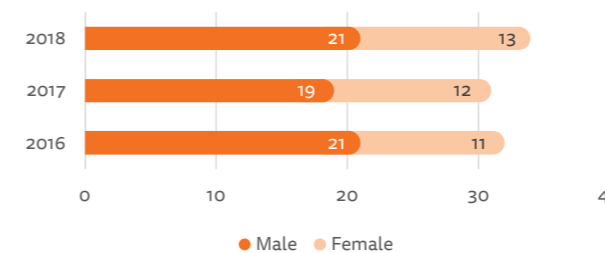
## Diversity and Inclusion in the work place

We embrace an inclusive environment that accommodates people with different background, gender, religion, value, age, physical ability, skill and experience.

Our company sees this as an avenue that creates the opportunity for all staff to achieve a melting pot of fresh ideas, thus opening doors to sustainable innovation. Female employees contributed to 26-29% of the workforce from 2016 to 2018.



### Employees by Gender



In order to encourage and keep our employees motivated, we provide them with monetary and non-monetary benefit packages

## Compensation and Benefits

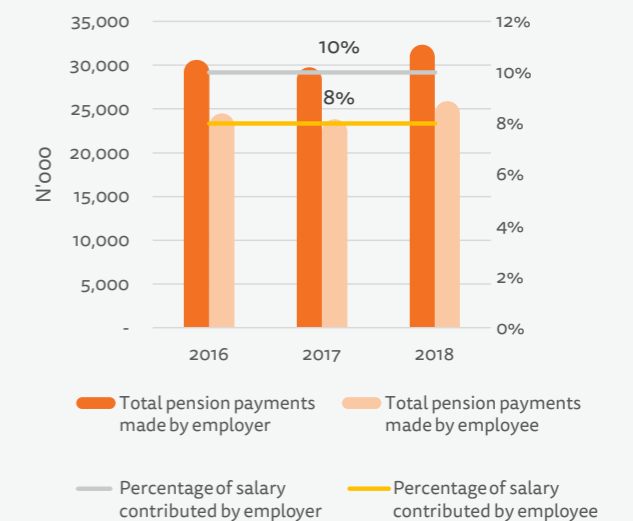
In order to encourage and keep our employees motivated, we provide them with monetary and non-monetary benefit packages, which include: medical insurance, bonus, maternity leave, training, car/car allowance, and pension. Temporary employees enjoy all benefits listed above except for cars and pension. All through 2016-2018, full time employees had privilege to parental leave when applicable.

Our staff retirement plan is aligned to the Nigerian industry standards as all our staff members are enrolled in the scheme with each employee's benefits varying, dependent on the date of hire, length of service, and salary level. The company contributes 10% of employee salaries to the defined pension contribution scheme and has maintained the same percentage from 2016 to 2018. Although staff members contribute 8% of their salary to this scheme they can voluntarily supplement this by making discretionary contributions to their defined pension contribution scheme.

Three (3) employees took parental leave every year (2016-2018) and we achieved a hundred percent (100%) return-to-work rate. Employees of AEL do not belong to trade unions and have no collective bargaining arrangements.



### Pension Contributions



## Workplace Health, Safety and Security



**Our Health, Safety and Environment Management System (HSE-MS) covers all employees.** The elements of the HSE-MS includes policy and objectives, leadership and commitment, organisation, resources and documentation, risk management, implementation and monitoring, audit review and improvement. We conduct a performance review of our HSE-MS to identify good practices and areas for improvement in the subsequent year.

All workers have access to non-occupational medical and healthcare services, irrespective of the nature of their employment. In addition, the confidentiality of workers' personal health-related information are maintained. There was no record of fatality or work related illness in between 2016 and 2018. One of our key concerns is the prevalence of malaria at field locations as the main type of work-related ill health in AEL that requires regular fumigation as mitigation measure. We conducted a training on the ABCs of First aid and Cardiopulmonary resuscitation (CPR) for our employees in 2018. In addition, we regularly conducted health fairs, seminars and talks in relation to physical health and mental wellness. Our HSE performance matrix is shown below:



**Zero fatality recorded in 2018**

Annually, we conduct a health surveillance of our employees to obtain employee health information, help protect them from health risks at work and make sure that any potential ill health effects are detected as early as possible. Robust security management systems are developed for new projects before we embark on them. These security plans are aimed

at setting out the security measures that will be implemented to provide protection of all personnel and property of AEL in the construction of projects and clearly identify responsibilities, policies and procedures in its implementation. It ensures that security risks are identified, evaluated and managed, which portends security risk to personnel, property,

information and business image arising from malicious practices, crime, civil disorder, act of terrorism or armed conflict.



## Performance and Career Development

The employees of our organization receive a regular performance and career development review. We have adopted a process to ensure that the employees remain in line with the goals of the company. This involves a cycle of coaching, mentoring, assessment and then giving feedback. Since 2016, we have been deliberate in carrying out this process in other to measure the performance of our employees. All employees irrespective of gender and nature of employment undergo regular performance and career development review.

## Community Engagement

At AEL, we believe the societies and communities we work and live in should benefit from our presence. We aim to create positive, meaningful and sustainable impact in these communities and look for strategic partnerships that leverage and empower them in recognition that each community has unique needs and opportunities. We consider how these projects contribute to the UN Sustainable Development Goals (SDGs). Some of our community investment initiatives include:

- Construction of Boreholes and Water Distribution Facilities at Ajoki and Ajamimogha Communities
- Road Rehabilitation in Ajoki Community
- Pedestrian Bridge Construction at Kolokolo Community
- Community Viewing Centre for Ajoki Community

Principally, engagement is through the quarterly Community Relations Committee (CRC) meetings. The essence of these CRC meetings is to appraise the community development projects and be abreast of issues and challenges being faced in the respective communities capable of affecting operations and jeopardizing existing relationships. This strategy has further enhanced our relationship with the communities.



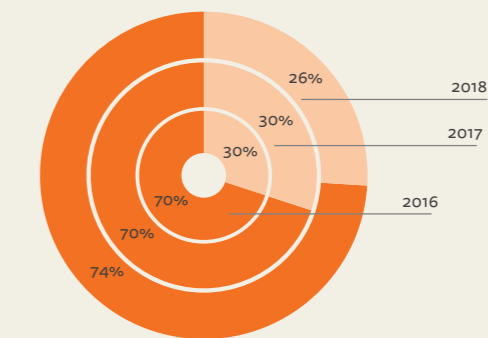
## Emergency, Disaster and Crisis Administration

Our Crisis Management Plan (CMP) consists of both internal and external measures and contains our Emergency Response Plan (ERP). The CMP specifies the individual responsibilities of key personnel and action to be taken to prevent as much as possible loss of lives, health risk, loss or damage of assets and irreversible impairment of the environment. An Incident Management Team (IMT) is constituted in the event an incident occurs. The decision to constitute this IMT depends on if the incident may be considered a threat to the safety and security of AEL's personnel and property, which may adversely affect the business continuity of our assets. Incidents are categorized into two categories, onshore and offshore incidents. In 2018, five (5) of our employees were abducted at the Koko waterside. Our crisis-management plan was immediately activated. The situation was resolved within two (2) weeks and the victims were released unhurt. After the incident, we carried out an assessment to determine the security lapses that led to the incident in order to enhance the security of assets and lives involved with our operations. Security measures have been put in place to prevent a reoccurrence. Also, we experienced two (2) electrical fire incidents and recorded no casualties. To prevent reoccurrence, we installed thunder arrestors at the facility and enforced a shut down policy of all electrically-powered equipment when not in use.

## Local Suppliers' Engagement

AEL defines "local" based on five (5) categories, which include L1, L2, L3, F1 and F2.

- L1 defined as the host environment and neighbouring communities where AEL operates on a daily basis
- L2 refers to the Niger Delta region which is the operational hub or base for most upstream service companies within Nigeria
- L3 covers areas outside the Niger delta and the rest of Nigeria
- F1 refers to countries within West Africa and
- F2 covers the rest of Africa.
- Our L1 & L2 play a core role in our operations as most of the service providers are domiciles in that location. In addition, proximity to our location allows for ease of call out to these service providers. Our supplier assessment requirements include economic, environmental and social considerations, which include evidence of compliance with DPR, NOSDRA & EGASPIN Standards.



### Supplier Numbers

2018  
**704**

2017  
**440**

2016  
**185**





# Asharami Synergy PLC

Fuelling Cities for Economic Growth

## Synergy In The Downstream Sector "Collaborating for Global Impact"

### MANAGING DIRECTOR'S MESSAGE

"Synergy" for us at Asharami Synergy Plc is synonymous to efficient coordination of business processes, collaborative efforts of individuals and teams, deployment of technology, customer-centric approach to business, and risk-based-thinking for decision making across the downstream oil and gas value chain where we operate. The consolidation of Sahara Group's downstream companies in 2016 to form Asharami Synergy paved the way for business growth and expansion through strategy and innovation. Through our range of businesses, which include product procurement, warehousing, marketing and distribution of refined petroleum products, we have striven to be recognised as a brand that represents quality, integrity and trust.

The 2016 and 2017 financial years were mainly focused on building a super-company from nine affiliate Sahara Group entities. Mergers are never easy, and the journey thus far has not been without its many challenges. For the year in review, 2018, our focus was on developing strategies for growth, business innovation, depot and retail expansion, supply chain efficiency, building of strategic alliances, infrastructural development and increase in market share across the downstream value chain.

The operating, economic and financial climate still presented pre-existing issues such as inadequacy of foreign exchange for trade, entrance of players to the downstream especially through mergers between local oil marketers with international trading companies, increased participation of petroleum products regulators in oil and gas trade and changes in governmental policies. Notwithstanding, we ensured continuous evaluation and modification of business strategies for sustainability, profitability and competitiveness.

Our accomplishments in the year under review include the development and implementation of a market intelligence tool used to provide industry and market information. Market intelligence as a tool for strategic business decision making assisted to guide the business towards a risk-based decision making approach. In addition, with operational and supply chain efficiency at

the forefront of our activities, we obtained our recertification on Quality Management System (ISO 9001:2015).

We were successful in securing financing for business operations from some international banks, which served to alleviate the impact of foreign exchange scarcity on our business targets for the year. In the aviation sector, we recorded an increase in allotted volumes of some of our aviation contracts through the dedicated marketing efforts. The door-2-door drive, an initiative aimed at delivering petroleum products to the locations of our retail customers, contributed to an increase in our customer base by over 100%, and aided in creating top of mind awareness for our products and services. We made significant capital investments in developing infrastructure and facilities in selected locations; this will further strengthen Asharami Synergy's foothold in the downstream industry.

Our people remain our greatest resource. We have continuously worked to develop policies for continuous learning and development, talent and career management, diversity in the workforce and equality in growth and compensation. This is evident in the quality, skill and diversity of our workforce.

In conclusion, our 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" ties into our message, 'collaborating for global impact'. With intentional efforts in expanding our business frontier, we are hopeful that Asharami Synergy's contribution in meeting the fuelling needs of sub-Saharan Africa will take shape through effective utilization of market intelligence, operational efficiency, risk management, technology and innovation.

**Moroti Adedoyin-Adeyinka**  
Managing Director



Our focus in 2018 was on developing strategies for growth, business innovation, depot and retail expansion, supply chain efficiency, building of strategic alliances, infrastructural development and increase in market share across the downstream value chain.

# Our Operations

Asharami Synergy PLC ("Asharami") is Sahara Group's downstream division and it is primarily focused on the bulk supply and sales of petroleum products. Asharami emerged in 2016 following a merger of the under listed nine (9) separate entities within Sahara Group.

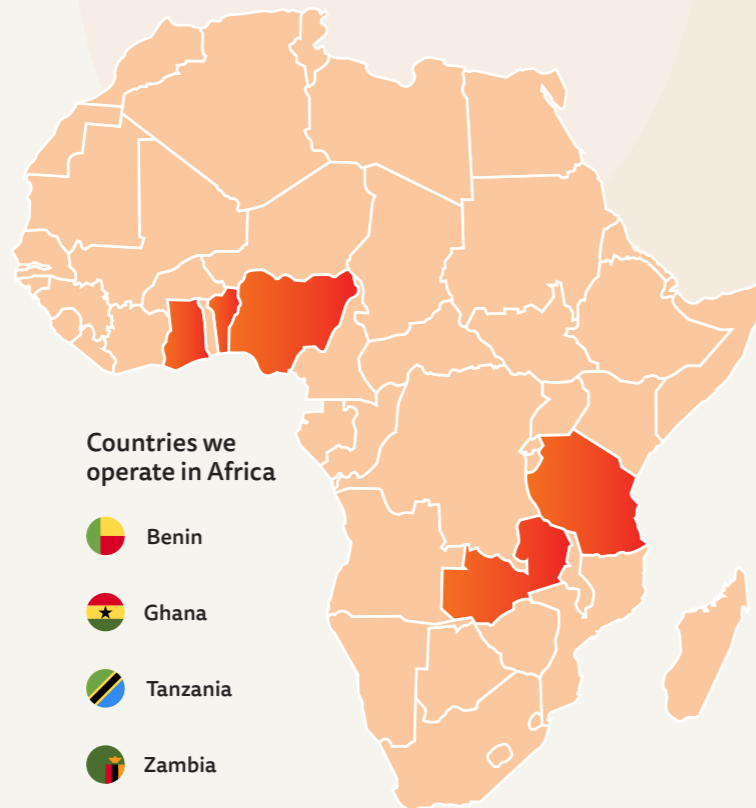
Our business activities are divided along the four major areas of our downstream value chain and are categorized into the following management areas:







Our registered share capital is currently split between three owners shareholders each with a shareholding of 33.33% of the company. Our business activities and operations are administratively managed majorly from our Head Quarters in Ijora GRA, Lagos and from eight (8) other locations in Lagos, Abuja, Rivers, Cross River and Kano. Beyond Nigeria, we have offices in Benin, Ghana, Zambia, and Tanzania and serve airlines in the aviation sector who operate outside of the African region. Our customers are inclusive of operators in the aviation, oil and gas, manufacturing, construction, hospitality, real estate and financial services industries. Our turnover in the past three years has been an average of N100 billion, while our total assets as at December 2018 stood at N64 billion. As at year-end 2018, Asharami had 147 full-time employees across its operations, and 39 temporary employees who served as interns.

**N100 Billion**  
Average turnover in the past three years

**N64 Billion**  
Total assets as at year end 2018



### Countries we operate in Africa

-  Benin
-  Ghana
-  Tanzania
-  Zambia

### Locations across Nigeria

-  Lagos
-  Abuja
-  Rivers
-  Cross Rivers
-  Kano



### Trading and Supply Management

We are involved in the sourcing, procurement and supply (vessel chartering, cargo delivery, product co-loading) of petroleum products - Aviation Turbine Kerosene (ATK), Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), Dual Purpose Kerosene (DPK), Lubricants, and Liquefied Petroleum Gas (LPG).






### Marketing and Distribution

Our approach to marketing and distribution management cuts across all sections of the downstream oil & gas value chain. **We currently engage in the following activities:**

-  Distribution capabilities using barges, road tankers and aviation fuel bowsers
-  Bulk product marketing and distribution
-  Commercial & Industrial marketing and distribution
-  Door-to-door marketing and distribution
-  Retail marketing and distribution
-  Lubricant marketing and distribution
-  Aviation fuel marketing and distribution









### Warehousing and Logistics Management

We have a combined experience of over twenty (20) years in building, operating, maintaining, monitoring and managing warehouse and logistics facilities in the downstream oil & gas sector. We provide warehousing and logistics terminals across Nigeria and other areas within the African region. Our terminals are strategically located to ensure the steady supply and distribution of petroleum products to our customers. **We currently engage in the following areas of operation:**

-  Seven (7) bulk warehousing and logistics terminals in Nigeria with a total capacity of approximately 81 million litres, 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 PMS, ATK, AGO, DPK, LPG, and Jet Fuel Hydrant systems.
-  Provision of state-of-the-art fuel testing facilities for all categories of petroleum products in line with international best practice standards for standard procedure and quality assurance






### Our warehouse locations in Africa include:

-  A'Air Centrum Nnamdi Azikiwe International Airport, Abuja
-  Esuk Utan, by NNPC Depot, Calabar, Cross Rivers
-  L'Air Centrum, Sahara Depot, Airport Road, Murtala Mohammed International Airport, Ikeja
-  Plot 1711, Mungwi Road, Heavy Industry Area, Lusaka, Zambia
-  Plot 35/36 Vijibweni Industrial area, Kigamboni, Tanzania
-  Sahara Aviation Depot, Port Harcourt International Airport, Omagwa, Rivers
-  Sahara Depot, Ibru Port Complex, Apapa-Oshodi Expressway, Ibafof-Apapa
-  Sahara Tank Farm, FOT, Onne depot, Port Harcourt, Rivers State

### Retail and Sales Management

Over the years, we have implemented our retails and sales strategy and grown to be among the top three aviation fuel sales businesses in Nigeria. We currently engage in the following activities:

-  Into Plane services for major airlines, which include - British Airways, Emirates Airlines, Qatar Airlines and other local operating Airlines.
-  Business to Business (B2B) businesses cutting across IOC, FMCGs, Banks and the manufacturing industry, etc
-  Door to Door (D2D) individuals and businesses



## Regulatory Compliance

We engage and comply with the relevant laws and regulations relating to our business activities and operations. The Risk and Compliance Unit closely monitors regulatory compliance requirements across all units. Process owners are notified of pending renewals and are tracked to ensure compliance with all governmental and regulatory requirements. Our Government Relations unit exists in all our locations and are responsible for keeping abreast of information or changes in the industry that oftentimes result in the crystallization of opportunities for the company. The Head of Government relations who is a member of Management team coordinates the activities of the Government Relations Unit.

To ensure that we consistently comply with our regulatory duties, **our Government Relations unit frequently engages our regulatory stakeholders which include:**

- Department of Petroleum Resources (DPR)
- Nigerian National Petroleum Corporation (NNPC)
- National Petroleum Investment Management Services (NAPIMS)
- Nigerian Petroleum Exchange (NIPEX)
- Nigerian Ports Authority (NPA)
- Federal Airports Authority of Nigeria (FAAN)
- Nigeria Union of Petroleum and Natural Gas Workers (NUPENG)
- Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)
- Petroleum Equalization Fund (PEF)
- Lagos State Environmental Protection Agency (LASEPA)
- Lagos State Traffic Management Authority (LASTMA)
- Lagos State Infrastructure Maintenance and Regulatory Agency (LASMIRA)
- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Federal Ministry of Environment (FMEnv)
- Federal Road Safety Corps (FRSC)
- Nigerian Maritime Administration and Safety Agency (NIMASA).

In 2018, there was no recorded breach of any known regulations, codes or laws by the company.

## Risk Management Framework

**!** We apply a precautionary approach in our risk management process over our business operations and activities. Our Board drives the overall effectiveness of the company's risk management to support its strategic objectives. Our Enterprise Risk Management (ERM) framework identifies, assesses and manages company-wide risks by imitating leading risk management practices. Our ERM framework has been developed in line with global best practice, which is aligned with the commitment of our Board and Senior Management to achieve strategic business objectives and grow our risk management to a maturity level. We subscribe to this framework based on the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000:2009 Risk Management – Principles and Guidelines Standard. Our risk management process commences with risk identification. Our risks are grouped into the following eight (8) categories:

### 1. Strategic Risks

### 2. Reputational Risks

### 3. Financial Risks

### 4. Operational Risks

### 5. Political/Country Risks

### 6. Regulatory & Compliance Risks

### 7. Project Risks

### 8. Human Resources Risks

After categorization, the risks are assessed using two (2) criteria: magnitude of risk impact and likelihood of occurrence. We apply four (4) approaches to mitigate the assessed risks:

#### ● Risk Termination/Elimination

#### ● Risk Tolerance/Retention

#### ● Risk Treatment/Mitigation

#### ● Risk Transfer/Sharing











For continuous improvement, a risk report is generated which is reviewed internally and externally. In addition, the risk register generated is updated every quarter. All employees have been trained on risk management and trainings are being scheduled for the new ERM framework to be approved, signed and become operational in 2019.


# Sustainability at Asharami Synergy

Our key sustainability priorities are Customer Centricity, Human Capital, Operational Efficiency, Quality Health, Safety and Environment, and Supply Chain Management.

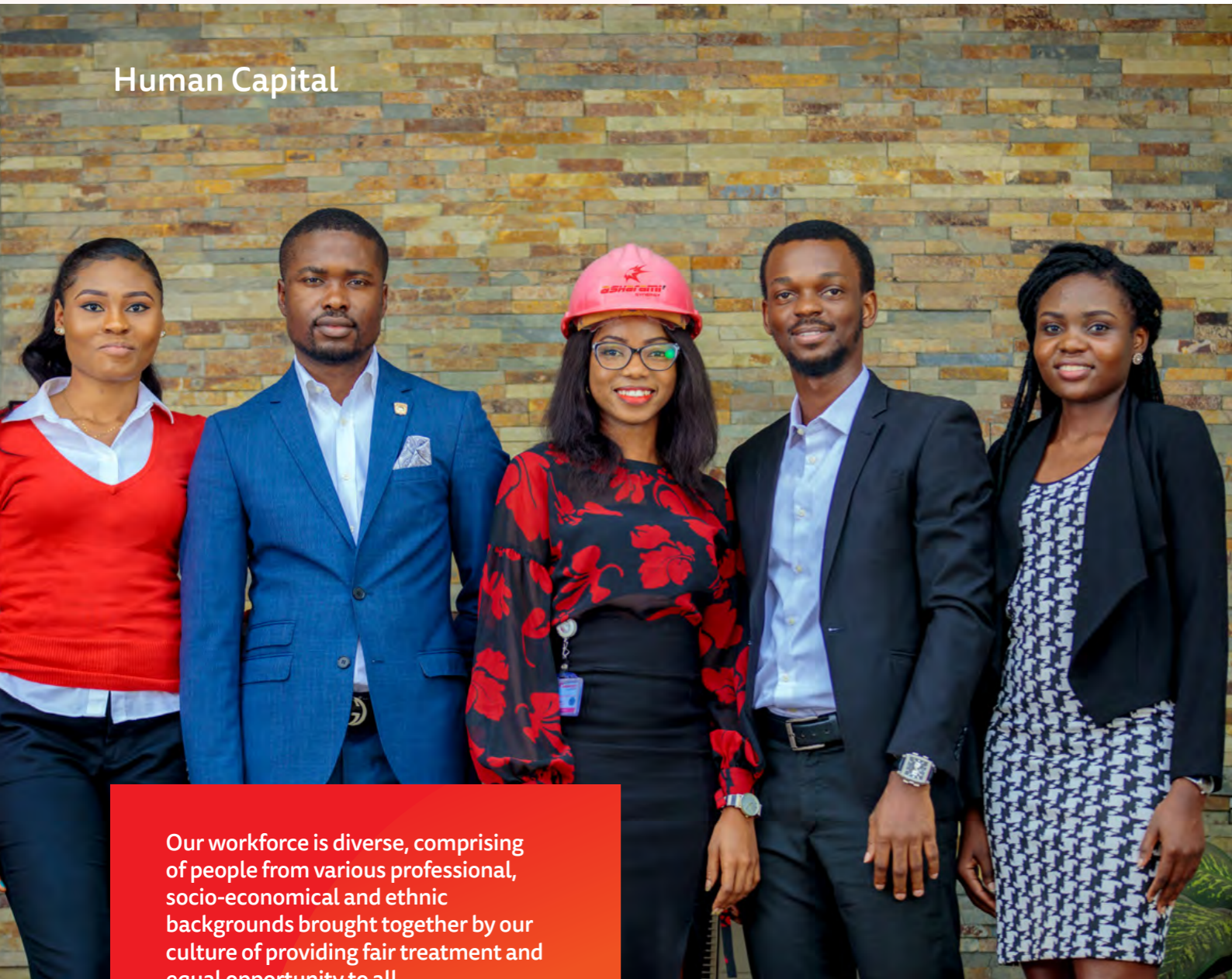
## Customer Centricity

Being a trading and supply company, we have direct interactions with our customers and customer satisfaction is key to the sustainability of our business. Our approach to business aims to provide customers with a memorable and positive service experience. During the year under review, we established and equipped a customer care unit to support our customer centric effort (ASHARAMI CUSTOMER CARE) to deliver improved services to our Customers.

 Offer after – sales services	 24hr Complaint/Enquiry line during weekend and public holidays.	 Use of toll free and non-toll free lines for customer engagement
 Use of Business intelligence tools to forecast or predict customers' consumption	 Periodical reminder calls to customers to purchase diesel based on customer usage predicted by our Business Intelligence tool	 Seek out customer feedback for every delivery with customers' providing a satisfaction rating
 Quarterly customer satisfaction survey	 Customer reactivation and return business	 Engagement of existing customers for referrals based on positive business relationship
 Timely resolution of complaints via telecommunications and visits		

 **The Asharami Customer Care creates an experience and always strives to exceed customers' expectations**

## Human Capital



**Our workforce is diverse, comprising of people from various professional, socio-economical and ethnic backgrounds brought together by our culture of providing fair treatment and equal opportunity to all.**

We have continuously invested in empowering our workforce, building competencies and improving capabilities required for the achievement of our vision. In 2017, we carried out our annual learning and development needs analysis of all staff to identify skill gaps, develop comprehensive learning and development plans and sponsored learning and development programs aimed at closing the skill gaps. This is now being implemented in 2018. We also promote good health and well-being of staff. From 2016 to 2018, we have conducted health fairs, free medical and annual medical examinations. Additionally, we set up well-equipped On-site gym facilities in three (3) of our business office locations in Nigeria.



**We promote learning & development, good health and well-being of our staff, evident in our comprehensive and sponsored learning plans, annual medical examinations and on-site gym in all our facilities**

## Operational Efficiency

We are focused on continually improving efficiency in all areas with strategies and innovations that commenced in 2017 and are ongoing till date. In our trading and supply management, we introduced a multi-grade loading system to our vessel chartering and operations to optimize freight costs. We also established the use of multi-purpose vessels and an integrity-based vendor selection process. With shore, inland warehousing and logistics facilities, we maintain a structured and sustainable operational model under the highest quality, health, safety, security and environmental standards. Our bulk and retail distribution has been executed using the highest global standards with certifications in ISO 9001:2015. In 2017, we commenced 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. Most of these projects have been completed and operational in 2018 while few will be commissioned in 2019.



## Quality Health, Safety and Environment

In 2017, we commenced a more proactive approach to Quality, Health, Safety, Security and Environment (QHSSE) across all our locations by implementing a Designed Comprehensive QHSSE Process. The QHSSE 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 was signed and in operation in 2018. This has been instrumental to recent 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 2018 reporting year, recording zero fatalities 'on the job' and zero loss of assets. In 2017, we successfully re-certified our Quality, Health, Safety, Security and Environmental status – ISO 9001:2008 (Quality Management Systems), ISO 14001:004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety). In 2018, we began the process of upgrading these certifications to ISO 9001:2015, ISO 14001:2015 and ISO 18001; the certification process should be concluded in 2019.



**We have developed our key indices, which are cost minimization, asset efficiency, and supply chain management efficiency from product source to end user, market intelligence, relationship management and partnerships**

## Supply Chain Management

The core of our business is supply chain management. Our objective is to be a market leader in supply chain management of the downstream sector. In order to achieve this, we have developed our key indices, which are cost minimization, asset efficiency, and supply chain management efficiency from product source to end user, market intelligence, relationship management and partnerships. Based on our vast experience, we recognize that efficiency in the supply chain system is about meeting and surpassing stakeholders' expectations. To achieve this, our approach has been the offering of multi-service provision platforms to deliver on all areas of the downstream value chain needs, thereby creating a completely new customer experience and enhanced service delivery.

## Stakeholder Engagement

We consult and collaborate with a wide range of stakeholders such as Governments, Government agencies, host and local communities, the public, Regulators, Suppliers, our Shareholders, and our Employees. These stakeholders are also actively involved in the development of some of our policies and strategies. In identifying and defining our stakeholder groups, we focused on the players in the industry that:

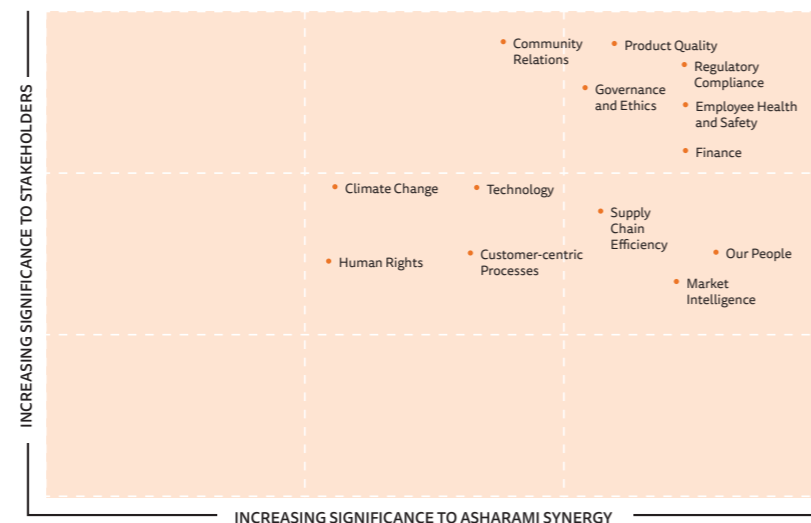
- May have legal or financial obligations to the company
- May have negative/positive influences on or communicated concerns about the decisions and activities of the company.
- May interfere with the company's commitment to fulfil its obligations in connection with its operations in its internal or external environment.

### Our Stakeholders' Engagements

STAKEHOLDER GROUP	INTEREST	COMMUNICATION METHOD	FREQUENCY
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>● Economic Performance</li> <li>● Governance and Business Ethics</li> <li>● Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>● Business Meetings</li> <li>● Presentations</li> <li>● Frequently Asked Questions</li> </ul>	<ul style="list-style-type: none"> <li>● On A Need Basis</li> <li>● Quarterly updates</li> <li>● Yearly updates</li> </ul>
<b>Executive Management and Employees</b>	<ul style="list-style-type: none"> <li>● Economic Performance</li> <li>● Risk Management</li> <li>● Health and Safety</li> <li>● Environmental Protection</li> <li>● Decent Labour Practices</li> </ul>	<ul style="list-style-type: none"> <li>● Town Hall Meetings</li> <li>● Surveys</li> <li>● Periodic meetings</li> <li>● Business Review sessions</li> </ul>	<ul style="list-style-type: none"> <li>● Ad Hoc</li> <li>● Weekly</li> <li>● Quarterly</li> <li>● On need basis</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>● Health and Safety</li> <li>● Environmental Protection</li> <li>● Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>● Contractor Safety sessions</li> <li>● Business Meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>● Service Delivery</li> <li>● Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>● Customers fora</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous</li> </ul>
<b>Government and Regulatory Agencies</b>	<ul style="list-style-type: none"> <li>● Regulatory Compliance</li> <li>● Economic Performance</li> <li>● Governance and Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>● Business Meetings</li> <li>● Regulatory Inspections</li> <li>● Audits</li> </ul>	<ul style="list-style-type: none"> <li>● Quarterly, Bi-annually and Yearly</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>● Environmental Protection</li> <li>● Community Engagement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>● Community Development Association Meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Monthly</li> <li>● Ad-hoc</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>● Governance and Business Ethics</li> <li>● Community Engagement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>● Media Parleys</li> </ul>	<ul style="list-style-type: none"> <li>● Quarterly</li> </ul>

## Materiality Matrix

Our materiality matrix is a selection of the sustainability subjects that are relevant to our business and our stakeholders in 2018. Our Materiality Matrix is displayed below:



## Fuelling Cities for Economic Growth Economic Performance



### Volume of each petroleum product sold is

Products	Volume in litres (2018)	Volume in litres (2017)	Volume in litres (2016)
AGO	396,098,319	202,316,000	271,109,000
PMS	85,230,665	319,838,000	344,096,000
ATK	175,487,895	139,720,000	164,810,000

## Financial Performance

In terms of economic value generated, our revenue increased from N76.8 billion in 2017 to N127.7 billion in 2018 due to the exit of the Nigerian economy from recession in Q3, 2017. Our assets have also increased from N49.2 billion in 2017 to N63.6 billion in 2018 due to the investments in infrastructure such as our Kano Aviation Terminal increase in storage capacity from 100,000 to 350,000 litres and Maiduguri Aviation Terminal development of 150,000 litres capacity tank farm.

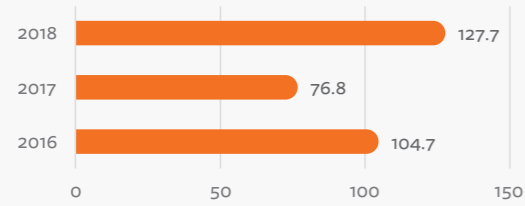


**N127.7 Billion**  
Revenue in 2018 an increase of 39.8% from 2017

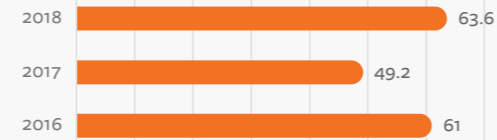


**N63.6 Billion**  
Assets in 2018 an increase of 22.6% from 2017

REVENUE (N' billion) - Audited figures



ASSETS (N' billion)



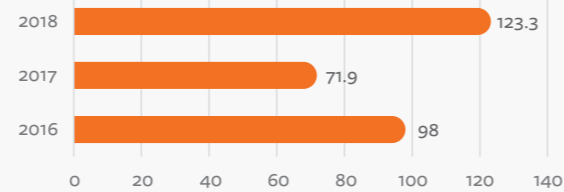
## Value Distributed

We have contributed significantly to decent work and economy growth through our operating costs on contractors, employee benefits, tax payments, community investments and our supply chain.

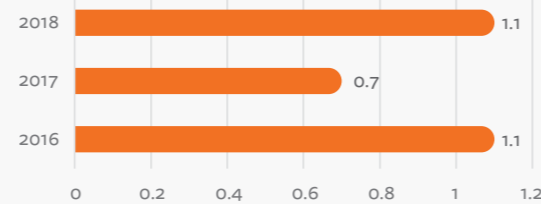
The bulk of our operations deal with purchase of petroleum products and then distribution. The purchase of the products is our operating costs, which often consumes a significant portion of our revenue. Our operating costs have increased from N71.9 billion in 2017 to N123.3 billion in 2018 mainly due to the increase in the demand for our services and products. Our employees' benefits have also increased from N0.7 billion in 2017 for 131 employees to N1.0 billion in 2018 for 147 employees. One of the major components of our employees' benefits is our retirement plan. In accordance with the law, we contribute 10% of the employee's annual basic salary to a retirement savings account while the employee contributes 8%. As at 2018, remuneration exceeded Nigeria's legislated minimum country wage levels irrespective of gender.



Operating Costs (N' Billion)



Economic value distributed (employees wages and benefits - N' Billion)

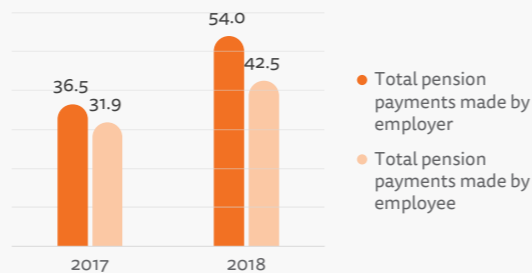


## N1 Billion

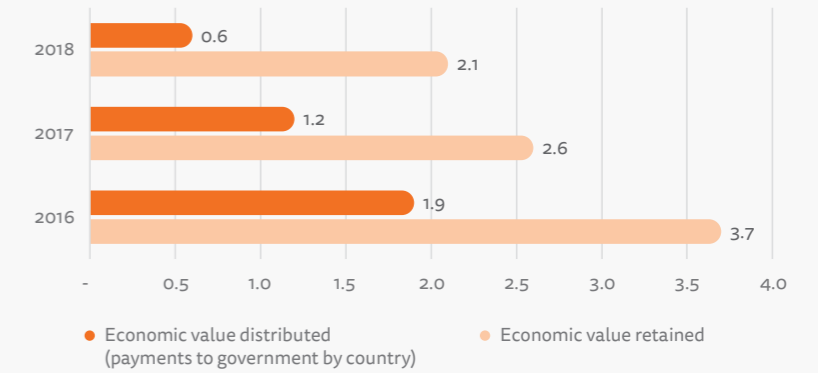
Spent on employee benefits for our 147 employees.

All employees working in Asharami are on direct employment with us and are in no way subject to collective bargaining. Our benefits are for full-time employees only and not interns except medical benefit that is for all. The full-time employee benefits are: health insurance employer pension, group life insurance, employee compensation fund, recreational facilities - gym, group personal accident insurance, and leave - parental, annual, exam, and compassionate.

Pension Payments (N' million)



We have consistently paid our tax obligations, levies and other dues to governments in every country we operate. Our tax payments have reduced from 2016 to 2018 mainly due to a reduction in operating profit.



Sahara Foundation has solely handled our community investments.



Economic value generated retained and distributed from 2016 to 2018

	2018 (N' billion)	2017 (N' billion)	2016 (N' billion)
Revenue	127.7	76.8	104.7
Total Economic value distributed	125.6	74.2	101.0
Economic value retained	2.1	2.6	3.7

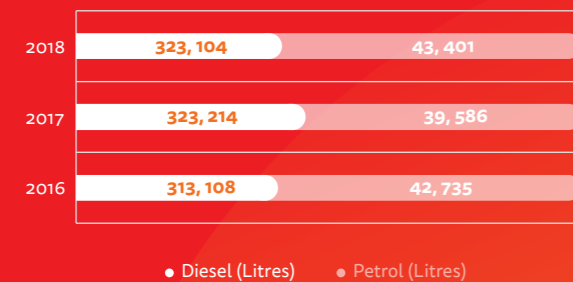
The reduction in economic value retained from 2016 to 2018 is due to our high operating cost, low sales revenue collection and infrastructure investments. Once the infrastructure is completed and with the Nigerian economy completely out of recession in 2018, we target greater economic value retention in 2019.

# Environmental Sustainability

## Resource Consumption and Emissions



Being a service company, the major material used in our process is fuel for transportation of products and running the stations. The table below shows our fuel consumption from 2016 to 2018.



Our major power source is imported from the National Grid. This also translates as Scope 2 emissions. In this report, we have considered Nigeria only for our Scope 2 emissions because 90% of our total power consumption is from the country. Power generated from the diesel and petrol generators as well as combustion in diesel and petrol distribution trucks are reported as Scope 1 emissions. We distribute petroleum products and their usage that automatically trigger Scope 3 emissions. However, we have not started recording this data and we have plans to commence in 2020. Our Scope 1 emissions have increased yearly due to increase in operating stations, warehouses and distribution vehicles. We have commenced plans to use natural gas to power our stations and distribution vehicles by 2020 to help reduce our emissions. In terms of Scope 2 emissions, power consumed by Asharami from the National Grid in 2016 was about 437,000 KWH and this increased to about 542,000 KWH in 2018. Similarly, the increase is a result of the new operating stations. This made our Scope 2 emission to increase as well.

In terms of water consumption, our major water utilization is to wash the storage tanks. Data on water consumption in each of our locations has not been collected and we have begun plans to install flow meters to measure, monitor and evaluate our water utilization for better management.



**ELECTRICITY IMPORTED FROM THE GRID (kWh)**



2018  
**542,330**

2017  
**499,142**

2016  
**436,643**

**SCOPE 1 EMISSIONS (kg CO<sub>2</sub>e)**



2018  
**803,028**

2017  
**788,514**

2016  
**782,479**

Other significant emissions like ozone-depleting substances (ODS), NOx, SOx, and H<sub>2</sub>S are measured and monitored by each facility quarterly. The emissions are often not detected or below the instrument calibration scale and therefore insignificant.

**SCOPE 2 EMISSIONS (kg CO<sub>2</sub>e)**



2018  
**223,982**

2017  
**206,146**

2016  
**180,334**

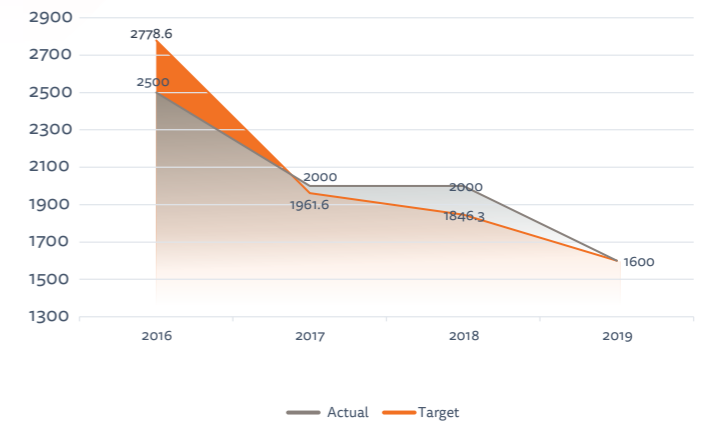


## Waste Management

Based on our operations, waste generated are categorized into hazardous and non-hazardous wastes (solid and liquid). Our waste management system for each category of wastes complies with the applicable regulations spelt out by the State and Federal environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMEnv, Lagos State Ministry of Environment - LASMOE, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and also with international standards.

In terms of solid non-hazardous waste, source is mainly office and domestic. In compliance with environmental regulations, the Lagos State Waste Management Authority (LAWMA) periodically collects our solid waste for disposal in landfills. In lieu of this, we have set out plans to reduce solid waste sent to landfills by 5% from 2018 to 2019. The graph below shows our solid waste disposal quantity (actual) and targets. Our hazardous wastes are effluents from washing of tanks that are collected and evacuated by the Lagos State Environmental Protection Agency (LASEPA) with other liquid wastes such unusable lubricating and transformer oils.

Solid Waste Disposal (kg)



**5%**

Planned reduction in solid waste sent to landfills in 2019

## Biodiversity Management



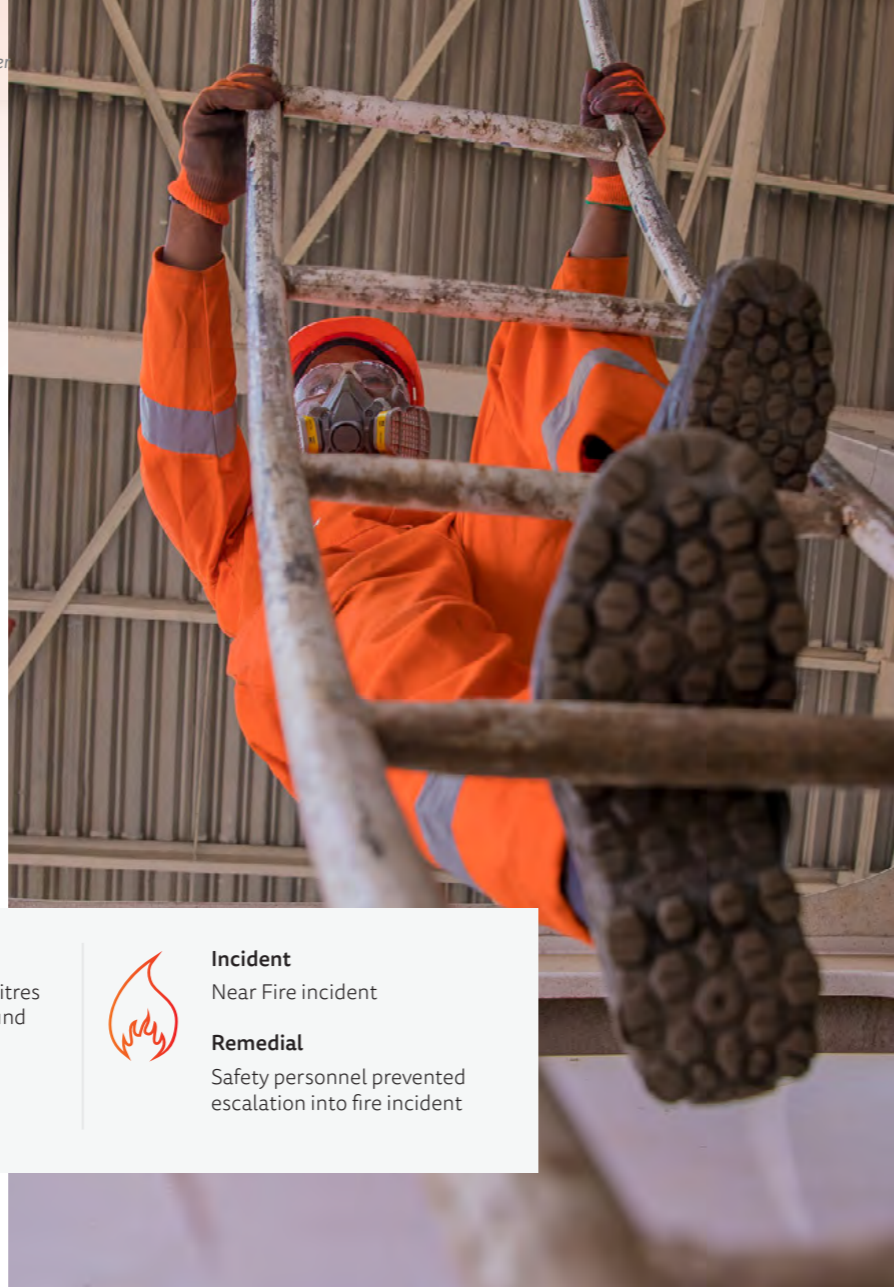
Our facilities are not built on or located adjacent to or within close proximity of protected areas or high conservation value (HCV) areas as classified by the World Bank International Finance Corporation (IFC) Performance Standards 6. Nonetheless, we have vegetation within 5km radius of most of our facilities whereby in cases of spill or explosion, they can be affected. These vegetation are Modified Habitats composed of garden and farmlands indicating absence of IUCN Red List category species. Thus, we have biodiversity management programmes embedded in our 2017 Environmental Management Plan and Audit Reports for such facilities, which stipulates the monitoring and enhancement of the current biodiversity around the facility.



**5km** radius of vegetation around most of facilities, ensuring biodiversity

## Emergency Response

**15** We currently operate and implement a robust emergency preparedness and response procedure (EPRP) to ensure that potential emergencies are identified and appropriate response actions are outlined so that in an emergency situation, every employee, contractor and visitor are promptly evacuated to a safe location in each of our facilities. The procedure was developed in accordance with ISO 14001:2015, ISO 45001: 2018, the Nigerian Factory Act LFN 2004, and our HSE Manual. We conduct two (2) emergency drills yearly to audit implementation and applicability of the procedures. Possible emergency cases documented in the EPRP are: Medical Cases, Fire emergencies, Oil Spill, Explosion, Community Crisis, Robbery, and Accident & ill health



**We recorded two (2) emergency incidents in 2018**



### Incident

Jet A-1 Spill from Tank Farm. Over 4,000 litres was spilled but this was contained in a bund wall around the tank.

### Remedial

Re-training of the operators



### Incident

Near Fire incident

### Remedial

Safety personnel prevented escalation into fire incident

## Environmental Compliance

One of the key challenges of developing and managing large-scale infrastructure projects such as a tank farms and warehouses is ensuring the protection of the environment and people from potentially adverse effects. We promote the sustainability of project outcomes and protect the people and environment by identifying and adhering to environmental and related safeguards. In principle, we evaluate the likely impact of our proposed projects by commissioning an Environmental Impact Assessment (EIA) for such projects and conducting Environmental Audit (EA) every three (3) years in line with regulatory requirements. We comply with all environmental laws, regulations and standards set by NESREA, FMEnv, LASMOE, and National Oil Spill Detection and Response Agency (NOSDRA) together with other international, national and state regulations and standard.

We engage accredited third party assessors to evaluate our environmental performance and submit our EA Report and quarterly Environmental Compliance Monitoring (ECM) reports to regulatory bodies as stipulated in their laws. From 2016 to 2018, we have been fully compliant with all related standards and regulations and we have put in place systems to ensure continuous compliance.



**We promote the sustainability of project outcomes and protect the people and environment by identifying and adhering to environmental and related safeguards**

## Social Performance

### Employees' Composition

In our business conduct, we embed the principles of diversity and inclusion that enables us understand the needs of our staff, partners, suppliers and customers. In 2018, we have 186 employees consisting of full-time employees (147) and interns (39). Of our full-time employees in 2018, 22% are female which showed an increase from 21% in 2017 and 18% in 2016. Consequently, our current Board is composed of four (4) males and one (1) female.



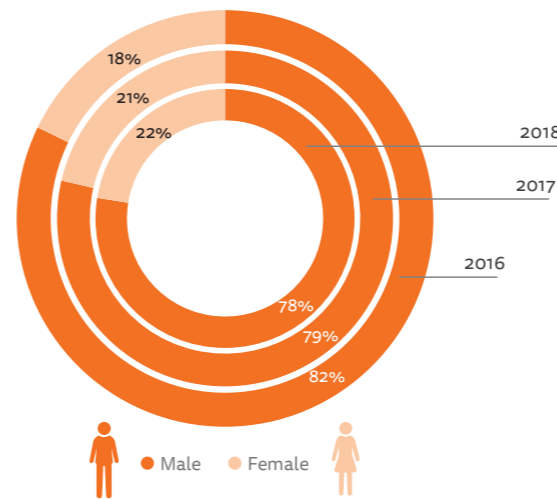
**We embed the principles of diversity and inclusion that enables us understand the needs of our staff, partners, suppliers and customers**



**22%**

percentage of women in our workforce an increase from 2017

### Employees' Composition



### Full Time Employees

2018: 147, 2017: 131, 2016: 118





## Employees' Retention

The table below provides information on employee retention and turnover. Our maternity and paternity return-to-work and retention rates have been very high as detailed below from 2016 to 2018.



Turnover	2018	2017
Resignation	24	21
Retirement	0	0
Dismissal/Suspension	7	4
Death	1	1
<b>Total Turnover</b>	<b>32</b>	<b>26</b>
<b>New joiners</b>	<b>17</b>	<b>14</b>

## Training and Education



The training, support and development of employees, irrespective of gender, are core priorities for ensuring an efficient workforce. Our employees are our biggest assets; increasingly, we continue to invest in developing our people and urge our employees to take responsibility for their personal growth, development and excellence. Our training hours per head have varied from 2016 to 2018. In 2016, it was an average of 10 hours per employee, this increased to 25 hours in 2017 and reduced to 19 hours in 2018. Some of the internal and external trainings provided in 2018 are:

### INTERNAL TRAININGS

- Communications Skills Training
- Personal Mastery for Increased Efficiency Training
- Self-Awareness and Leadership Skills Training
- New Managers Development Program
- Finance for Non-Finance Managers

### EXTERNAL TRAININGS

- The International Trade Finance Course-Procedures & Practices
- NEBOSH IGC Training and Certification
- Advanced certificate in Financial Planning and Analysis
- Economics of the Oil Supply Chain (Supply & Trading, Refining, Shipping & Distribution)
- Advanced Sales Training Skills
- Effective Business Writing & Presentation Skills
- Relationship Management & Negotiation Skills
- Communication Skills Training
- Oil Tanker Chattering & Voyage Management
- Product Storage Course
- Introduction to Tanker, Operations & Demurrage
- Depot Operations Management



We are working on providing better structured transition assistance programs for our employees nearing retirement. However, a severance pay is provided for employees with terminated contracts. In the year under review, 92% (172 out of 186) of employees received regular performance & career development review

### 2018

#### No. of Employees

- Maternity – 2
- Paternity – 4

#### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

#### Retention rate after 12 months of leave taken in 2016

- Maternity – 100%
- Paternity – 100%

### 2017

#### No. of Employees

- Maternity – 5
- Paternity – 3

#### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

#### Retention rate after 12 months of leave taken in 2016

- Maternity – 75%
- Paternity – 100%

### 2016

#### No. of Employees

- Maternity – 4
- Paternity – 6

#### Return-to-work rate

- Maternity – 75%
- Paternity – 100%

**92%** employees received regular performance and career development



## Occupational Health and Safety



We believe that a healthy work force increases the productivity of an organisation, through reduced accident rate, lesser downtime, that could result from human errors towards ensuring efficient service delivery. We currently have in place, the workmen's compensation insurance policy, to adequately address matters of Safety and Health of all our employees. Furthermore, all our staff are included in our health plans with Health Management Organisations (HMOs) which is also extended to their immediate families at the Company's expense. Our health and wellness policy makes provision for mandatory quarterly health education/awareness and check-ups for every member of staff.

The employees are engaged in an interactive session with health experts from accredited HMOs to address topics ranging from daily bodily care, to prevention actions against diseases and permanent bodily defects. We

have remained committed to our monthly mandatory physical exercises of all staff members in order to improve fitness and heart conditions. Consistent with our health and wellness policy, we specifically require our employees by way of commitment to be accountable for maintaining and/or taking positive steps to achieve a state of health that is required for their job designations.

Our operational Occupational Health and Safety Management System (OHSMS) contains policies, procedures and programs which help us manage workplace health, safety and security and mitigate any risks that may crystallize. Our OHSMS has been upgraded with the latest guidelines stipulated in ISO 45001:2018. The OHSMS covers all staff, and training has been done for all staff on identifying safety risks as it relates to their role.

We had one (1) major incident in 2018 and have applied mitigating measures to prevent re-occurrence.

#### No. of employees involved

2

#### Incident

Two (2) rear tyres of a truck pulled out while accessing the discharge bay. There was no injury or damage to property.

#### Mitigation Measure to prevent re-occurrence

Re-training of the operators

## Human Rights Practices

Asharami adheres to the UN Guiding Principles on Business and Human Rights, which we have hosted on the company's portal for all employees to be acquainted to it. Our security personnel have also been trained on human rights principles and the rules of engagement. As at 2018, we had trained 42 security guards on human rights procedures and rules of engagement. However, our contractual agreements with contractors/vendors generally do not explicitly contain human rights clauses and no human rights screening took place between 2016 and 2018. Similarly, we condemn child labour and forced labour as outlined in our HR Policy and Manual but this is not assessed in our supply chain.



Asharami adheres to the UN Guiding Principles on Business and Human Rights, which we have hosted on the company's portal for all employees to be acquainted to it.



## Procurement Practices

**8** REGULATORY AND ECONOMIC GROWTH  
 Our procurement practices aims at guaranteeing that materials to operate are sourced from reliable and sustainable businesses with the goal of generating income and shared prosperity within the economy. The growth of the local economy is paramount; however, we do not compromise on quality. Thus, only competent and tested vendors are registered with us. We are currently developing our rigorous environmental and social (E&S) screening criteria for some vendors based on their operations. For example, with our tank-cleaning vendors, we ensure that they are registered with the relevant Environmental Protection Agency, such as the Lagos State Environmental Protection Agency (LASEPA). This is an ongoing process, and by 2020, all vendors should have specific E&S screening criteria relevant to their services or products. Our number of registered and engaged vendors increased from 230 in 2017 to 279 in 2018. The distribution of their services and locality is displayed in the table below:

Vendors Distribution	2018	2017
Project/Terminal Contractors	223	150
Trade	4	29
Shipping Agents and Service Providers	24	27
Transporters	28	24
<b>Total Number of Vendors</b>	<b>279</b>	<b>230</b>
<b>International Vendors</b>	<b>6 (2%)</b>	<b>4 (2%)</b>
<b>Local Vendors</b>	<b>273 (98%)</b>	<b>226 (98%)</b>

**279**  
 Registered vendors in 2018 an increase from 230 in 2017

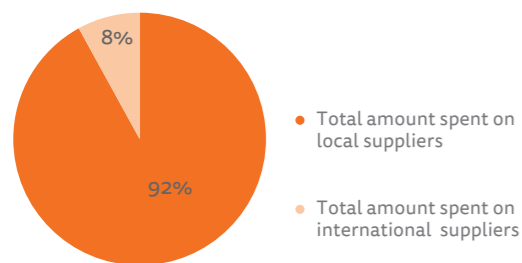
In 2018, 92% (N193.2 million) of our total procurement budget (N210 million) was spent on local vendors. This was an improvement from 2017 where 80% (N120.8 million) of the total procurement budget (N151 million) was spent on local vendors. Thus, this shows an alignment with our goal to ensure shared prosperity and local economic growth.

**N193.2 million**

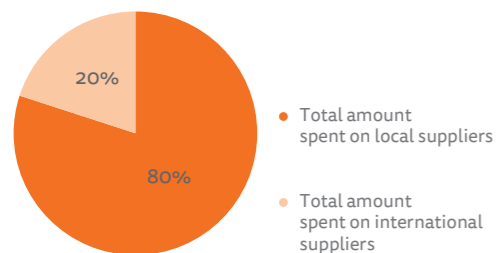
92% of our total procurement budget spend on local vendors an improvement of 12% from 2017



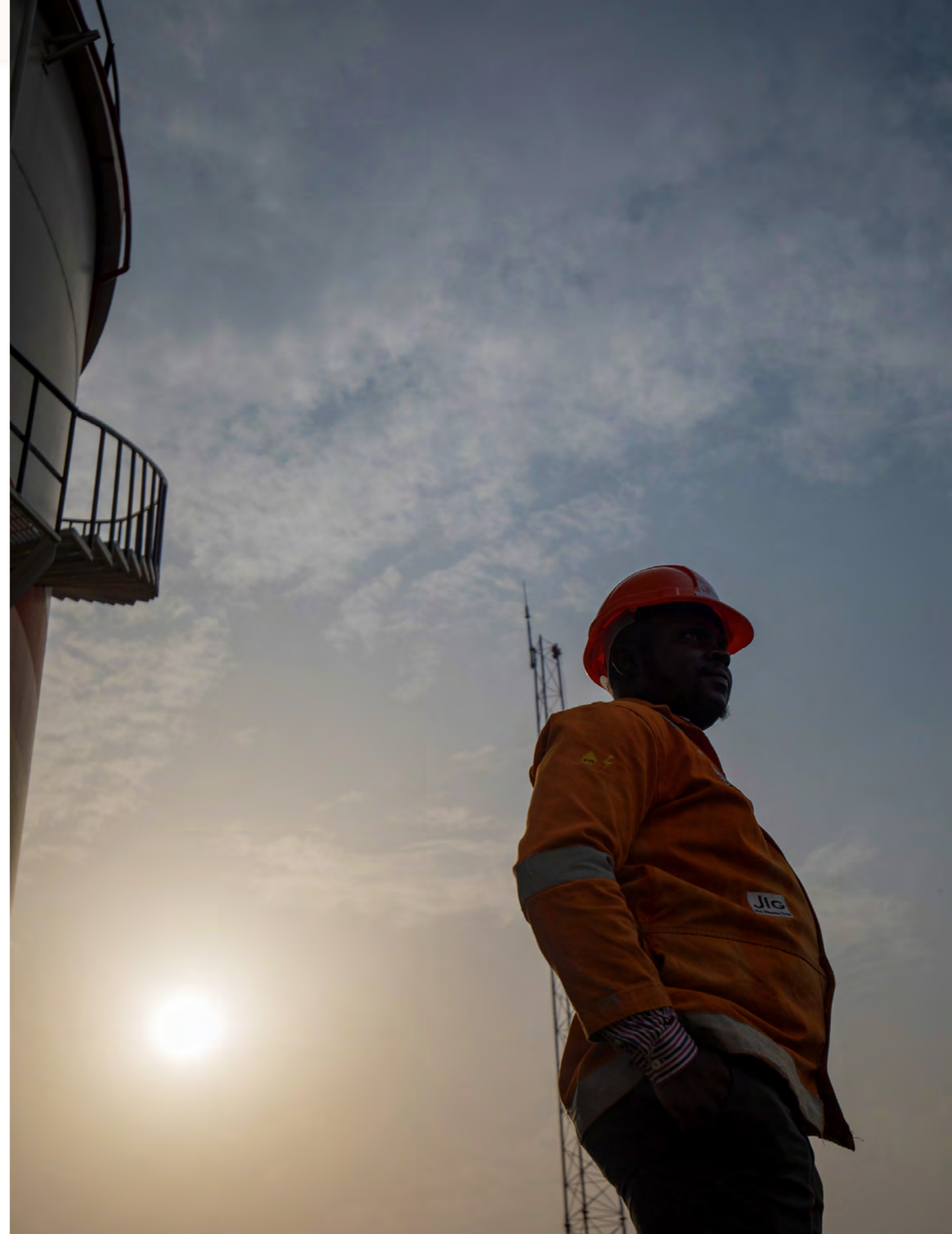
2018 Procurement Budget



2017 Procurement Budget



Procurement budget spend (N' Million)



# Sahara Power Group

## MESSAGE FROM THE DIRECTOR

The year 2018 marked the fifth year since the privatisation of Nigeria's power sector and in that period, tremendous changes have taken place. Our journey since privatization has taken us through volatile macro-economic cycles and structural changes. For Sahara Power, 2018 was in many ways a watershed year. We signed landmark Gas to Power Agreements which will ultimately have an impact on the sustainability of the industry. We completed a major overhaul of our Afam Power Plant leading to a substantial boost in energy output and we reduced the Aggregate Technical Commercial and Collection Losses (ATC&C) at Ikeja Electric from 39% in 2017 to 32% at the end of 2018, a remarkable feat in such a short period of time especially given testing market conditions.

### Navigating the Environment

Sahara Power's commitment to its customers, staff, core investors, business partners, regulators, the government, and local communities has been unwavering since privatisation and the single mindedness and effort of its employees within the Sahara Power Group cannot be commended enough. We are proud of their energy and determination in this regard. Through their dedication to quality service delivery, their focus on customer-centricity, process optimization and effective supply chain management, we have been able to drive operational excellence and build on the deep partnerships formed with all our stakeholders. The commitment of Our People to every aspect of our operations – ethically, environmentally, commercially and sustainably – is what allows us provide our customers daily with services that are affordable, reliable and unequalled in Nigeria's power sector. Our employees are key to ensuring not only the future success of the company but also its continued leadership in the industry. As such, we are focused on seeking out and attracting the best talent, supporting their development and creating a work culture that consistently brings out the very best of our people's abilities.

### Business Environment

As we look beyond 2018, we must remember that we are at the vanguard of the growth of a nascent sector and, despite the many challenges faced, we must continue to pursue our long-term vision of being the recognised performance leader in Africa's electricity generation and utility industry. That means we

will make new investments in new businesses going forward but also continue to upgrade existing infrastructure to boost energy output efficiently and sustainably.

### Sustainability

We are aware of the need to answer fundamental sustainability questions which are driving dramatic shifts in our social and economic areas of practice. As such, we have a strong commitment to ensuring sustainability across every project we undertake. We recognise that every employee and all our suppliers have a vital role to play in identifying, minimizing and mitigating the impact of our operations on the environment. We are committed to entrenching sustainable values in our work places and advocate for reducing and recycling our waste. One of our main objectives is to provide electricity safely, efficiently and in ways that conserve energy and other natural resources whilst minimising any adverse impact. We are continuously and actively searching for ways to improve operating conditions and to provide a safe, clean and healthy environment for customers and the communities in which we operate.

### Concluding Remarks

In addition to delivering on our strategy and addressing the many challenges before us, there are many new and exciting opportunities ahead. Over the last few years, Sahara Power Group has consolidated on its market acquisitions but today, we are once again poised for a new phase of expansionary growth. We are primed to explore the vast and diverse opportunities that the African continent offers the power sector. The market opportunities are truly profound. From our core strength in traditional thermal generation to Africa's rapidly developing renewables market, Sahara Power Group is ambitiously identifying new markets for entry. We are set for an era of African expansion and committed to attaining sustainable long-term sectoral growth.

Kola Adesina  
Group Managing Director  
Sahara Power Group



As we look beyond 2018, we must remember that we are at the vanguard of the growth of a nascent sector and, despite the many challenges faced, we must continue to pursue our long-term vision of being the recognised performance leader in Africa's electricity generation and utility industry.



# Egbin Power Plc

Meeting Power Needs through Innovation

## CEO's MESSAGE

The year 2018 was significant to us for a number of reasons. It marked five years since the privatization of power assets in Nigeria and presented to us, an opportunity to reflect on our achievements as well as the steps taken towards transformation and improvement. Egbin Power PLC is the largest indigenous privately owned power generating company in sub-Saharan Africa has remained the largest contributor of electricity to Nigeria's electricity Grid with a gross generation of 4,331,092.00 MWH in 2018.

In the last 5 years, we have transformed our culture and have become more resourceful in our quest to improve the narrative of power generation in Nigeria. We demonstrated our unassailable leadership role in 2018 by redefining the structure of gas-to-power agreements in Nigeria. We blazed a new trail in Nigeria's electricity business with a peerless agreement tailored to enhance the performance of the survival of gas producers and generation companies despite the current imbalance in the power value chain.

With the ambition to remain as the leading power generation company and further show our commitment to improve the total available electricity in Nigeria, we acquired a brand new 270KVA generator transformer for Steam Turbine 1 (ST1), accelerated the overhaul of Steam, Turbine 3 (ST3) and commenced the commercialisation of EDMI (Digital Energy Meters).

Finally, 2018 for Egbin Power Plc. was a year to set the pace with improved plant availability, reliability and increased readiness to serve the Nigerian populace whilst still maintaining safety as our No.1 core value, we commenced the implementation of the ISO 45001:2018 and ISO 14001:2015 certification process.

Paul Harriman  
Ag. Chief Executive Officer  
Egbin Power Plc



In the last 5 years, we have transformed our culture and have become more resourceful in our quest to improve the narrative of power generation in Nigeria.



# The Entity

Egbin Power is West Africa’s largest power generation plant and the biggest single generating power station in West Africa. Egbin Thermal Power Plant was built by the Federal Government of Nigeria (FGN) and was commissioned in 1985. It is located in Egbin town in Ijede Local Council Development Area (LCDA) under Ikorodu Local Government Area (LGA) of Lagos State, Nigeria. Its primary activity is power generation.

Following the Sahara Group’s acquisition of 70% shares in Egbin Power Plc (“Egbin”) in 2013 through a special purpose vehicle - KEPCO Energy Resource Limited (KERL), Egbin was officially handed over to KERL through the Bureau of Public Enterprises (BPE) of the FGN. KERL owns 70% of the shareholding, BPE owns 24%, and the Federal Ministry of Finance owns the remaining 6%.

Egbin operates six (6) units of 220 MW Hi-

tachi Gas Fired Steam Turbines. We serve the entire country through the sale of electricity to the Nigerian Bulk Electricity Plc. (NBET) as agreed in the Power Purchase Agreement (PPA) with NBET. Egbin also exports electricity to Benin Republic through the National Grid System operated by the Transmission Company of Nigeria (TCN). Under this arrangement, of its six (1) power generating units, units one (1) to five (5) are sold to NBET under the PPA, whilst the power generat-

ed from unit six (6) unit can be sold to any organisation through a bilateral agreement. Egbin Power Plc. serves Lagos state through a bilateral arrangement with Ikeja Electric (IE) and Eko Electricity Distribution Company (EKEDC). Electricity generated at Egbin is used by all sectors across Nigeria.

The year 2018 recorded an increase in revenue of about 20% to settle around N91.7 billion (\$264.31 million), increase from the revenue figures of N76.7 billion (\$234.33



6

**Turbines Operated (220 MW Hitachi Gas Fired Steam Turbines)**

**N91.7 Billion**

Revenue in 2018, up 20% from N76.7 billion in 2017



We serve the entire country through the sale of electricity to the Nigerian Bulk Electricity Plc.

## Regulatory Compliance

We strive to ensure that we comply with the relevant laws and regulations relating to its business activities and operations. Internally, the company performs an annual compliance audit where it reviews for regulatory issues and ensure its compliance. Our regulators include the Federal Ministry of Works Power & Housing (FMWPH), Nigerian Electricity Regulatory Commission (NERC), Federal Inland Revenue Service (FIRS), Lagos Inland Revenue Service (LIRS), Financial Reporting Council of Nigeria (FRCN), Lagos State Fire Service, Lagos State Environmental Protection Agency (LASEPA), Federal Ministry of Environment, National Environmental Standards and Regulations Enforcement Agency (NESREA) amongst many others. In 2018, there was no recorded breach of any known regulations, codes, and laws by the company.

### Other principles, guidelines and policies relating to the Code of Ethics include:

- Conflict of Interest Guidelines
- Dealing with Government Guidelines
- Drug and Alcohol Policy and Guidelines
- Internet and E-mail Acceptable Use Policy
- Gift and Hospitality Guidelines

## Risk Management Framework

**!** We apply the principle of a Precautionary Approach to the risk management of our business operations and activities. Our Board drives the overall effectiveness of the company’s risk management processes to support its strategic objectives. Our Enterprise Risk Management (ERM) framework is used to identify, assess and manage company-wide risks by establishing and sustaining leading risk management practices. Our ERM framework has been developed in line with global best practice, the commitment of the Board and the Senior Management to achieve strategic business objectives and grow our risk management maturity level. We subscribe to this framework based on the suggested standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the ISO 31000:2009 Risk Management – Principles and Guidelines Standard. Our risk management process commences with risk identification. **We have identified and grouped our risks into thirteen (13) categories:**

1. Regulatory & Compliance Risks
2. Political/Country Risks
3. Operational Risks
4. Human Resources Risks
5. Market Share Risks
6. Strategic Risks
7. Financial Risks
8. Market risks
9. Security Risks
10. Health, Safety and Environmental Risks
11. Technology risks
12. Project Risks
13. Reputational Risks

After categorization, the risks are assessed using two (2) criteria: magnitude of risk impact and likelihood of occurrence. We apply four (4) approaches to mitigate the assessed risks:

- Risk Termination/Elimination
- Risk Tolerance/Retention
- Risk Treatment/Mitigation
- Risk Transfer/Sharing

For continuous improvement, a risk report is generated which is reviewed internally and externally. Also, the risk register generated is updated every quarter. All employees have been trained on risk management and trainings are being scheduled for the new ERM framework to be approved, signed and operational in 2019.

# Sustainability at Egbin

Our core strategic sustainability priorities are Health, Safety and Environmental, and Regulatory Compliance, Employees Welfare, and Sustainable Power Generation.

## Employee Welfare

The welfare of our employees remained our number one priority in 2018. We have a robust Human Capital Empowerment scheme required for our employees in order to enable us actualize the much-needed technological advancement. Some of our provisions to our employees include: Health Insurance, Employer Pension, Group Life Insurance, Employee Compensation Fund, Recreational facilities – Gym and Clubhouse, Group Personal Accident Insurance, Leave - parental, annual, exam, and compassionate, Disability and Invalidity Coverage, Subsidized School Fees, Call and Shift Allowance, Housing, and End of the Year package.



# Stakeholder Engagement

## Key Stakeholders

Our key stakeholders include:

- Our Shareholders: Federal Ministry of Finance and Bureau of Public Enterprise
- Our Partners: Korea Electric Power Corporation (KEPCO) and Marubeni West Africa Ltd
- Government, Regulatory & Related Agencies:
- Communities: Egbin, Ipankan and Ijede
- Suppliers/Contractors: KEPCO KPS, Orbis, Drury Nigeria Ltd, Emerson Ltd, Denee Global, Hygeia HMO Ltd, Halogen Security, Nigerian Gas Company (NGC), Pan Ocean, Shell/Chevron JV, Nigerian Petroleum Development Company (NPDC), and Kenmac Ltd
- Association Membership: Association of Power Generation Companies (APGC)
- Our Employees

## Stakeholder selection and mapping

Selection, mapping and engagements with stakeholder groups are determined in line with the Nigerian Electricity Supply Industry (NESI) operational requirements and procedures as well as the need to ensure probity and accountability in all our activities.

## Summary of Our Stakeholder Engagement for 2018

Our engagements with our diverse stakeholders and the nature of their concerns are recorded in the table below. We also highlight the action taken to address the needs and resolve the matters of concern.

Stakeholder Group	Frequency	Topics/Concerns	Response
Shareholders	Quarterly through Board meetings	Sustainable business operations	We always strive to ensure sustainable power generation
Local communities	Continuous consultations and quarterly community forum meetings	Epileptic power supply More employment for their indigenes into Egbin Increase in Scholarship beneficiaries	We have engaged Ikeja Electric to improve power supply to the communities Other concerns are being resolved
Regulators	Monthly reports and audits	Compliance with regulations	We always comply with all regulatory standards
Partners and Suppliers	Continuous as the need arises	Mutually beneficial relationships	We adhere to our 'Third-party Solicitation Guidelines'
Employees	Continuous	Great labor and working conditions	We ensure employees have great working conditions and safety of employees based on good international industry standards.
Other Government Agencies	Monthly NESI meetings	Mutually beneficial relationships	We adhere to our 'Dealing with Government Guidelines'

## Health, Safety and Environmental and Regulatory Compliance

For Health, Safety and Environmental compliance as well as Regulatory compliance, we surpassed our targeted goals for 2018, as we were in full compliance without any recorded sanctions. Such an achievement indicates that the right steps were taken to ensure the sustainability

and success of the Company. We also started developing our occupational safety, health and environmental management systems to meet ISO 45001:2018 and ISO14001:2015 standards respectively.



## Sustainable Power Generation

For Power Generation, our targets are based upon availability, capacity and efficiency. Current availability (Year End, 2018) of our power plant is estimated at 85% of the installed 1320MW capacity; however, we will continue to strive to achieve more ahead of the Fiscal Year End, 2019. In 2018, our major challenges included the liquidity crisis in the industry, ongoing gas constraints and transmission limitations to evacuate generated power. These challenges affected the efficiency of the plant, and when there is less efficiency/ availability or capacity, it will affect the successful attainment of return on investment. Our strategic priority is to address the aforementioned issues both independently and collectively with the relevant stakeholders. Part of our long-term goals is to double the capacity of Egbin through our proposed Egbin Phase 2 project with an estimated capacity of up to 1,800MW. In addition, we intend to continue unit overhauls to ensure that we meet our existing power supply commitments to power off-takers



**85%**  
Current Power availability of the installed 1320MW capacity



**N1800 MW**  
Expected addition to our power capacity, with the proposed Egbin Phase 2 Project

# Materiality

Our materiality matrix is a selection of the sustainability subjects that are relevant to our business and our stakeholders. Our Materiality Matrix and Table for 2018 is highlighted below:



Sustainability Priorities	Material Issues	Objectives	Challenges	Significance to Egbin	Most related/ relevant Stakeholder to issue	Significance to related Stakeholders	Risks
Sustainable Power Generation	Energy conservation and Efficiency	Increase in Generation capacity, through extension of facility and improved maintenance culture, extending the operating life of generating assets.	Epileptic gas supply and grid challenges	High	-Government -General Public	High	-Epileptic power supply to national grid -Reduced revenue
	Finance	Financial sustainability	-Epileptic gas supply and grid challenges -Macro-economic challenges	High	Government	High	Business sustainability
	Energy affordability	Ensure energy is affordable to all Nigerians	Non-liquidity of the power market	Medium	-General Public -Government	High	-Reduced revenue -Reduced energy demand
	Security	Adhere to international best practices regarding protection of assets and gas supply.	Security threats to gas supply within the country	High	-Suppliers -General Public -Government	High	-Reduced revenue -Epileptic power supply to national grid
	Supply Chain Management	-Adhere to international best practices regarding gas procurement -Establish relationships with global technical experts for maintenance procurement	Security threats to gas supply within the country	High	-Suppliers -General Public -Government	High	-Reduced revenue -Epileptic power supply to national grid
Health, Safety and Environmental, and Regulatory Compliance	Corporate Governance and conduct	Align corporate governance with international standards and FRCN CCG.	None	High	-Employees -Government -Shareholders	High	-Reputational damage -Financial mismanagement -Regulatory non-compliance and fines
	Climate Action and Environmental Compliance	-Ensure compliance with all environmental commitments expected of the organisation -Ensure improvement in environmental stewardship through adequate maintenance to reduce emission.	None	High	-Government -General Public	High	-Reputational damage -Regulatory non-compliance and fines -Contribution to global warming
	Community relations	-Operation of generating assets in a safe and secure manner as it relates to community health and safety. -Continuous community engagement and provision of appropriate responses to grievances.	Some community demands not within the scope of Egbin's activities	High	-Nearby communities	High	-Community agitation
	Employee health and safety	-Operation of generating assets in a safe and secure manner, ensuring zero tolerance for accidents and minimized injuries of employees. -Occupational health and safety management systems developed and implemented in line with global best standards. -Regulatory compliance	None	High	-Employees -Government	High	-Lost-time accidents -Reduced productivity
Employees Welfare	Employee engagement and welfare	Empower the workforce through well-defined organisational structure, effective performance management system, succession planning, reward and recognition system, job enrichment/ career development opportunities, training, good working environment with teaming activities to promote respect for the individual and allow for innovation.	None	High	-Employees -Government	High	-Organisational inefficiency -Low retention rate and high employee turnover -Employee lethargy -Lack of productivity and innovation.

# Meeting Power Needs Through Innovation

## Economic Sustainability

### Power Generation and Availability

Our average availability factor increased from 43% in 2017 to 61% in 2018. This was mainly as a result of planned operation maintenance and overhauls as well as improved gas supply. Our 2018 availability factor was also higher than the 2016 average of 51%. Operations and Management overhauls were responsible for the drop in total generation from 4.4 million MWH in 2016 to 3.5 million MWH in 2017. Consequently, in 2018, we recorded an increase to 4.4 million MWH, which was in line with the number of MWHs generated in 2016.



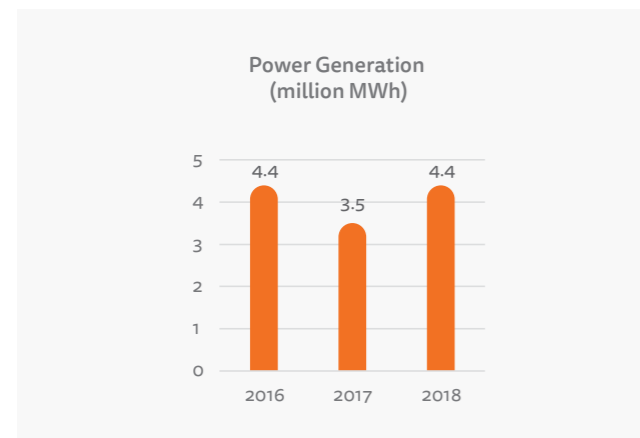
To ensure continuous generation and availability we have commenced the following:

- Effective procurement strategy
- Proactive maintenance approach
- Continuous engagement of stakeholders to improve relationship for availability of gas and power evacuation.
- More efficient operation of equipment

Currently, research is ongoing in the following areas to improve our operations:

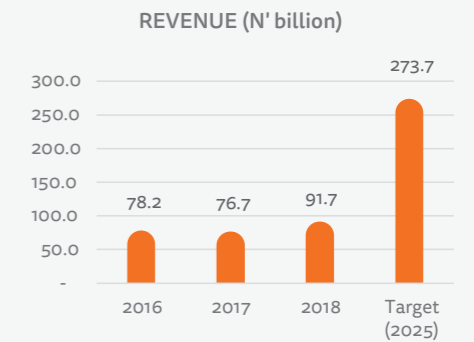


- Variable speed drive to reduce auxiliary power consumption.
- Local alternative source for station air compressor rubber coupling
- Development of electronic data collection system.
- Research on the drivers of power generation.



### Financial Performance

Our revenue is primarily from our power generation activities which is contributed to the National Grid. Revenue increased from N76.7 billion in 2017 to N91.7 billion in 2018 mainly due to steady gas supply and scheduled payment from NBET. Our 2019 target is to generate revenue of over N270 billion, which we are currently on track to achieve. To reach this goal, we have revised our gas procurement and security initiatives and we are promoting awareness on energy payment and theft prevention with the Distribution Companies. Our assets reduced from N421.6 billion in 2017 to N401.6 billion in 2018 mainly due to the overhaul of ST3. We have commenced plans to increase our assets by doubling our generation capacity. This plan should be completed in 2025 and should push our assets to N843.2 billion.



**N91.7 billion**

Revenue in 2018 from N76.7 billion in 2017

**N270 billion**

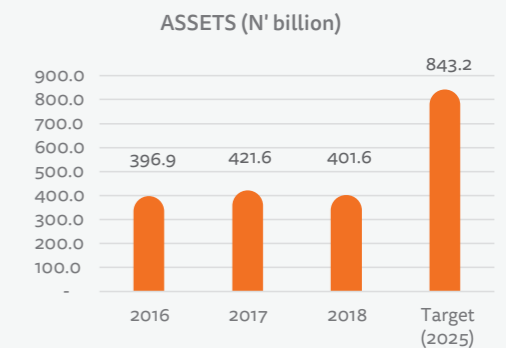
Target revenue by 2025

**N401.6 billion**

Assets in 2018, a reduction from N421.6 billion in 2017, due to the overhaul of ST3

**N843.2 billion**

Assets in 2018, a reduction from N421.6 billion in 2017, due to the overhaul of ST3



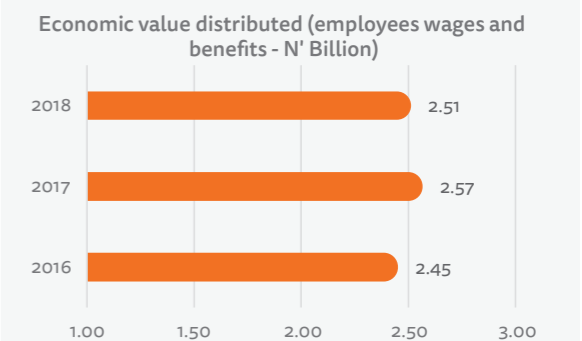
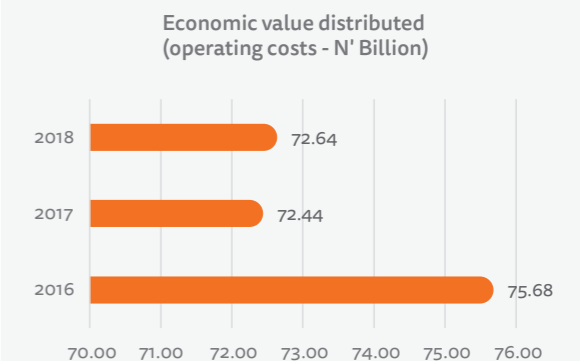
We have revised our gas procurement and security initiatives and we are promoting awareness on energy payment and theft prevention with the Distribution Companies



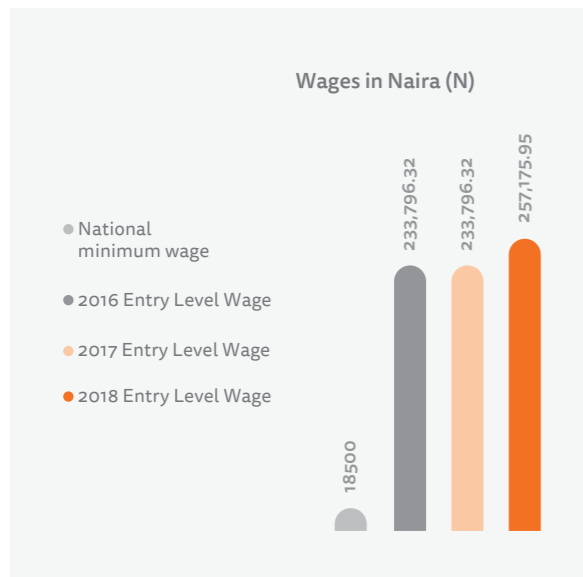
In terms of economic value distributed, we have contributed significantly to decent economy growth through our operating costs that goes to contractors, and supply chain. Our operating costs have reduced from N75.7 billion in 2016 to N72.6 billion in 2018 with a view to reduce further so as to increase profit for the business and promote financial sustainability. Our employees' benefits have also increased from N2.45 billion in 2016 for 386 employees to N2.51 billion in 2018 for 375 employees. One of the major components of our employees' benefits is our retirement plan. In accordance with the law, we contribute 10% of the employee's annual basic salary to a retirement savings account while the employee contributes 8%. The average remuneration of men to women employees shows that men have been receiving higher remunerations from 2016 to 2018 in senior/top management positions and other grade levels except at the entry level where pay is similar.

We have put measures in place to ensure pay parity such as:

- Increasing the number of women in top/senior management positions by encouraging women to apply for senior management roles/positions.
- Review of salaries/remunerations at each grade level.







**Entry level wages are the same for male and female recruit and it is higher than the national minimum wage.**

All employees working in Egbin Power Plc are on direct employment with Egbin Power Plc. and are in no way subject to collective bargaining. Our benefits are for full-time employees only and not interns, and they include: health insurance, employer pension, group life insurance, employee compensation fund, recreational facilities – gym and clubhouse, group personal accident insurance, leave - parental, annual, exam, and compassionate, disability and invalidity coverage, subsidized school fees, call and shift allowance, housing, and end of the year package

Furthermore, we have increased our tax payments by more than 120% from N1.13 billion in 2017 to N2.61 billion in 2018. Egbin has an approved 3 years pioneer status and 2 years extension in process for tax relief. The approved pioneer status period is from Jan 1st 2014 to 2016 while 2017 & 2018 extension is in process. Finally, our community investments increased from N110 million in 2016 to 610 million in 2017. However, this value reduced to N160 million in 2018 mainly as a result of the Sahara Foundation co-ordinating and overseeing our community investments. This meant that most community investments were now being handled by the Sahara Foundation.



### Community investments from 2016 to 2018

2016	2017	2018
Commenced annual scholarship awards	2nd year of Scholarship awards	3rd Year of Scholarship
Free and un-interrupted power supply to community hospital	Power supply sustained	Power supply sustained
Quarterly Medical supplies for malaria treatment	Medical supplies sustained	Medical supplies sustained
Donations to Local charities	Donations to Local charities	Donations to Local charities

The Table below shows economic value generated, retained and distributed from 2016 to 2018. No economic value was retained in 2016 and 2017 due to our high operating cost and low revenue collection. This was improved in 2018 where we had less operating costs, improved revenue collection and stable gas supply.

### Economic value generated retained and distributed from 2016 to 2018

	2018 (N' billion)	2017 (N' billion)	2016 (N' billion)
Revenue	91.71	76.75	78.24
Total Economic value distributed	77.92	76.75	78.24
Economic value retained	13.79	—	—

### Anti-corruption activities

Our anti-bribery, corruption and anti-money laundering and compliance programs set out the requirements for screening our operations, our suppliers and potential business partners. Training of board members and staff on anti-corruption policies and procedures is provided at the start of engagement and subsequently provided on an as needed basis.

#### Our current State: 2016 - 2018

- Total no. of operations: 21
- Total no. of operations with corruption risk: 19
- Percentage of operations assessed for corruption risk against total number of corruption-risk operations: 100%
- Total no. of corruption cases identified: 2 (1 in 2016 and 1 in 2018)

#### Our Target

- Total no. of operations: 21
- Total no. of operations with corruption risk: 19
- Percentage of operations assessed for corruption risk against total number of corruption-risk operations: 0%
- Total no. of corruption cases identified: 0

In 2016, there was one (1) incident of corruption involving the under-remittance of sales of scraps which led to the dismissal of three (3) employees. The process of scrap disposal has since been included in procurement practices and undergoes strict disposal procedures in line of our procurement pro-

cedures. In 2018, there was one (1) incident of corruption involving mismanagement of company's resources that led to the dismissal of one (1) employee. Information of company's resources' use and management has been re-circulated to all employees stating the penalties and appropriate ways of manag-

ing/using company's resources. We have had no public corruption incidents and no incidents involving our supply chain. We had no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.

# Environmental Stewardship

## Resource Efficiency and Consumption

The major material used in our process is natural gas which is obtained/supplied by companies exploring and producing natural gas in Nigeria. The natural gas feeds the engines which generate power. Therefore, efficiency of our engines is key to ensure the natural gas is optimally utilized. From 2016 to 2018, our engines have operated at an average efficiency rate of 34%.



**We have implemented several plans to overcome these challenges such as:**

- Overhaul of ST3 and overhaul of ST2 planned for December 2019
- Revamped maintenance plan
- Supply chain management as it relates to gas supply lines security and management
- Continuous engagement with stakeholders responsible for the Transmission and Distribution lines to support with adequate/required infrastructure



**This low efficiency is mainly attributed to partial load operation caused by:**

- Inadequate transmission and distribution infrastructure
- Epileptic gas supply
- Inadequate machines maintenance

**Gas consumption and power generation from 2016 to 2018 as well as targeted efficiency and consumption rates.**

	Target	2018	2017	2016
<b>Gas consumed (tons)</b>	1,500,000.00	930,548.55	742,038.79	940,464.80
<b>Efficiency</b>	50%	34%	34%	32%
<b>Power generated (MWH)</b>	10,453,416.67	4,331,091.00	3,505,124.00	4,168,965.00

Our major water utilization is to cool condensers and other auxiliaries associated with engines. The water does not go through any form of chemical/physical alteration except temperature changes. Thus, we utilize the lagoon water for these activities. We have carried out thermal modelling and determined the dimensions of the discharge canal through which the hot water being discharged has time to cool before mixing with the lagoon water so as to prevent sudden temperate changes in the water body. Thus, this water can be said to be re-used. About 700 million m<sup>3</sup> of water is utilized for this activity and this has been constant from 2016 till date. Furthermore, Egbin utilizes water for domestic purposes in its staff quarters. This water is sourced from six (6) industrial boreholes within the facility and treated for human consumption. However, our water consumption increased from 2017 to 2018. We have commenced plans to reduce water consumption by 5% yearly. To achieve this, we have done the following:

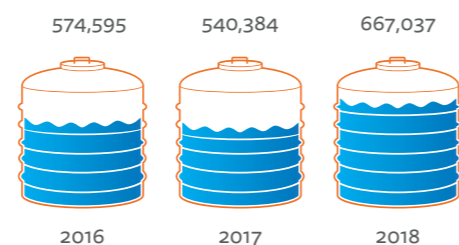


- Installation of control valves and flow meters
- Prompt repair of damaged faucets, valves, pipes and other water accessories
- Management of drain lines



**We have commenced plans to reduce water consumption by 5% yearly.**

**Volume of Water Consumed (m<sup>3</sup>)**



## Energy Consumption and Emissions



Egbin is an energy generating company and we do not consume the energy we generate directly. Energy generated is transmitted to the National Grid and we then import electricity for consumption from the Grid. Therefore, we have reported our energy consumed as energy imported from the Grid. This also translates as Scope 2 emissions. Energy generated from natural gas and the use of our diesel and petrol generators that work with the engines are reported as Scope 1 emissions. Energy consumed by Egbin in 2016 was about 36,000,000 KWH and this increased to 46,000,000 KWH in 2017. However, in 2018<sup>1</sup>, we commenced energy reduction initiatives such as utilization of energy saving bulbs, reduced bulb lighting during the day, etc. which led to a reduction in consumption to about 30,000,000 KWH. This made our Scope 2 emission to reduce from 19,000,000 kgCO<sub>2</sub>e in 2017 to about 12,500,000 kgCO<sub>2</sub>e in 2018. Other significant emissions like ozone-depleting substances (ODS), NOx, SOx, and H<sub>2</sub>S are measured and monitored by the facility quarterly. The emissions are often not detected or below the instrument calibration scale and therefore insignificant. However, we have commenced plans to install an emission measuring kit on each turbine to record emissions in real-time during operations. This we believe will give a more accurate reading of the other significant emissions.

Energy generated from natural gas and the use of our diesel and petrol generators that work with the engines is reported as Scope 1 emissions. About 99.7% of our Scope 1 emissions is from the engines. Our current estimation of GHG emissions was done using a direct conversion of natural gas supplied to the engines and energy generated. We have commenced processes to calculate emissions using direct measurement from the engines so the more accurate/precise data can be used for the following:

- To track engine efficiency and maintenance planning
- For effective GHG emissions reporting and assurance
- To record and report other fugitive emissions
- For environmental research

As stated in the limitation above, our Scope 1 emissions are directly proportional to energy generated. Thus, in the last three years, 2018 recorded the highest emissions because it was the year in which the most energy was generated, whilst 2017 recorded the least emissions because it was the year in which the least energy was generated

**ELECTRICITY IMPORTED FROM THE GRID (kWh)**



2018	<b>35,986,650</b>
2017	<b>46,201,900</b>
2016	<b>30,350,600</b>

**SCOPE 1 EMISSIONS (kg CO<sub>2</sub>e)**



2018	<b>796,747,500</b>
2017	<b>644,802,611</b>
2016	<b>766,922,801</b>

**SCOPE 2 EMISSIONS (kg CO<sub>2</sub>e)**



2018	<b>14,862,486</b>
2017	<b>19,081,385</b>
2016	<b>12,534,798</b>

<sup>1</sup>Emissions calculated using AER Factor as provided by the International Energy Association for electricity from national grid in Nigeria

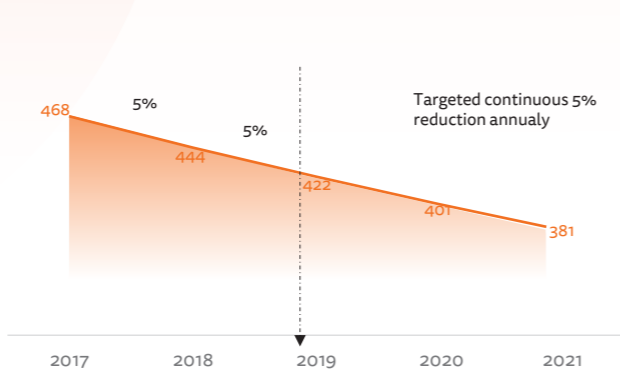
## Waste Management

**14** **WATER**  
**12** **RESOURCES**

Based on our operations, waste generated are categorized into hazardous and non-hazardous wastes (solid and liquid). Our waste management system for each category of wastes complies with the applicable regulations spelt out by the State and Federal environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMEnv, Lagos State Ministry of Environment - LASMOE, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and also with international standards. We have an effluent treatment plant (ETP) to treat wastewater before discharge into the lagoon. Treatment is done in line with State and National regulations provided by LASEPA, FMEnv and NESREA. Source of wastewater is mainly from domestic use in the staff quarters and cleaning within the facility. Another major liquid waste we generate is spent lubricating and transformer oils owing to the fact that Egbin has six (6) oil purifying systems – one for each steam turbine, for regenerating the lubrication, sealing and hydraulic oils, and a station oil purifier that is common to all steam turbines. In line with LASEPA guidelines, the oils undergo physical examination, crackle test, moisture content, viscosity, flash point, particle count and demulsibility tests in order to ascertain that the oil may no longer be subjected to the oil purification system at Egbin so as to reduce oil disposal frequency. When the oil is eventually set for

disposal, it is collected for recycling by LASEPA-accredited third parties. Furthermore, no oil spills were recorded within our facility from 2016 to 2018. We only started recording the quantity of waste oil disposed in 2018 which was approximately 78.4 tonnes. This will be tracked in the coming years to assess our waste oil reduction strategies. In terms of solid non-hazardous waste, source is mainly office and domestic. In compliance with environmental regulations, the Lagos State Waste Management Authority (LAWMA) periodically collect our solid waste for disposal in landfills. In lieu of this, we have set out plans to reduce solid waste sent to landfills by 5% annually. This was achieved in 2017-2018 when we started measuring solid waste disposal. Our hazardous wastes are mainly by-products of water treatment, demineralization and resin regeneration, and are tested for acidity and alkalinity prior to discharge or evacuation.

Solid Waste Disposal (Tonnes)



The pH of all chemical waste especially process waste, is kept within the regulatory limit of 6.5 and 8.5. Chemical wastes like low capacity resins are collected by LASEPA-accredited third parties who may require such low grades of resins for their operations.

**78.4 tonnes**  
Disposed waste oil in 2018

**5%**  
Annual reduction in solid waste sent to landfills achieved

## Emergency Response

We currently operate and implement a robust emergency preparedness and response procedure (EPRP) to ensure that potential emergencies are identified and appropriate response actions are outlined so that in an emergency situation, every employee, contractor and visitor are promptly evacuated to a safe location. The procedure was developed in accordance with ISO 14001:2015, ISO 45001: 2018, the Nigerian Factory Act LFN 2004, NERC Manual, and our HSE Manual. We conduct two (2) emergency drills yearly to audit implementation and applicability of the procedures. Possible emergency cases documented in the EPRP are: medical cases, fire emergencies, explosion, fall from height, man over-board, oil, chemical and fuel spills, and flood.



## Environmental Compliance

One of the key challenges of developing and managing large-scale infrastructure projects such as a power generating plant is ensuring the protection of the environment and people from potentially adverse effects. We promote the sustainability of project outcomes and protect the people and environment by identifying and adhering to environmental and related safeguards. In principle, we evaluate the likely impact of our proposed projects by commissioning an Environmental Impact Assessment (EIA) for such projects. Egbin Power was built in 1987 before FMEnv signed the EIA Act in 1992. Therefore, the facility conducts Environmental Audit (EA) every three (3) years in line with regulatory requirements. We comply with all environmental laws, regulations and standards set by NESREA, FMEnv, LASMOE, and National Oil Spill Detection and Response Agency (NOSDRA) and other regulatory agencies both at the International, National and State Levels.

We engage accredited third party assessors to evaluate our environmental performance and submit our EA Report and quarterly Environmental Compliance Monitoring (ECM) reports regulatory bodies as stipulated in their laws. From 2016 to in 2018, we have been fully compliant with all related standards and regulations and we have put in place systems to ensure continuous compliance.

## Biodiversity Management

**15** **LAND**

Our facility is not built on or located adjacent to or within close proximity of protected areas or high conservation value (HCV) areas as classified by the World Bank International Finance Corporation (IFC) Performance Standards 6. Nonetheless, we have vegetation within 2km of our facility as well as within the facility compound which is mainly Modified Habitats composed of garden and farmlands indication absence of IUCN Red List category species. Consequently, we have a biodiversity management programme embedded in our 2017 Environmental Management Plan which stipulates the monitoring and enhancement of the current biodiversity within and around the facility.

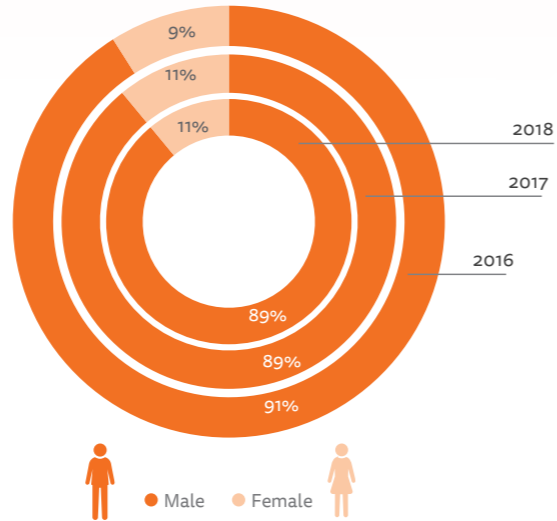
# Social Performance

## Employees' Composition

**10 DIVERSITY MANAGEMENT** Egbin recruitment practices are free, fair and non-discriminatory; we do not discriminate based on age, gender, disability, race, skill, experience, religion or ethnicity and embrace their strengths which provides the opportunity for Egbin to achieve a melting pot of fresh ideas opening doors to creative innovation. In 2018, we had 391 employees consisting of full-time employees (375) and interns (16). Of our full-time employees in 2018, 11% were female which was the same as in 2017 and showed an improvement from 9% in 2016. More specifically, we recruited 5 more female staff which made the number grow from 35 in 2016 to 40 in 2017 and 2018. Consequently, our current Board is composed of six (6) males.



## Employees' Composition

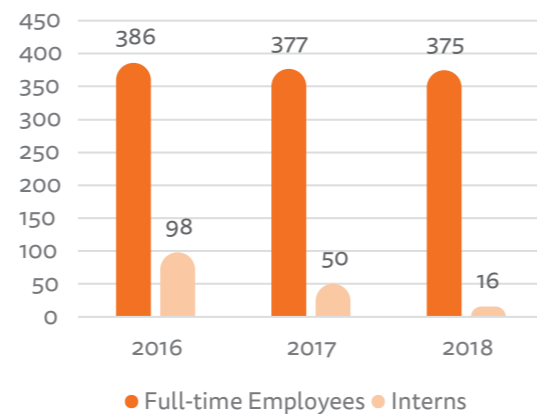


Full Time Employees



**375** Total Employees in 2018

**11%** female workforce composition; an improvement of 9% in 2016



In terms of internship, we have also reduced the number from 98 in 2016 to 16 in 2018. This is attributed to the following:

- The Nigerian University system which has reduced internship in Universities from 6 to 3 months
- The restructuring of our internship recruitment criteria

## Employees' Retention

In 2018, we ensured that our new joiners were higher than employee turnover. Similarly, our maternity and paternity return-to-work and retention rates have been 100% from 2016 to 2018.

### 2018

#### No. of Employees

- Maternity – 2
- Paternity – 10

#### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

#### Retention rate after 12 months of leave taken in 2017

- Maternity – 100%
- Paternity – 100%

### 2017

#### No. of Employees

- Maternity – 0
- Paternity – 10

#### Return-to-work rate

- Paternity – 100%

#### Retention rate after 12 months of leave taken in 2016

- Maternity – 100%
- Paternity – 100%

### 2016

#### No. of Employees

- Maternity – 4
- Paternity – 16

#### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

**100%**

Maternity and Paternity return-to-work rates in 2018

## Training and Education



In order to achieve our vision of "being the provider of choice wherever energy is consumed", we need employees who are ready to continually face new challenges and are innovative in providing solutions for such challenges. Our training hours per head has continued to increase from 2016 till date. In 2016, it was an average of 22 hours per employee, this increased to 32 hours in 2017 and now 44 hours in 2018. In the 2018 reporting year, there were 29 training hours.

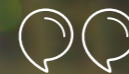
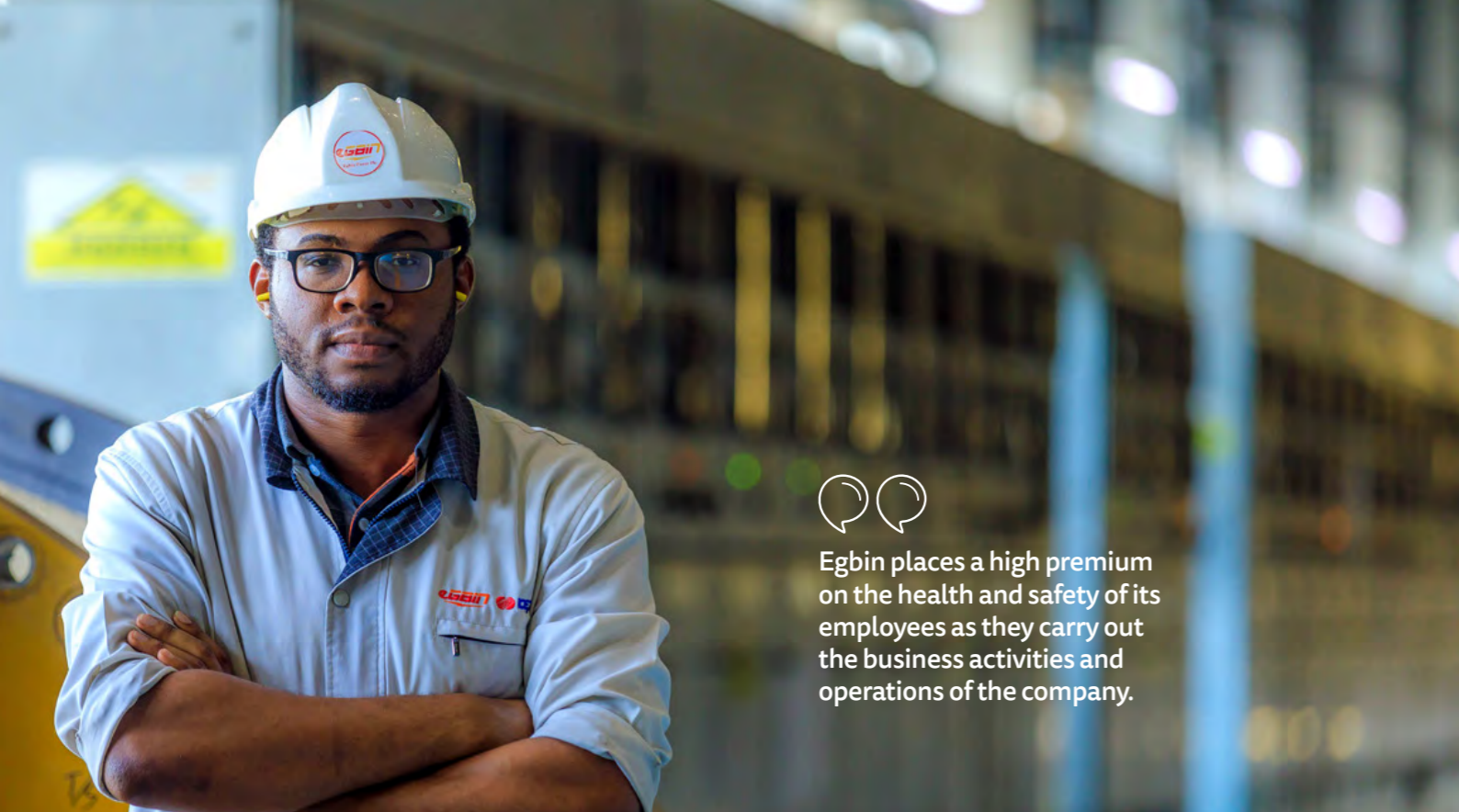
We have also provided transition assistance programs for our employees nearing retirement. We organized a pre-retirement training programme for staff on statutory retirement in February 2018 for those retiring in 2018 and 2019; and the preretirement programme is also planned to hold by July 2019 for those that will retire 2020 and 2021. We have a process to ensure that employee's activities are in line with their personal/ developmental goals as well as our strategic plan. Career reviews take place throughout the year for all employees and this is 100% implemented from 2016 to 2018. We ensure all employees receive regular career development and performance review.



We have a process to ensure that employee's activities are in line with their personal/ developmental goals as well as our strategic plan



**44 hours**  
Average employee training hours



Egbin places a high premium on the health and safety of its employees as they carry out the business activities and operations of the company.

## Occupational Health and Safety

We have in place the workmen's compensation insurance policy, to adequately secure and protect our employees. Furthermore, all our staff are included in our health plans with Health Management Organisations (HMOs) which is also extended to their immediate families at the Company's expense. Our health and wellness policy prescribes quarterly health education and check-ups for every member of staff. The employees are engaged in an interactive session with health experts from accredited HMO on topics ranging from daily bodily care, mental health, preventive actions against diseases and permanent bodily defects. We have remained committed to our monthly mandatory physical exercises of all staff members, to improve fitness, mental health and heart condition. Consistent with our health and wellness policy, we specifically ask our employees to be accountable for maintaining and/or taking positive steps to achieve a state of health that is required for their job designations. Our operational Occupational Health and Safety Management System (OHSMS) contains policies, procedures and programs which help us manage workplace health, safety and security and mitigate any risks that may crystallize. Our OHSMS has been upgraded with the latest guidelines stipulated in ISO 45001:2018. The OHSMS covers all staff, and training has been done for all staff on identifying safety risks as it relates to their role. Forty-one (41) hazards have been identified in our OHSMS and we have categorized them in terms of high, medium and low risks:



**Our operational Occupational Health and Safety Management System (OHSMS) contains policies, procedures and programs which help us manage workplace health, safety and security and mitigate any risks that may crystallize**

### Hazard & Health Risk Classifications

Low Risk

- Night shift operations
- Inexperienced Personnel/Medically Unfit personnel
- Oil spill
- Water pressure
- Overhead equipment fall
- Equipment with moving or rotating parts
- Use of dangerous tools
- Security breach
- Contaminated food

Medium Risk

- Waterborne Transport/man over-board
- Ergonomics
- Computer glare damage to eyes
- Animal (Reptile) attack
- Work at Height
- On land transport (Driving)
- High voltage
- Mismatch of work to cognitive abilities
- Hot work
- Flammable liquid usage
- Gas explosions
- Stress

High Risk

- Fire
- Working on overhead power lines in switchyard
- Noise
- High pressure areas around gas line, turbine, gas storage, and boilers

Some of the barriers and recovery/mitigation measures that have been put in place to prevent/manage these hazards/risks include:

- New employee induction program
- Availability of Firefighting equipment
- Conducting fire drills
- Training on fire hazard and fire fighting
- Work at height training for workers and HSE equipment certifier
- Drivers competence test
- Training on voltage management
- Personal Protective Equipment (PPE)
- Gas cylinders, oil and flammable liquid handling training
- Swimming training
- Adequate safety signs
- Hot Work training
- Installation of anti-glare screens
- Training on stress management
- Use of ergonomic chairs
- Employment of locals as security
- Food handlers' test and hygiene training
- Night work procedures training

**We had one (1) major incident in 2018 and have put in mitigating measures in place to prevent re-occurrence.**



**No. of employees involved**  
1

**Incident**  
Fractured finger while lifting electric motor pump

**Treatment Required**  
Medical treatment was provided to control bleeding and swelling.

**Mitigation Measure to prevent re-occurrence**  
Training on lifting equipment for staff members

## Human Rights Practices

Egbin adheres to the UN Guiding Principles on Business and Human Rights which we have trained all employees on and periodically communicate Human Rights Guidelines via emails. Our security personnel have also been trained on human rights principles and the rules of engagement. As at 2018, we had trained 92 civil guards and 28 armed guards. However, our contractual agreements with contractors/vendors generally do not explicitly contain human rights clauses and no human rights screening took place between 2016 and 2018. Similarly, we condemn child labour and forced labour as outlined in our HR Policy and Manual but this is not assessed in our supply chain. Going forward, we will continue to align our business operations with international best practises.



## Procurement Practices

In our procurement sourcing, we identify competitive advantages through innovative solutions that will help us and our stakeholders achieve our strategic and sustainability objectives. Goods and/or services for the company's needs are procured in accordance with our procurement procedures which also outlines conflicts of interest in which employees are subjected to during procurement. Our procurement process flow/cycle often starts with a request from a Department and ends with review and reconciliation. Apart from the original equipment manufacturers (OEMs) distributorships/representatives and the associated gas companies who are our major suppliers, we support and empower a range of local contractors and enterprises in our supply chain, through our community empowerment programmes. We consider local suppliers as those within Nigeria's geographical space and our host communities. Our unskilled and semi-skilled labour is sourced from host communities through our community empowerment scheme.

Our suppliers are assessed for some sustainability credentials for the goods or services they provide to us. These suppliers are assessed in line with our procurement principles. In terms of social sustainability, we request for their staff insurance policy and safety documents. We have commenced plans to introduce more stringent social parameters into our request such as agreements as it relates to human rights, good labour practices with evidence (child and forced labour), amongst others. As regards environment, we make none, this is another gap we are looking to close very soon.



# First Independent Power Limited

Resource Utilization to enhance livelihoods of communities

## CEO's STATEMENT

The year 2018 was a phenomenal year for First Independent Power Limited (FIPL) in terms of significant growth in key areas. We have had to be resourceful, creative and foster teamwork to be where we are today. With a major overhaul done on our largest turbine in Afam and a contract signed for the rehabilitation of units in Omoku and Trans Amadi, FIPL is poised to be a front-liner amongst power generation companies in Nigeria.

The visit from the Sudanese Minister of Electricity and Dams, and a government delegates from Zambia to the FIPL plants at the close of the year indicates the bright prospect in expanding our horizon beyond the shores of Nigeria. The emerging opportunities has spurred the FIPL team unto greater works with the training and development of our manpower overseas and in the country as we push towards the mark of a truly Pan-African power company.

The year ahead will no doubt be one for more work, and bigger demands as we take FIPL to the next level. We are committed to ensuring sustainable outcomes on every project, wherever our operations might be. We have ensured that our operations with regards to impact on the environment comply with international best practices and standards.

FIPL relations with stakeholders have been up to the mark, fostering mutual beneficial relationships that have improved gas supply and power evacuation. In addition, our communities have benefitted from projects such as the school renovation, scholarships and empowerment programs.

At FIPL, we value our people – our most important asset. This year, our numbers have increased with the recruitment of Technicians and Graduate Trainee Engineers. The energy, enthusiasm and commitment of our people have engendered results and innovations in many areas such as renewable energy, information technology and plant maintenance. This has reinforced our increasing reputation for excellence.

Godwin Emmanuel  
Chief Executive Officer



The year ahead will no doubt be one for more work, and bigger demands as we take FIPL to the next level. We are committed to ensuring sustainable outcomes on every project, wherever our operations might be.



# The Entity

**F**IPL was incorporated in 2006 by the Rivers State Government, with the aim of generating power within the State and with potential to export to Nigeria's National grid. With a starting capacity of 36 MW in Trans Amadi (2002), the company grew to an installed capacity of 541 MW from Trans Amadi, Afam, Eleme and Omoku Independent Power Plants (IPP) by 2012. In 2014, Sahara Group Limited (SGL) bought majority shares in FIPL and currently owns and operates the four power plants. FIPL corporate headquarters is at No. 12 Circular Road, Presidential Estate, GRA, Port Harcourt, Rivers State. Sahara Group Limited owns 70% of FIPL under the Special Purpose Vehicle (SPV) 'NG Power' in partnership with Hankuk Plant Service (our technical partners). The Rivers State Government owns 30%.










In 2016, we resolved power evacuation and transmission technicalities limiting our generating capacity to the National grid and since then, we have increased energy generation annually from 440 Gigawatts Hours in 2016, 725 Gigawatts Hours in 2017 to 1,365 Gigawatts Hours in 2018. We are stakeholders in the Nigerian Electricity Supply Industry and our business entails electricity generation and sale to bulk electricity traders, electricity distribution companies and large power consumers whose consumption is above 2MWH per Hour.



## N1,365 Gigawatts Hour

Energy generated in 2018, a major increase from 440 Gigawatts Hours in 2016

## Our historical journey

- 2002** ●  The power generation business initiative was started by the Rivers State Government as embedded generation with a capacity of 36 MW from three (3) 12 MW Gas Turbines. This was called the Trans Amadi Phase I Independent Power Plant (IPP). The power generated was evacuated through a 33 KV transmission line and power distributed within Port Harcourt to some industrial, commercial and residential areas.
- 2006** ●  FIPL was incorporated by the Rivers State Government as a private limited company. This was culminated with the establishment of a 150 MW IPP in Omoku, Rivers State. The Omoku IPP consists of six (6) 25 MW Gas Turbines. Power was evacuated through 33 KV and 132 KV transmission lines. The 33 KV line distributed power to host communities around Omoku, which are Okposi, Aligu, Kreigene, Okasu, Obigwe, Osiakpu, Elieta, Ikiri, Egbada, Ohiga, and Elehia, Ubimini, Egbada, and Omudioga. The 132 KV transmission line evacuated power to Port Harcourt.
- 2009** ●  Sahara Power Group (an affiliate of Sahara Group Ltd.) signed a Memorandum of Understanding (MoU) with the Rivers State Government to provide Operations and Maintenance (O&M) services to all IPPs owned by FIPL. This process was completed with the support of our technical partners – Hankuk Plant Service (HPS).
- 2010** ●  FIPL commenced operations of another IPP in Trans Amadi called Trans Amadi Phase II with 100 MW provided by four (4) 25 MW Gas Turbines. Power from this IPP was evacuated via a 132 KV line to provide electricity to Port Harcourt and environs.
- 2012** ●  Sahara Power Group acquired FIPL.
- 2014** ●  FIPL established a fourth IPP in Afam Energy Zone. The IPP consist of a single unit of 180 MW Gas Turbine. Afam IPP was connected to the national grid via 132 KV transmission lines.
- 2015** ●  We have continuously improved the operations of FIPL IPPs through scheduled maintenance planning and complete overhaul of our gas turbines. This has led to a 557% increase in electricity generation from 208 Gigawatts Hours in 2015 to 1,365 Gigawatts Hours in 2018
- 2016** ●  Omoku IPP and Trans Amadi IPP were connected to the National Grid for the first time increasing demand from the plants from around 48MW to above 200 MW taking into consideration the available transmission infrastructure.
- 2018** ●  Recovery of the 180MW unit in Afam IPP and two 25MW units in Omoku IPP that were on forced outage before takeover by Sahara Group Limited.

## Risk Management Framework

**!** FIPL is committed to ensuring thorough risk analysis is conducted on all operations carried out in the facility. Risks and opportunities are rated as being insignificant, minor, moderate, high, or massive. Risks are assessed by considering financial impact, media impact, impact on staff, criminal implication, regulatory implication, and customer service impact. The risk register catalogues risk description, risk type, possible consequences, risk score, mitigation measures, residual risk score, risk owner, and monitoring procedure associated with the identified risk element. The register enables quick identification of the likelihood and impact of risks inherent in the project. A more robust Risk Management Framework is currently being developed and should be approved by the Board in 2019. The robust Framework will outline more risks and opportunities as well as obligate training/ capacity building exercises for all employees and Board members.

## Sustainability at FIPL

At FIPL, we value our people – they are our most important asset. Our long-term success is based on the integrity of our people in business relationships provision of a safe and secure working environment and treating every employee with fairness and respect. We have ensured that our impact on the environment is managed in the communities we operate in, and adopt international best practices in dealing with stakeholders.

### Stakeholder Engagement

- Our shareholders: Rivers State Government and NG Power
- Government, regulatory & related agencies: Federal, State and Local Governments, National Bulk Electricity Trading Company (NBET), Transmission Company of Nigeria (TCN), National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Communities in which we operate: Rebisi, Obrikom, Mirinwayi, Okoloma and, Ban Ogoi communities.
- Our consultants, contractors, service providers and other suppliers: Original Equipment Manufacturers (OEMs), Service Companies and Gas Suppliers (Shell Petroleum Development Company and Nigerian Agip Oil Company)
- Electricity Industry Customers: Transmission Company of Nigeria (TCN), Nigerian Bulk Electricity Trading Company (NBET), Port Harcourt Electricity Distribution Company (PHED)
- Our employees

## Stakeholder Inclusion

We maintain regular communications with our stakeholders in order to be continually aware of issues as they arise.

Interactions with stakeholders range from commercial operations to corporate social responsibility. The interests of our stakeholders are diverse and continually changing hence we are always in dialogue through formal and ad hoc engagements. We record their concerns in these engagements and take steps towards addressing them.

Our membership of the Association of Power Generating Companies of Nigeria (APGC) furthers our mandate of engendering growth and development of Nigeria's Power Industry. With its varied membership, the APGC represents the interests of Power Generation companies and ensures that the sector remains a healthy and vibrant market for business and implements many economic, environmental, and social initiatives in relation to the operations of its members. Through this membership, we discuss various economic, environmental, and social issues that are relevant to our operations.

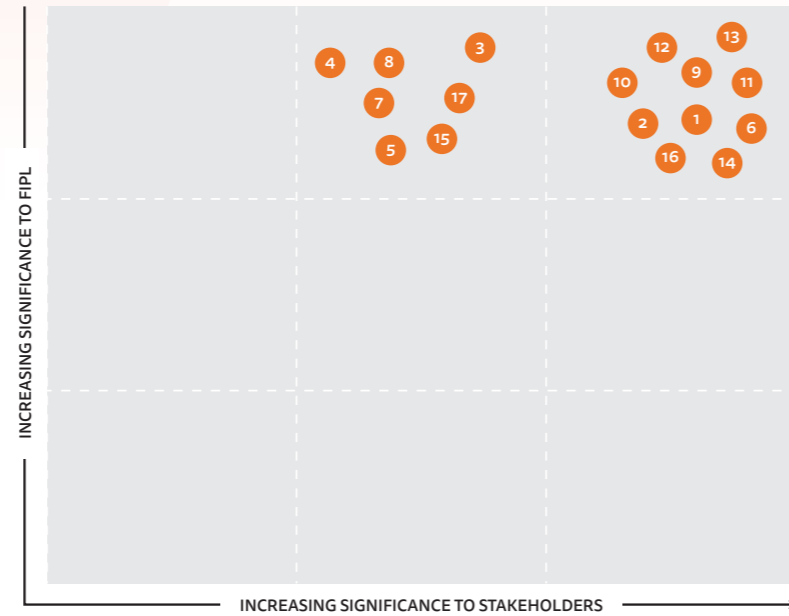
Engagements with our diverse stakeholders and their concerns have been recorded in the table below. FIPL takes actions to meet the needs.

Our Stakeholders	Type of Stakeholder	Topics/Concerns relevant to our stakeholders	Frequency	Engagement Channels
NERC	External	Value Generation	Monthly	Phone calls and emails, focus group sessions, etc.
TCN	External	Product Availability, Responsible business practices	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	One-on-One Meetings, phone calls and emails, focus group sessions, etc.
NBET	External	Product Availability, Responsible business practices	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	Phone calls and emails, focus group sessions, etc.
PHED	External	Product Availability, Responsible business practices	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	One-on-One Meetings, phone calls and emails, focus group sessions, etc.
Local Communities	External	Socio-economic contribution to the communities, Adherence to agreements	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	Phone calls and emails, focus group sessions, etc.
Employees	Internal	Compensation and Benefits, Employee Welfare, Sustainability, Working Conditions, Occupational Health and Safety	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	One-on-One Meetings, phone calls and emails, focus group sessions, etc.
Suppliers	External	Product Quality, Responsible business practices	Annually, Regularly, Occasionally, Quarterly, Monthly etc.	Phone calls and emails, focus group sessions, etc.



## Materiality Matrix

Our materiality matrix is a selection of the sustainability subjects that are relevant to FIPL and our Stakeholders in 2018. Throughout the year, we engaged the various groups and individuals to understand specific concerns about our business and its impact on the environment and the society at large. Our Materiality Matrix and Table for 2018 is highlighted below



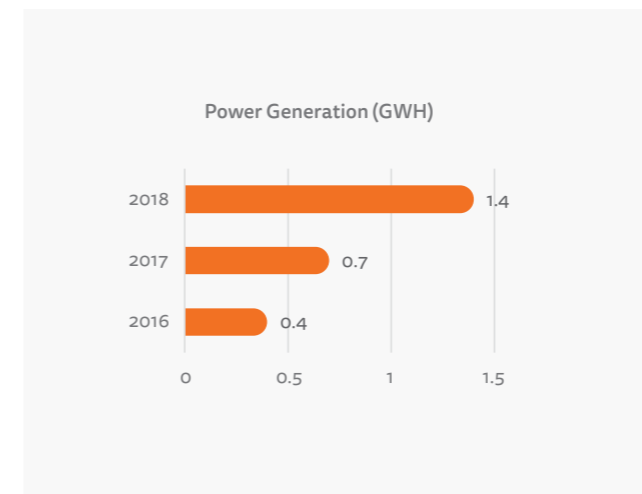
FIPL Sustainability Pillars	Material Issues	Significance to FIPL	Significance to Stakeholders
Economic	Optimal Operations	High	High
	Improved revenue generation	High	High
	Sufficient cash flow	High	Medium
	Adequate gas supply	High	Medium
	Technology & Infrastructure	High	Medium
	Regulatory Compliance	High	High
	Availability of Spare Parts	High	Medium
	Supplier Delays	High	Medium
	Bribery, corruption & fraud	High	High
	Asset damage & theft	High	High
Adequate maintenance capability	High	High	
Environmental	Regulatory Compliance	High	High
	Community Safety	High	High
Social	Improving the local communities through the supply chains	High	High
	Employee Value Creation & Satisfaction	High	Medium
	Occupational health and safety	High	High
	Stakeholder Management	High	Medium

## Meeting Power Needs Through Innovation

### Economic Sustainability

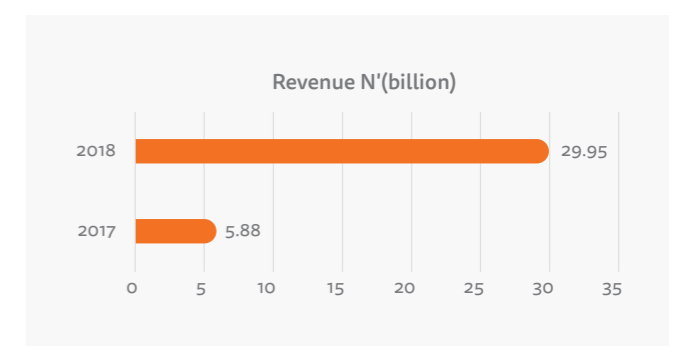
### Power Generation and Availability

Our revenue is primarily from our power generation activities which is generated to the National Grid. Thus, our revenue is based on how much energy we generate and sell. Our average availability factor increased from 23% in 2016 to 57% in 2018. This was mainly as a result of improved maintenance planning and overhauls as well as improved gas supply. Consequently, in 2018, generation was increased to 1.4 GWH, which was higher than the number of GWHs generated in 2016 (0.4 GWH) and 2017 (0.7 GWH). FIPL's strategy in maximizing plant availability, reliability and maintainability programs is by maximizing uptime and minimizing downtime. Across all our plants, we have scheduled maintenance programs to this effect. We are compliant with the NERC Reporting Compliance Regulation 2009 and S.93 of the Electric Sector Power Sector Reform Act (2005).



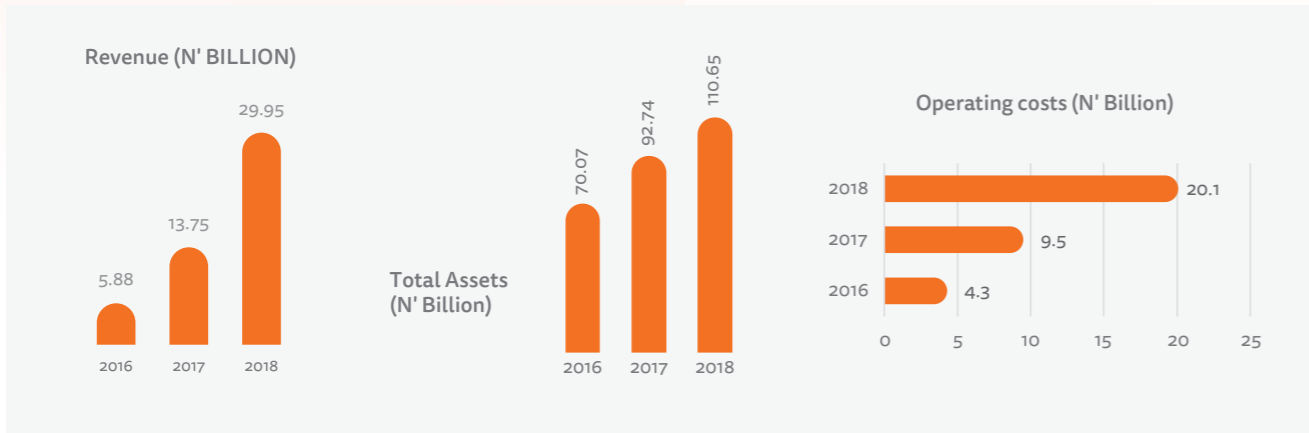
### Financial Performance

Our revenue consists of the total value of the energy generated by FIPL and sold to Nigeria Bulk Electricity Trading Company (NBET), Port Harcourt Electricity Distribution Company (PHED) or other direct users of electricity that has a Power Purchase Agreement with us. Primarily, this consists of billed revenue from capacity and energy charges valued based on the Multi Year Tariff Order (MYTO) structure. Our revenue increased from N5.88 billion in 2016 to N29.95 billion in 2018 which is attributable to our improved performance over the years in managing our people, assets and operations. There was an inspection for Afam Plant resulting in a revaluation gain which contributed to the increase in assets from N70.07 billion in 2016 to N110.65 billion in 2018. All these have contributed to improved returns for our stakeholders. Please note that the 2017 and 2018 values are unaudited.



**N110.65 billion**

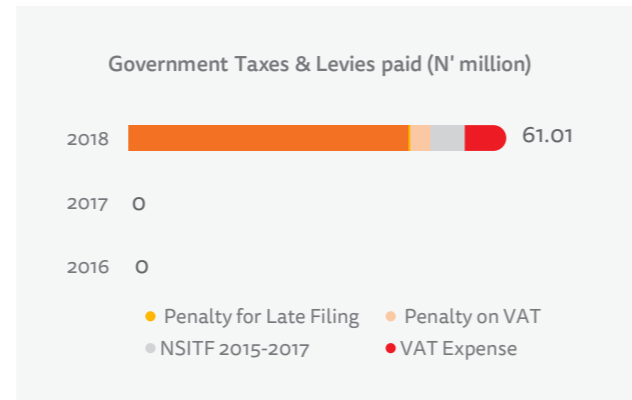
Assets in 2018



In terms of economic value distributed, we have contributed significantly to decent economy growth through our operating costs that goes to contractors, and supply chain. In addition, our employee benefits, tax payments, and community investments also contribute to economic value distributed. Our operating costs increased from N4.3 billion in 2016 to N20.1 billion in 2018 mainly because of overhauls and maintenance. Plans are being finalized to reduce the operating costs so as to increase profit for the business and promote financial sustainability.



**N20.1 billion**  
Operating Cost in 2018



As part of our commitment to improve economic and societal outcomes in Nigeria and contribute to the UN SDGs, we have continued to fulfil our obligations to government by paying our taxes and levies as at when due. Our remittances to the government from 2016 to 2018 include education taxes, value added tax and our contribution to the Nigerian Social Insurance Trust Fund (NSITF) for our employees which ensures that the Nigerian Government is able to promote investment, employment and economic growth. Please note that 2017 and 2018 figures are unaudited

**Economic value generated retained and distributed from 2016 to 2018**

	2018 (N' billion)	2017 (N' billion)	2016 (N' billion)
Revenue	29.95	13.75	5.88
Total Economic value distributed	20.64	9.82	4.61
Economic value retained	9.31	3.93	1.27

**Living by Our Principles**

Our anti-bribery, corruption and anti-money laundering and compliance programs set out the requirements for screening our operations, our suppliers and potential business partners.

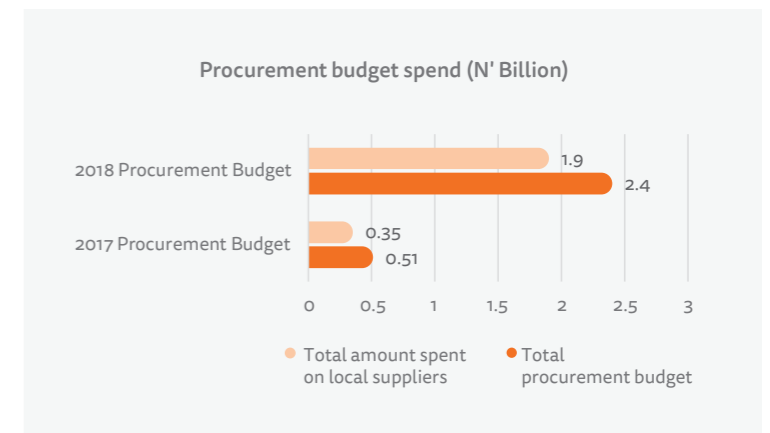


We have had no public corruption incidents and no incidents involving our supply chain. We had no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.

Our current State: 2016 - 2018	Our Target
● Total no of operations: 13	● Total no of operations: 13
● Total no of operations with corruption risk: 7	● Total no of operations with corruption risk: 0
● Percentage of operations assessed for corruption risk against total number of operations: 54%	● Percentage of operations assessed for corruption risk against total number of operations: 0%

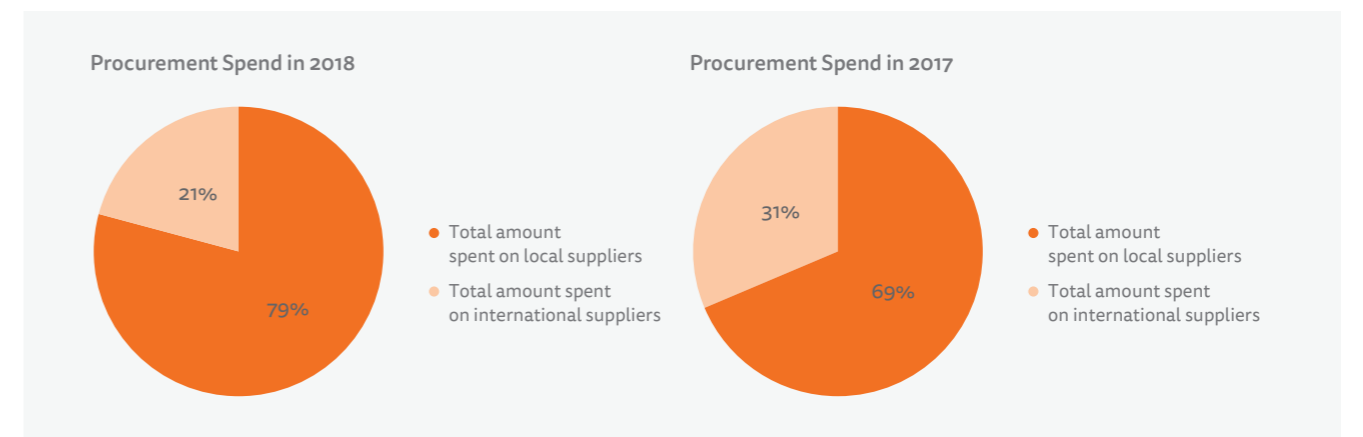
**Procurement Spend**

In addition to the original equipment manufacturers (OEMs) distributorships/representatives and the associated gas companies who are our major suppliers, we support and empower a range of local contractors and enterprises in our supply chain, through community empowerment programmes. We consider local suppliers as those within Nigeria's geographical space and our host communities. In Omoku and Afam plants, unskilled & semi-skilled labour is sourced from the community through community empowerment schemes. Our number of registered and engaged suppliers increased from 138 in 2017 to 266 in 2018. In 2018, 79% (N1.9 billion) of our total procurement budget (N2.4 billion) was spent on local suppliers. This was an improvement from 2017 where 69% (N0.51 billion) of the total procurement budget (N0.51 billion) was spent on local suppliers. Thus, this shows an alignment with our goal to ensure shared prosperity and local economic growth.



**266**  
Registered vendors in 2018 an increase from 138 in 2017

**N1.9 billion**  
79% of our total procurement budget spend on local vendors an improvement of 10% from 2017



# Environmental Stewardship

## Resource Efficiency and Consumption

The major material used in our process is natural gas which is obtained/supplied by companies exploring and producing natural gas in Nigeria. The natural gas feeds the Plants which generate power. Therefore, utilization of our plant capacity is key to ensure the natural gas is optimally utilized. In 2018, our plants operated at an average capacity factor of 49% which is an improvement from 26% in 2017, and 16% in 2016.



**We have implemented several plans to overcome these challenges such as:**

- Overhaul of some turbines
  - Revamped maintenance plan
  - Supply chain management as it relates to gas supply
- Continuous engagement with stakeholders responsible for the Transmission and Distribution lines to support with adequate/required infrastructure



**This low capacity factor is mainly due to the following:**

- Inadequate transmission and distribution infrastructure
- Erratic gas supply
- Inadequate machines maintenance

### Maximum possible power generation, actual power generation and capacity factors from 2016 to 2018

	2018	2017	2016
<b>Maximum Possible Power generated (GWH)</b>	2.803	2.803	2.811
<b>Capacity Factor</b>	49%	26%	16%
<b>Actual Power generated (GWH)</b>	1.365	0.725	0.444



In "walking the talk", FIPL mitigates its impact on the quantity and quality of water resources in our operations. Most of our water sources are from boreholes which we store in tanks at the respective plants and administrative premises. We are committed to optimizing the use of our water resources.



**The direct, indirect, cumulative, and induced impacts of prospective projects on the water environment are assessed in environmental impact assessments before we embark on these projects.**

## Energy Consumption and Emissions



FIPL is an energy generating company and we consume part of the energy we generate. Energy generated from natural gas and the use of diesel generators translates as Scope 1 emissions while energy we consume from the national grid for our administrative operations translates as Scope 2 emissions. Energy consumed by FIPL in 2016 was about 744,390 KWH and this increased to about 2,480,000 KWH in 2017. However, in 2018, we commenced energy reduction initiatives which led to a reduction in consumption to about 1,972,000 KWH in 2018. This made our Scope 2 emission to reduce from 1,000,000 kgCO<sub>2</sub>e in 2017 to about 814,000 kgCO<sub>2</sub>e in 2018<sup>1</sup>. Other significant emissions like ozone-depleting substances (ODS), NO<sub>x</sub>, SO<sub>x</sub>, and H<sub>2</sub>S are measured and monitored by the facility quarterly. The emissions are often not detected or below the instrument calibration scale and therefore insignificant. However, we have commenced plans to install an emission measuring kit on each turbine to record emissions in real-time during operations. This we believe will give a more accurate reading of the other significant emissions.

About 99.7% of our Scope 1 emissions is from engines. Our current estimation of GHG emissions was done using a direct conversion of natural gas supplied to the engines and energy generated. We have commenced processes to calculate emissions using direct measurement from the engines so the more accurate/precise data can be used for the following:

- To track engine efficiency and maintenance planning
- For effective GHG emissions reporting and assurance
- To record and report other fugitive emissions
- For environmental research

As stated above, our Scope 1 emissions are directly proportional to energy generated. Thus, in the last three years, 2018 recorded the highest emissions because it was the year in which the most energy was generated, whilst 2016 recorded the least emissions because it was the year in which the least energy was generated.

**ELECTRICITY IMPORTED FROM THE GRID (kWh)**



2018  
**1,971,620**  
.....  
2017  
**2,480,309**  
.....  
2016  
**744,390**

**SCOPE 1 EMISSIONS (kg CO<sub>2</sub>e)**



2018  
**251,125,415**  
.....  
2017  
**133,349,605**  
.....  
2016  
**81,761,188**

**SCOPE 2 EMISSIONS (kg CO<sub>2</sub>e)**



2018  
**814,279**  
.....  
2017  
**1,024,368**  
.....  
2016  
**316,106**

<sup>1</sup>Emissions calculated using AER Factor as provided by the International Energy Association for electricity from national grid in Nigeria

## Waste Management

**14** **WATER**  
**12** **WASTE MANAGEMENT**

Across all our Plants, our waste management system consists of a holding bay and a gauge to measure and monitor the different categories of waste generated by our business activities and operations. The categories of waste generated include lube oil, condensate, combustible, recyclable plastics, paper and carton packaging, recyclable metals and biodegradable waste. These are segregated and stored in the holding bay for collection by our waste collecting Vendors. Our effluent/waste water (where it exists) is treated on site. The condensate is evacuated by an environmentally approved vendor of NESREA while the remaining categories of waste are handled by a third party vendor approved by the Rivers State Ministry of Environment.

## Biodiversity Management

**15** **LAND**

Our facility is not built on or located adjacent to or within close proximity of protected areas or high conservation value (HCV) areas as classified by the World Bank International Finance Corporation (IFC) Performance Standards 6. Nonetheless, we have vegetation within 2km of our facility as well as within the facility compound which are mainly Modified Habitats composed of garden and farmlands indication absence of IUCN Red List category species. Consequently, we have a biodiversity management programme embedded in our 2017 Environmental Management Plan which stipulates the monitoring and enhancement of the current biodiversity within and around the facility.



## Emergency Response

In preparing the company for the challenges of an increasingly competitive and environmentally conscious business environment, our risk team ensures that our Emergency Preparedness Response Plan (EPRP) is simulated on a periodic basis. The EPRP, which specifies actions to take to manage emergencies, highlights the responsibilities of each team member, and thus assures all our stakeholders of the availability of our services during periods of emergency. It also establishes the behaviour and basic strategies for the control of critical emergencies that might occur at any of our plants by means of an organised system for communication, detection, mitigation and control of emergencies. Emergencies identified include fire, liquid, chemical and solvent leakages, gas or fuel oil leakage, chemical spillage, medical crisis, bomb threat, thunderstorms and lightning, tornados, floods and flash floods, extreme heat, earthquakes, crime and hostage situations.

Our EPRP is currently under review to ensure that our response aligns with current and future realities of our times. This will enable us minimize the impact of emergencies on our operations and establish a high level of resilience within the company to continue operations during times of distress. Likewise we engage and prepare our employees for emergencies through their participation in related training sessions. Over the years, we have consistently trained our employees on emergency related procedures such as basic first aid to ensure they are prepared to respond to emergency situations and in 2018, we trained fifty (50) of our employees on same. Training topics have been designed to include First aid at work and firefighting techniques amongst others.



**50** Employees trained for emergency situations, including first aid and firefighting techniques

## Environmental Compliance

One of the key challenges of developing and managing large-scale infrastructure projects such as a power generating plant is ensuring the protection of the environment and people from potentially adverse effects. We promote the sustainability of project outcomes and protect the people and environment by identifying and adhering to environmental and related safeguards. In principle, we evaluate the likely impact of our proposed projects by commissioning an Environmental Impact Assessment (EIA) for such projects. The Rivers State Ministry of Power commissioned the last EIA in 2010 on behalf of the Rivers State Government for the Afam Open Cycle Power Plant before the acquisition of FIPL by the Sahara Group Limited. Our compliance with laws, regulations and standards which is evidenced by our adherence to the requirements of the regulatory bodies, NESREA, FMEEnv, DPR, Rivers State Ministry of Environment and Mineral Resources.

We engage seasoned third party consultants to evaluate our environmental performance and submit these Environmental Compliance reports to NESREA, the Department of Petroleum Resources (DPR), the Federal Ministry of Environment (FMEEnv) and other regulatory bodies on request. The environmental compliance monitoring of these plants involve the monitoring of borehole water, stream water, rainwater, effluent water, air quality / noise level parameters and meteorological parameters. Objectives of this activity includes compliance with the company's HSE policy, to identify and address unforeseen impacts of our business activities, monitor and determine the effectiveness of the impact mitigation measures, provide early warning on environmental damage and identify environmental problems from existing practices. Thus, FIPL will be in position to plan and implement effective additional environmental quality control strategies and to ensure compliance with environmental management deliverables.

## Social Advancement



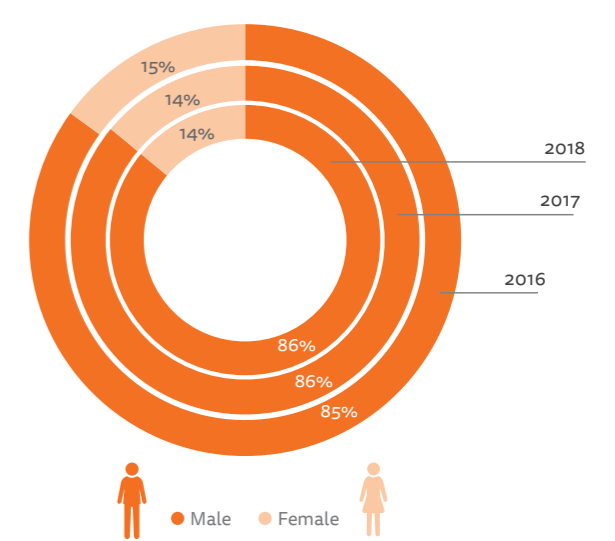
## People-Centred Workplace

FIPL recruitment practices are free, fair and non-discriminatory; we do not discriminate based on age, gender, disability, race, skill, experience, religion or ethnicity. Rather we embrace their strengths which provides the opportunity for FIPL to achieve a melting pot of fresh ideas opening doors to creative innovation. Our human resources function ensures that all employees go through the laid down recruitment guidelines as specified in our staff policies. Our board consist of 10 men and 2 women.

Our employees' benefits have increased from N290 million in 2016 for 53 employees to N474 million in 2018 for 78 employees. One of the major components of our employees' benefits is our retirement plan. In accordance with the law, we contribute 10% of the employee's annual basic salary to a retirement savings account while the employee contributes 8%. The average remuneration of men to women employees shows that men have been receiving higher remunerations from 2016 to 2018 in senior/top management positions and other grade levels except at the entry level where pay is similar.

**N474 million**  
Spent on employee benefits and increase from the 2016 figure of N290 million

## Employees' Composition



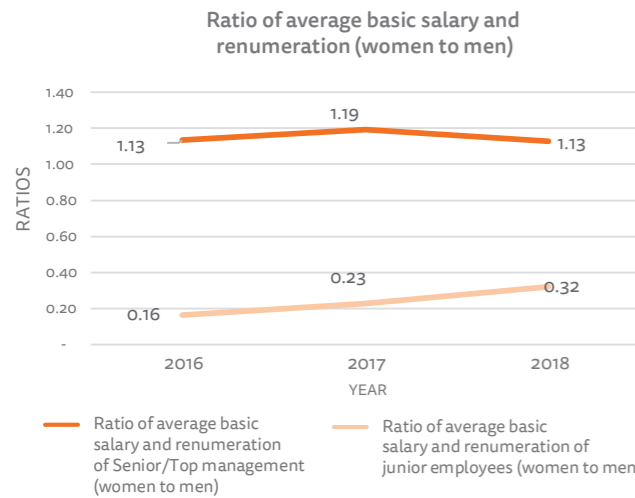
Full Time Employees

2018: 78  
2017: 58  
2016: 53

### Measures we put in place to ensure pay parity

- Increasing the number of women in top/senior management positions by encouraging women to apply for senior management roles/positions.
- Review of salaries/remunerations at each grade level.

Entry level wages for male and female recruits are equal and higher than the national minimum wage. The ratio of our average basic salaries between females and males vary by scale and favour depending on job role and tenure.

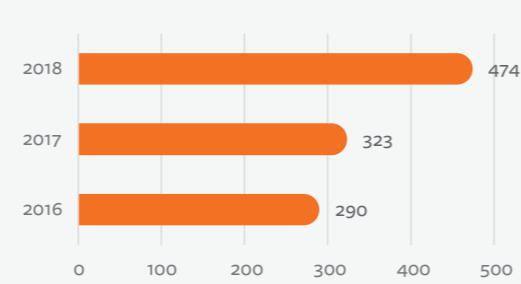


Furthermore, we provide equal opportunity in career development, promotion, training and rewards for all employees. Although we engage persons from the local communities in which we operate through supplier contracts for our projects, we do not have any Senior Management staff (who are our key decision makers) from these communities as the skills, knowledge and experience required for these strategic positions have not been identified amongst indigenes of these communities.

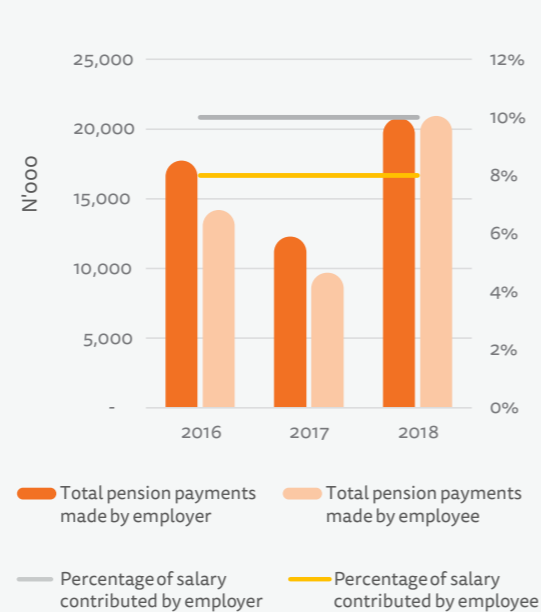


**We provide equal opportunity in career development, promotion, training and rewards for all employees**

Employees Wages and Benefits (N' Million)



Pension Contributions (N' Million)



### Attract, Engage and Retain Top Talent

Our employee retention rate has been increasing based on higher number of new joiners compared to turnover. Similarly, our maternity and paternity return-to-work and retention rates have been 100% from 2016 to 2018.

Turnover	2018	2017	2016
Resignation	7	3	2
Death	1	0	0
Transfer to JV/Subsidiaries	1	0	1
<b>Total Turnover</b>	<b>9</b>	<b>3</b>	<b>3</b>
<b>New joiners</b>	<b>30</b>	<b>8</b>	<b>0</b>

### Capacity Building, Learning and Development

We place considerable value in capacity building; hence, we ensure that our workforce continue to have adequate skills and knowledge that would enable us meet our objectives. The company's annual training plan is hinged on the needs of our employees towards delivering our strategic objectives. Our in-house training facilities are complemented when and where necessary, with external local and overseas training alternatives. This has broadened opportunities for career development within the company.

#### HIGHLIGHTS OF 2018

- Strategic Training Plan focused on skills enhancement
- 6 Non-Technical Trainings
- 12 Technical Trainings
- 9 Females trained on Technical & non-technical skills
- 42 Males trained on Technical & non-technical skills

Technical skills

- GT Mechanical Maintenance
- Gas Turbine Instrumentation
- Generator, Operations, Maintenance and Protections
- HSE LEVEL 1, 2 & 3 Training (CIEH Certified)
- Certified Business Analysis
- Gas Turbine Performance Evaluation
- Strategic Procurement and Contract Management
- Essential Skills for HR Professionals/ CIPM Conference

Non-Technical skills

- Strategic planning and Goal setting
- Performance & Objective Setting
- Productivity and Personal Accountability
- Basic First Aid
- Future Renewable Energy
- Benefits of National Housing Fund



**We place considerable value in capacity building; hence, we ensure that our workforce continue to have adequate skills and knowledge that would enable us meet our objective**



FIPL has a process to ensure that employee's activities are in line with the goal of the organization and strategic plan. Career reviews take place throughout the year with at least 75% of employees reviewed during the year. This ongoing performance management process of employees is through coaching, mentoring, giving feedbacks and then our annual performance appraisal assessments. In 2018, 79% of our total workforce received performance reviews up from 77% in 2017 and 73% in 2016.

#### 2018

**No. of Employees**

- Maternity – 2
- Paternity – 3

**Return-to-work rate**

- Maternity – 100%
- Paternity – 100%

**Retention rate after 12 months of leave taken in 2017**

- Maternity – 100%
- Paternity – 100%

#### 2017

**No. of Employees**

- Maternity – 1
- Paternity – 4

**Return-to-work rate**

- Maternity – 100%
- Paternity – 100%

**Retention rate after 12 months of leave taken in 2016**

- Maternity – N/A
- Paternity – 100%

#### 2016

**No. of Employees**

- Maternity – 0
- Paternity – 3

**Return-to-work rate**

- Maternity – N/A
- Paternity – 100%



**79%** total workforce who received performance reviews




## Occupational Health and Safety

FIPL places a high premium on the health, safety and welfare of its employees as they carry out the business activities and operations of the company. We have in place the workmen's compensation insurance policy, to adequately secure and protect our employees. Furthermore, all our staff are included in our health plans with Health Management Organisations (HMOs) which is also extended to their immediate families at the Company's expense. In May 2019, we commenced an onsite clinic for our employees and have medical care arrangement with a hospital which is about five minutes' drive from our Head Office. Our operational Occupational Health and Safety Management System (OHSMS) of personnel, policies, procedures and programs aid us manage workplace health, safety and security and mitigate any risks that may crystallize. Some of the risks that we have identified at FIPL include; electrical hazard, fire and explosion hazard, Slip, trip and fall hazard, fall from height, ergonomics, noise and vibration, confined space and heat. These risks are managed using our hazard Identification, risk assessment and incident Investigation forms. This provides comprehensive coverage, monitoring, awareness and intelligence, advising on risk mitigation and threat preparedness and is well integrated into our business planning and operations. Whether during corporate events, employee local and international travel or daily operations at our locations, our team is actively safeguarding protecting the company and our employees. FIPL's Group Life Assurance scheme together with the Nigerian Social Insurance Trust Fund (NSITF) are some of the provisions made to manage these risks. As at 2018, all our employees were covered by our OHSMS, an increase of 53% from 2017 and no work related ill-health was recorded from 2016 to 2018. Also, we trained 92 full-time employees on Occupational Health and Safety in 2018.



All our employees were covered by our OHSMS, an increase of 53% from 2017

We had three (3) major incident in 2018 and have put in mitigating measures in place to prevent re-occurrence

S/No.	Incident	Mitigation Measure to prevent re-occurrence
1	 <b>Electrocution at Trans Amadi Power Plant</b>	<ul style="list-style-type: none"> <li>Carried out a comprehensive audit of entire plant and resolve all the identified issues</li> <li>Reviewed the Permit to Work (PTW) System and communicated the review process through training and sending e-mail to all staff</li> <li>Set up HSE meetings in all plants and ensure commitment from the Management</li> <li>Reviewed the "Safety Culture " Rule to capture 10 highly significant Safety Rule that are non-negotiable with appropriate consequence management (sanctions and reward system)</li> <li>Communicate the 12 Life Saving Rules effectively via Awareness Sessions, E-mails to all Staff, STOP CARDS and conspicuous display at strategic location</li> <li>Develop and implement Emergency Response plan covering the following Emergencies: Medical, Fire, Security and Power outage</li> <li>Train all the appointed Safety Representatives on Certified First Aid &amp; Basic Life Support Course by Red Cross or any certified Consultant</li> <li>Provide each plant with a functional in house clinic.</li> </ul>
2	 <b>Fire out break at the Guest House at Omoku</b>	<ul style="list-style-type: none"> <li>Personnel to switch off all electrical appliance when leaving their apartment/Office</li> <li>Provision of electrical power surges for all AC's at all FIPL facilities</li> <li>Extension cords should not be over loaded,</li> <li>Quality extension cords should be used.</li> <li>All faulty electrical appliance(s) should be taken out of use.</li> <li>Schedule routine maintenance for all AC's at all FIPL facilities</li> <li>Installation of smoke detectors at all FIPL facilities</li> </ul>
3	 <b>Failure at GT 6 load gear coupling and rupture of lube oil drain line</b>	<ul style="list-style-type: none"> <li>Adhering to a strict maintenance Schedule</li> <li>Maintenance records submitted to HSE department for audit.</li> <li>Ensure operational parameters are within safe limit</li> <li>Monthly inspection of CO2 firefighting system</li> <li>Enclosure doors are closed always for effectiveness of the fire suppressing system</li> <li>Ensure Smoke/fire detectors are working</li> <li>Ensure good housekeeping within the Turbine housing compartment</li> </ul>

## Sustainability in our Supply Chain

Our suppliers are assessed for sustainability credentials for the goods or services they provide to us. We ensure our suppliers are being assessed for negative environmental impacts, and there are actions we put in place to ensure that these concerns do not materialize. Significant areas of concern are oil spills and poor gas quality. We have also purchased a Gas Chromatograph in order to continually monitor the quality of gas. For oil spills, all our stations have storage tanks that are connected to the gas turbines oil system to ensure that any spill is contained in a closed system. As an off-shoot of lingering environmental concern, we assess our suppliers for social issues such as payment of minimum wage, history of human right abuse, unethical practices and child labour to ensure that their business activities and operations ethically conducted, helping us to ensure that we are not exposed to any risks that may arise from these harmful practices.



2018  
**266** Total no of suppliers (local & international)

**0%** Screened using environmental & social criteria

2017  
**138** Total no of suppliers (local & international)

**4.3%** Screened using environmental & social criteria

**92** Full time staff trained in occupational health & safety in 2018



We have plans to improve the structure of our OHSMS by complying and certifying to requirements of the international Occupational Health and Safety Assessment Series (OHSAS) ISO 45001:2018 standards. At all our locations, we have security personnel for access control to the company's plants and buildings, and the prevention of theft from these facilities. All our security personnel are from outsourced suppliers usually civilian security outfits who interface with armed security personnel. These suppliers are expected to conform to legislation and their staff properly trained in the applicable aspects of the provided security services and relevant work-place human rights including obeying the law, non-discrimination, respect for individuals, and use of force.



## Community Investments

Our value creation is also extended to the communities in which we operate. Records of our community investments commenced in 2018 where we spent about N53.6 million on community projects.



**53.6 million** Spent on community projects



FIPL Malaria Day awareness during the health fair organised for the community



Chairs donated as well as renovation of Obrikom Primary School

COMMUNITY	INTERVENTIONS
Obrikom, Omoku	Renovation of Obrikom Primary School
	Health Fair for the community
	Malaria Day Awareness for pregnant women
	Skill Acquisition for 10 youth
	Scholarship for 30 children
	Employment of IT, Technician, Driver
Rebisi, Trans Amadi	Christmas Gifts
	Casual Workers for overhauls
Afam (Okoloma, Mirinwayi, Ban Ogoi)	Christmas Gifts
	Casual Workers for overhaul
	Christmas Gifts



# Ikeja Electric Plc

Fostering Equality through Urban Electrification

## CEO's MESSAGE

In 2018, Ikeja Electric Plc ("IE") celebrated a number of milestones including its fifth anniversary post-privatization. Our history, our practices and our focus on continuous improvement have all contributed to our achievements – socially, economically and environmentally. Our journey since privatization in 2013 has taken us through volatile macro-economic cycles and structural changes within the Nigerian Electricity Supply Industry (NESI). The need for a review of the parameters and assumptions that drive the NESI have now become quite critical and need to be revisited because they are still based on operating conditions of 2013. In spite of these impractical parameters, we have been able to explore new opportunities and implement strategies that have resulted in tremendous progress in our sphere of operation.

In the period under review, IE faced similar challenges, however, through prudent financial management, a dedication to quality service delivery, a focus on customer-centricity, process optimization and effective supply chain management, we have been able to drive operational excellence and build on the partnerships we have formed with our partners and stakeholders.

At this time in the history of the NESI, we are aware of the need to answer fundamental sustainability questions driving dramatic shifts in our social and economic environment. We fully appreciate that business models need to reflect these dramatic shifts, as we navigate the relationship between commercial reality and social relevance. For IE, getting this right requires that we prioritize our understanding of the needs of our principal stakeholders – customers, staff, core investors, business partners, regulators, the government and local communities – and fulfil their needs, irrespective of the day to day operational challenges of the business.

We have outstanding employees. Their expertise, commitment and strength of character, strong business ethics and integrity are at the forefront of all that they do. They have contributed immensely to IE's continued growth. Together we reduced the Aggregate Technical Commercial and Collection Losses (ATC&C) from 39% in 2017 to 32% at the end of 2018. This is a remarkable feat by any standards, especially when the time taken to achieve this loss is taken into consideration. It is pertinent to mention that even though we did not achieve the aggressive 2018 ATC&C loss target set by the Board, we are confident that our performance in 2019 - and beyond - will exceed expectations, provided the NESI and Market resets that are long overdue are implemented by

the various Government and Regulatory stakeholders.

We truly value the working relationships we have developed with all stakeholders over the years. We have invested time and effort to earn their trust and respect by being transparent and straightforward about our strategies, actions and operations. Even when there has been a difference of opinion about specific things, we have listened to each other and worked in a cooperative and professional manner to ensure that an agreeable solution was achieved. While we remain at odds with some stakeholders and are disappointed in the atmosphere surrounding these relationships, we value continued engagement because we believe they lead to better decisions. We remain far apart on some fundamental issues, but my personal commitment and that of the IE Board and Management, is to find a common ground so that we can move forward.

Finally, I am deeply grateful to my colleagues at IE for their dedication and commitment to serving our customers in a professional and responsible manner. Their commitment to the provision of services in a safe and efficient manner is indeed laudable. In addition to delivering on our strategies and addressing the many challenges before us, there are still many new and exciting opportunities ahead. Change is not easy for any organization and sustainable transformation is perhaps the hardest change of all. On our part, we are committed to being customer-centric, result-driven, trustworthy and collaborative. Looking ahead, in the context of our resilience and achievements during the review period, I am confident that we are well positioned to continue to perform favourably. We will continue to defend our leadership in our areas of strength, focusing on strategic areas of improvement, expanding other areas in need of bolstering, while pursuing additional opportunities for improvement and growth. Compliance with industry-specific frameworks, consumer regulations and transformation obligations will remain a key focus. By focusing firmly on performance and delivery, I am confident that we will unlock more opportunities to steer IE on the most effective course towards realizing our vision of being "the provider of choice where energy is consumed".

**Anthony Youdeowei**  
Chief Executive Officer  
Ikeja Electric PLC



Change is not easy for any organization and sustainable transformation is perhaps the hardest change of all. On our part, we are committed to being customer-centric, result-driven, trustworthy and collaborative.

# The Entity



Ikeja Electric PLC ("IE") is Nigeria's largest electricity distribution network serving selected areas in Lagos and Ogun States thereby contributing to the electricity value chain in the South-West.

IE primarily distributes electricity apportioned to it from the National Grid and is responsible for electricity supply to consumers, billing, metering, maintenance of electricity distribution infrastructure and all other related services within its franchise area. Our operational/franchise area of coverage includes the entire Lagos mainland (except Festac, Badagry, Surulere, parts of Yaba), Epe and some parts of Ogun State in line with its Performance Agreement with the Federal Government of Nigeria. The public limited company (PLC) emerged on November 1, 2013 following the handover of the Lagos North Distribution Directorate of the defunct Power Holding Company of Nigeria (PHCN) to New Electricity Distribution Company (NEDC) and Korea Electric Power Corporation (KEPCO) Consortium under the privatization scheme of the Federal Government of Nigeria in line with the Federal Government's Electric Power Sector Reform Act (EPSRA) of 2005. The NEDC/KEPCO consortium, a special purpose vehicle set up by Sahara Group, owns 60%, Bureau of Public Enterprises (BPE) owns 32% and Ministry of Finance Incorporated owns 8% of IE.

Our business operations are principally overseen from our headquarters at Obafemi Awolowo Way, Alausa, Ikeja Lagos while our Technical and Commercial Operations occur within our six (6) business units: Ikeja, Oshodi, Shomolu, Abule Egba, Akowonjo and Ikorodu. In addition to the business units, we have fifty-four (54) undertakings which enhance operations, service delivery and customer service. Our electricity distribution network of seventy four (74) injection sub-stations and fourteen thousand (14000) distribution sub-stations function optimally to serve our customer base.



**74**  
Injection  
sub-stations

**14000**  
distribution  
sub-stations

In line with our vision to be the provider of choice wherever energy is consumed, we currently provide services to over 900,000 customers cut across several sectors.

We have two (2) major customer classifications, which are:

- **Maximum Demand (MD)** customers consume above 5,000 kWh of electricity, and may have a dedicated transformer. These customers are usually companies involved in heavy duty manufacturing and as such are connected directly to 11 kV, 33 kV and 132 kV lines which are the lines that run directly from the Transmission Station.
- **Non-Maximum Demand (NMD)** customers consume below 5,000 kWh and are connected to a public transformer.

Our customers are further categorized into tariff classes, which are:


- **Residential:** Customers who use their premises exclusively for residential purposes.
- **Commercial:** Customers who use their premises for any purpose other than exclusively as a residence or as a factory for manufacturing goods.
- **Special:** These are customers that offer social services to the general public. Customers such as agricultural and agro-allied industries, Water Board, religious houses, government and teaching hospitals, government research institutes and educational establishments.
- **Industrial:** Customers who use their premises for manufacturing goods, including activities such as welding and ironmongery.

In 2018, our revenue was about N89 billion while our total assets stood at N172 billion which is primarily from our electricity distribution facilities and equipment. As at year end 2018, we had three thousand one hundred and ten (3,110) employees across our operations all of whom are permanent employees.

 **N89 billion**  
Revenue in 2018

 **3110**  
Employees across  
all operations

## Risk Management Framework

 We apply the principle of a Precautionary Approach in the risk management of our business operations and activities. Several policies exist across our business functions and business units that address risks arising from our business activities and operations. Risk assessments are conducted upon the commencement of every audit and this includes fraud risk considerations. Our risk management process commences with risk identification.

We have identified and grouped our risks into four (4) broad categories:

1. **Strategic Risks – Governance, Commercial and Reputational Risks**
2. **Compliance Risks – Legal and Regulatory Risks**
3. **Financial Risks – Market, Default and Liquidity Risks**
4. **Operational Risks – HSE, Security & Incident Handling, Fraud, Procurement, Core Equipment, Information System, Personnel, and Payroll Risks**

After categorization, the risks are assessed using two (2) criteria: the magnitude of risk impact and likelihood of occurrence. We apply four (4) approaches to mitigate the assessed risks:

- Risk Termination/Elimination
- Risk Tolerance/Retention
- Risk Treatment/Mitigation
- Risk Transfer/Sharing

For continuous improvement, a risk report is generated which is reviewed internally and externally with relevant stakeholders. Also, the risk register is updated every quarter. All employees have been trained on risk management and new trainings are scheduled for roll out of the new ERM framework in 2019.

## Regulatory Compliance

In IE, we ensure our business continues to operate on a strong legal foundation by ensuring strict compliance with the relevant laws and regulations governing the industry in which we operate. We implement best practices that meet the letter and the spirit of these laws and regulations in locations where we do business where we aim to improve our environmental, economic and social impacts. Our regulatory stakeholders include the National Environmental Standards and Regulations Enforcement Agency (NESREA), Federal Ministry of Housing and Urban Development and the Nigerian Electricity Management Services Agency (NEMSA), Federal Ministry of Finance (FMF), Bureau of Public Enterprises (BPE), Federal Ministry of Works Power & Housing (FMWPH), Federal Inland Revenue Service (FIRS), Lagos Inland Revenue Service (LIRS), Nigerian Electricity Regulatory Commission (NERC) and the Financial Reporting Council of Nigerian (FRCN). Ikeja Electric did not record any breach of any known regulations, codes, and laws in 2018.



# Sustainability at IE

Our sustainability commitments are People, Conduct, Society, and Environment.

## People

- We provide a healthy, safe and secure work environment for our employees.
- We treat people with fairness, respect and decency.
- We help employees to develop their potential.

## Conduct

- We act with integrity, accountability and transparency
- We comply with legal, regulatory and licence requirements.
- Society:**
- We work to ensure that neighbouring communities benefit from our presence on an enduring basis.
- We support human rights within our areas of influence.

## Environment:

- We make positive contributions to the protection of the environment.
- We go beyond compliance with local environmental regulations to meet internationally acceptable best practice

# Stakeholder Engagement

## Stakeholder selection and mapping

We consult and collaborate with a wide range of stakeholders such as customers, government agencies, local communities, the general public, regulators, suppliers, our core investors, and our employees. These stakeholders are also actively involved in the development of some of our policies and strategies.

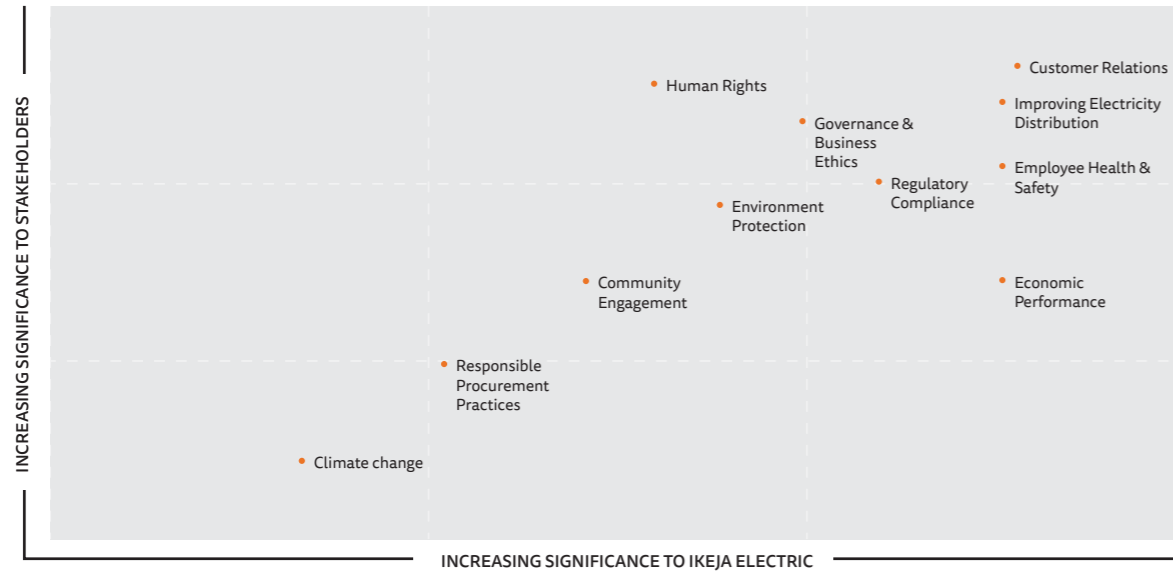
## Key Stakeholders

- Local Communities (All Community Development Associations & Community Development Councils in our network, Traditional Rulers, Market Leaders)
- Government (NERC, NBET, CBN, TCN, Federal Ministry of Power, Local Government, Lagos State Government)
- Advocacy Group (Electricity Consumer Protection Forum, Consumer Advocacy Group, Youth Leaders, Consumer Protection Council)
- Security (Nigeria Police Force, Nigerian Army, Nigerian Air Force, Nigeria Security and Civil Defense Corps)
- Trade Unions (National Union of Electricity Employees [NUEE], Nigeria Labour Congress [NLC], Senior Staff Association of Electricity & Allied Companies)
- Customers (Maximum Demand & Non- Maximum Demand)
- Employees
- Shareholders and Investors (IE Board and BPE)

Stakeholder Group	Frequency	Topics/Concerns	Response
<b>Shareholders and Investors</b>	Quarterly through Board meetings	Return-On-Investment Remittance to Value Chain Adherence to Regulatory Rules	We always strive to ensure sustainable business operations
<b>Local communities &amp; Advocacy Groups</b>	<ul style="list-style-type: none"> <li>● Quarterly CDC meetings</li> <li>● -Weekly CDA meetings</li> <li>● -Ad-hoc meetings</li> <li>● -Community programmes</li> </ul>	<ul style="list-style-type: none"> <li>● Estimated Billing</li> <li>● Metering</li> <li>● Improved Power Supply</li> <li>● Failed transformers</li> <li>● Outstanding debts</li> <li>● Community development programmes</li> </ul>	<ul style="list-style-type: none"> <li>● We are engaging with all stakeholders in the power supply chain to address improved power supply, metering and estimated billing.</li> <li>● Our customer-centric approach has improved approach to repair of facilities like transformers, distribution cables, etc.</li> <li>● Debt recovery is done in line with international best practices</li> </ul>
<b>Government</b>	<ul style="list-style-type: none"> <li>● Monthly meetings</li> <li>● Scheduled audits</li> </ul>	<ul style="list-style-type: none"> <li>● Adherence to regulations</li> <li>● Provision of power infrastructure</li> <li>● Estimated Billing</li> <li>● Remittance</li> <li>● Safety standards</li> <li>● Metering</li> </ul>	We always strive to comply with all regulatory standards
<b>Security</b>	<ul style="list-style-type: none"> <li>● Meetings</li> <li>● Enforcement</li> </ul>	<ul style="list-style-type: none"> <li>● Energy theft</li> <li>● Vandalism</li> <li>● Assault of staff</li> </ul>	Continuous engagement and support to ensure enforcement
<b>Employees</b>	Always	<ul style="list-style-type: none"> <li>● Welfare &amp; decent labour practices</li> <li>● Health &amp; Safety</li> <li>● Career progressions</li> <li>● Participation in organization activities</li> </ul>	We ensure employees have great working conditions and safety based on good international industry standards.
<b>Trade Unions</b>	Periodic dialogues	<ul style="list-style-type: none"> <li>● Workers' welfare</li> </ul>	We ensure employees have great working conditions and safety based on good international industry standards
<b>Customers</b>	<ul style="list-style-type: none"> <li>● Customer Forum</li> <li>● Townhalls</li> <li>● Face 2 face engagement</li> <li>● Customer Fair</li> <li>● Jingles</li> <li>● Van Tapes</li> <li>● Social Media</li> <li>● Radio Programmes</li> </ul>	<ul style="list-style-type: none"> <li>● Estimated Billing</li> <li>● Metering</li> <li>● Improved Power Supply</li> <li>● Failed transformers and other facilities</li> <li>● Outstanding debts</li> </ul>	<ul style="list-style-type: none"> <li>● We are engaging with all stakeholders in the power supply chain to address improved power supply, metering and estimated billing.</li> <li>● Our customer-centric approach has improved response time to repair of facilities like transformers, distribution cables, etc.</li> </ul>

## Materiality Matrix

Our materiality matrix is a selection of the sustainability subjects that were relevant to our business and our stakeholders in 2018. Our Materiality Matrix is highlighted below:



## Fostering Equality Through Urban Electrification

### Economic Sustainability

#### Power Distribution Infrastructure



**10,000 km** Network Span  
**901.32 km** 33kV Feeders + **2449.05 km** 11kV Feeders + **7233.23 km** 0.415kV Feeders



These feeders are connected to our substations at different points. We have sixteen (16) Transmission Substations, seventy-four (74) Injection Substations and 17,217 Distribution Substations which provides us with a capacity of distributing over 5,000 MVA.

**> 5000 MVA**  
Total Capacity

### Financial Performance

Our revenue is primarily from our power distribution activities. Our revenue consists of the total value of the energy imported from the Transmission Company of Nigeria (TCN) through the Nigerian Bulk Electricity Trader (NBET). Thus, our revenue is based on how much energy we obtain from TCN. In terms of economic value generated, **our revenue increased from N64.5 billion in 2016 to N89.2 billion in 2018 mainly due to:**

- Debt recovery
- Increased volume in power distributed by upgrading our infrastructure
- Increased customer base by connecting more customers to the National Grid



**N89.2 billion**

Revenue in 2018, up from N64.5 billion in 2016

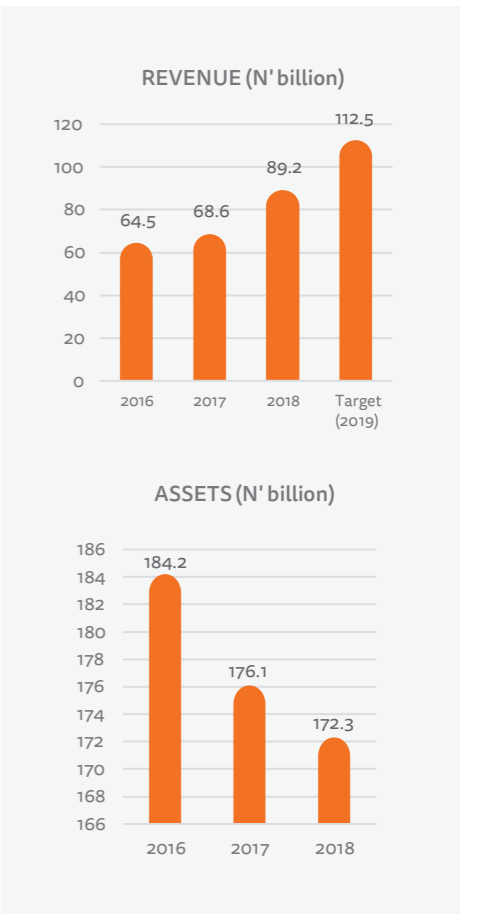
**N112 billion**

Target revenue in 2019

Our target is to generate revenue of over N112 billion which we hope to achieve in 2019. To reach this goal we have strengthened the initiatives listed above as well as intensified our energy theft prevention procedures. The value of our assets reduced from N184.2 billion in 2016 to N172.6 billion in 2018 mainly due to the depreciation rates as specified by NERC and NBET. Nonetheless, our infrastructure has increased yearly as discussed above.



Our debt recovery team in the field



In terms of economic value distributed, we have contributed significantly to decent economy growth through our operating costs which goes to contractors and supply chain, our employee benefits, our tax payments, and community investments. Our operating costs have increased from N108.9 billion in 2016 to N150.5 billion in 2018 as a result of our continuous infrastructure investments. Another major component of our operating cost is our procurement finances. Our procurement budget has increased from N6.4 billion in 2016 to N10 billion in 2018; and from these figures, payment to local suppliers accounted for 55% – 93%.



## N108.9 billion

Operating Cost in 2018 a 27% increase from 2016, due to our continuous investment in infrastructure

## N10 billion

Procurement budget in 2018

Our employees' benefits have also increased from N7.1 billion in 2016 for 2659 employees to N9.8 billion in 2018 for 3110 employees. In addition, all employees are paid above the national minimum wage. One of the major components of our employees' benefits is our retirement plan. In accordance with the law, we contribute 10% of the employee's annual basic salary to a retirement savings account while the employee contributes 8%. Pension payments reduced from N750 million in 2017 to N700 million in 2018 as we tried to normalize staff salaries and compensations. All employees working Ikeja Electric Plc are on direct employment and we do not have temporary employees or interns. Our benefits for full-time employees are: health insurance (HMO), group life insurance, employer pension contribution, employee compensation scheme, group personal accident insurance, company assisted vehicle lease allowance, company owned car, and professional membership subscription. Furthermore, we have increased our tax payments by 15% from N340 million in 2016 to N391 million in 2018. Our 2016 payment was summed with that of 2017, which made the payment as high as N680 million. Finally, our community investments increased from N19 million in 2016 to N69.6 million in 2018.

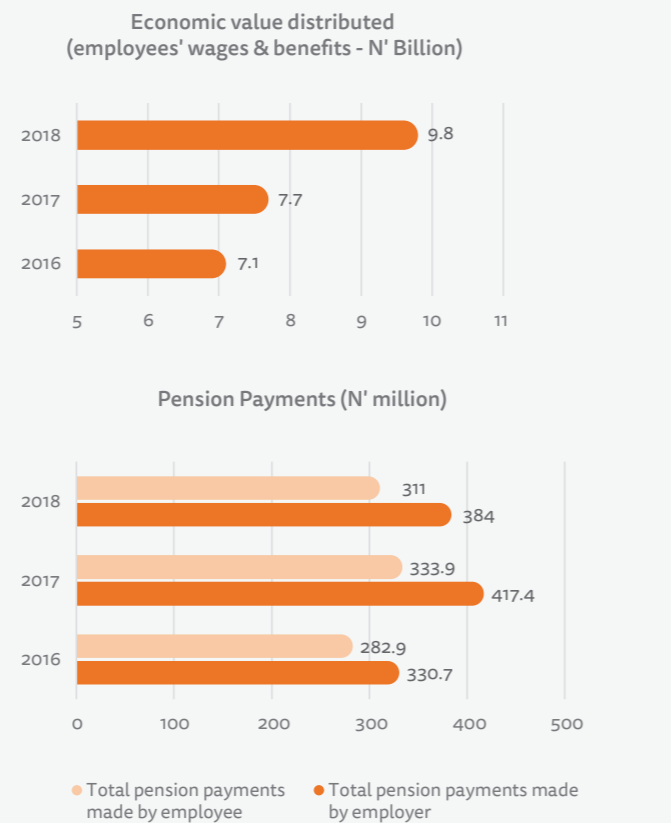
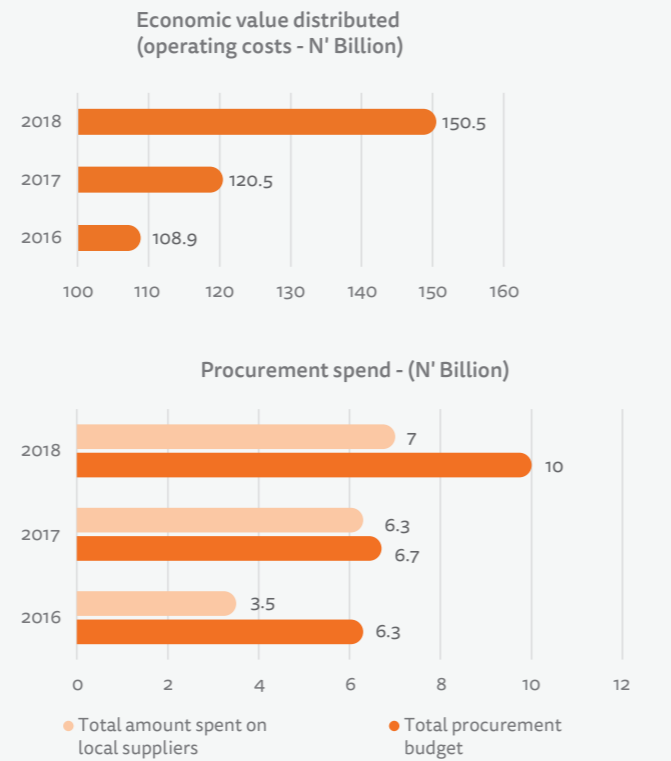


## N9.8 billion

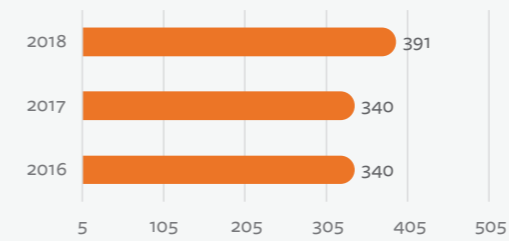
Employee benefits

## N69.6 million

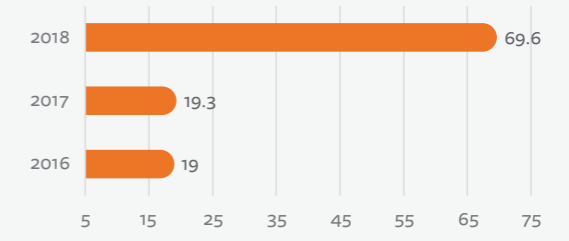
Investment in our community. A major increase from N19 million in 2016



Economic value distributed (payment to government - N' Million)



Economic value distributed (community investments - N' Million)



### Key community investments in 2018



#### Youth Empowerment Programme

Beneficiaries

40

Impact

- Business Skill Developed
- Improve income capacity



#### World Malaria Day

Beneficiaries

3000 children, pregnant women and elderly

Impact

- Reduce malaria fatalities



#### Medical Outreach

Beneficiaries

500

Impact

- Health Improvement

### Economic value generated retained and distributed from 2016 to 2018

	2018 (N' billion)	2017 (N' billion)	2016 (N' billion)
Revenue	89.2	68.6	64.5
Total Economic value distributed	160.8	128.9	115.9
Economic value retained	-71.6	-60.3	-51.4

No economic value was retained during this period due to our high operating cost and low revenue collection.

# Environmental Stewardship

## Resource Efficiency and Consumption

The major material used in our process is fuel (diesel and petrol) to power our stations and sub-stations and water usage across all our locations. We do not collect data on these parameters for now but we have commenced the set-up of ISO 14001:2015 on Environmental Management Systems which will ensure the measurement, monitoring and evaluation of such data.



## Biodiversity Management



Our facilities (injection sub-stations and head office) are not built on or located adjacent to or within close proximity of protected areas or high conservation value (HCV) areas as classified by the World Bank International Finance Corporation (IFC) Performance Standards 6. Nonetheless, we have vegetation within 2km of these facilities as well as within their compound which are mainly Modified Habitats composed of garden and farmlands; an indication of absence of IUCN Red List category species. Consequently, we have a biodiversity management programme embedded in our 2017 Environmental Management Plan and Audit Report which stipulates the monitoring and enhancement of the current biodiversity within and around the facilities.

## Energy Consumption and Emissions

As stated above, our primary materials are used for power/energy consumption. These often lead to the release of GHG emissions and plans are currently in place to commence periodic measurement. Similarly, energy consumed from the National Grid is not recorded and we have set up the management system to close this gap. Nonetheless, other significant emissions like ozone-depleting substances (ODS), NOx, SOx, and H2S are measured and monitored annually at all our locations. The emissions are often not detected or below the instrument calibration scale and therefore insignificant. However, we have commenced plans to measure quarterly. This we believe will give a more accurate record.



## Waste Management

Based on our operations, waste generated are categorized into solid and liquid wastes. Our waste management system for each category of wastes complies with the applicable regulations spelt out by the State and Federal environmental protection agencies and ministries of environment (Federal Ministry of Environment - FMEnv, Lagos State Ministry of Environment - LASMOE, National Environmental Standards and Regulations Enforcement Agency - NESREA, the Lagos State Environmental Protection Agency - LASEPA), and also with international standards. Solid wastes generated within the Injection Substations are metal scraps, nylon, empty plastic containers, worn-out equipment parts and are disposed of by a Lagos State Waste Management Agency (LAWMA) accredited contractor. Data on quantity of waste generated is currently being collated from the vendors and this will enable us set a target which will be presented in subsequent reports. There is no process wastewater/effluent arising from the Power Injection Substations other than sanitary waste water. Liquid waste that is generated from used lubricating oil and transformer oil are well managed by a dedicated maintenance team.



## Emergency Response

We currently operate and implement a robust emergency preparedness and response procedure (EPRP) to ensure that potential emergencies are identified and appropriate response actions are outlined so that in an emergency situation, every employee, contractor and visitor are promptly evacuated to a safe location. The procedure was developed in accordance with ISO 14001:2015, ISO 45001: 2018, the Nigerian Factory Act LFN 2004, NERC Manual, and our OHS Manual. We conduct two (2) emergency drills yearly to audit implementation and applicability of the procedures. Possible emergency cases documented in the EPRP are:

- Medical Cases
- Fire emergencies
- Community disturbance/civil unrest

Select staff (fire wardens, safety marshals and first aiders) have been trained on the EPRP. This number was 111 in 2016 when the procedure was developed and it increased to 175 in 2017 due to the employment of new members to the OHS Team, and 61 in 2018 based on new members just joining the OHS Team and re-training programs.

### Emergencies: 2016 - 2018

- 2018**
- 🔥 1 – Fire incidents
  - 💣 2 – Fire explosions

- 2017**
- 🔥 3 – Fire incidents
  - 💣 2 – Fire explosions

- 2016**
- 🔥 5 – Fire incidents
  - 💣 5 – Fire explosions

## Environmental Compliance

One of the key challenges of developing and managing large-scale infrastructure projects such as a power distribution networks is ensuring the protection of the environment and people from potentially adverse effects. We promote the sustainability of project outcomes and protect the people and environment by identifying and adhering to environmental and related safeguards. In principle, we evaluate the likely impact of our proposed projects by commissioning an Environmental Impact Assessment (EIA) for such projects. Therefore, we conduct Environmental Audit (EA) every three (3) years at all our facilities (injection substations and head office) in line with regulatory requirements.

**We comply with all environmental laws, regulations and standards set by NESREA, FMEnv, LASMOE, LASEPA and other International, National and State authorities/standards.**

**We also ensure compliance with the following international standards:**

- IFC Performance Standards 2012, especially standard relating to the environment - PS 1 – Assessment and Management of Environmental and Social Risks and Impacts; PS 3 – Resource Efficiency and Pollution Prevention; PS 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources
- World Bank Group Environmental, Health and Safety (EHS) General Guidelines (2007)

We engage accredited third party assessors to evaluate our environmental performance and submit our EIA Report and quarterly Environmental Compliance Monitoring (ECM) reports regulatory bodies as stipulated in their laws. From 2016 to 2018, we have been fully compliant with all related standards and regulations and we have put in place systems to ensure continuous compliance.



**We currently operate and implement a robust emergency preparedness and response procedure (EPRP) to ensure that potential emergencies are identified and appropriate response actions are outlined**

# Social Performance



## Employees' Composition

Our recruitment practices are free, fair and non-discriminatory; we do not discriminate based on age, gender, disability, race, skill, experience, religion or ethnicity. Our employee numbers have continuously increased from 2659 in 2016 to 3110 in 2018. Our female employee composition has ranged between 19% and 20%. However, our current Board is composed of seven (7) males and no (0) female.



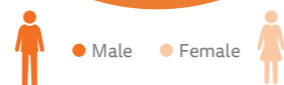
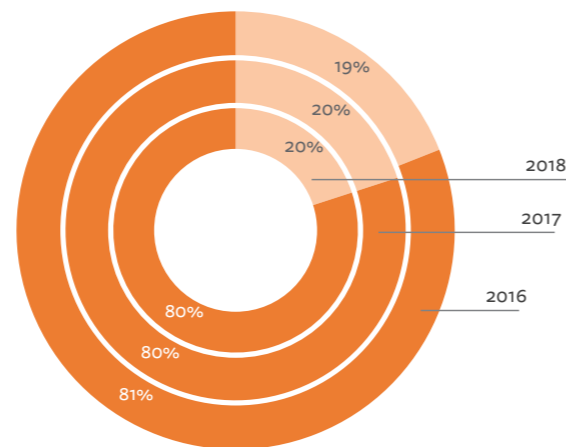
**3110**

Employees in 2018 a 14.5% increase from 2016 figures



**19%**

Female composition of our work force



Full Time Employees



## Employees' Retention

In 2016 and 2017, our employee retention rate has been high based on turnover rate lower than number of new joiners. In 2018, we ensured this trend continued as shown in the table below. Similarly, our maternity and paternity return-to-work and retention rates have been 100% from 2016 to 2018.



2018

### No. of Employees

- Maternity – 38
- Paternity – 104

### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

### Retention rate after 12 months of leave taken in 2016

- Maternity – 100%
- Paternity – 100%

2017

### No. of Employees

- Maternity – 26
- Paternity – 35

### Return-to-work rate

- Maternity – 100%
- Paternity – 100%

### Retention rate after 12 months of leave taken in 2016

- Maternity – 100%
- Paternity – 100%

2016

### No. of Employees

- Maternity – 10
- Paternity – 10

### Return-to-work rate

- Maternity – 100%
- Paternity – 100%



**100%**

Maternity and Paternity return-to-work and retention rate for 3 consecutive years

## Training and Education

The training, support and development of employees, irrespective of gender, are core priorities for ensuring an efficient workforce. Our core training hours have remained stable but we have re-categorized the type of training peculiar to each unit. This re-arrangement resulted in our training per head to decrease from 17 hours in 2016 to 12.8 hours in 2018. In addition, we have completed many one-off trainings for employees and most of these trainings were done in 2016 and do not need to be repeated yearly. Some of our external and internal trainings for 2018 are shown below. We have also provided transition assistance programs for our employees approaching retirement. We organized a pre-retirement training programme called "Planning for Golden Years in Retirement" for staff on statutory retirement in 2018 for those retiring in 2019. We have a process to ensure that employee's activities are in line with their personal/ developmental goals as well as our strategic plan. Career reviews take place throughout the year for all employees and this is 100% implemented from 2016 to 2018. We ensure all employees receive regular career development and performance review.



**12.8 hours**

Average staff training time in 2018



**100%**

Implementation of employee career reviews



## Occupational Health and Safety

We place a high premium on the health and safety of our employees as they carry out the business activities and operations of the company. It is believed that a healthy work force increases the productivity of the organisation, through reduced accident rate, lesser downtime, that could result from human errors towards ensuring efficient service delivery. We have in place the workmen's compensation insurance policy, to adequately secure and protect our employees. Furthermore, all our staff are included in our health plans with Health Management Organisations (HMOs) which is also extended to their immediate families at the Company's expense. Our health and wellness policy facilitates quarterly health education and check-ups for every member of staff. Employees are engaged in an interactive session with health experts from accredited HMO on topics ranging from daily bodily care, to prevention actions against diseases and permanent bodily defects. We have remained committed to our monthly mandatory physical exercises of all staff members, to improve fitness and heart condition. Consistent with our health and wellness policy, we specifically ask our employees to be accountable for maintaining and/or taking positive steps to achieve a state of health that is required for their job designations. Our operational Occupational Health and Safety Management System (OHSMS) contains policies, procedures and programs which help us manage workplace health, safety and security and mitigate any risks that may crystallize. Our OHSMS has been upgraded with the latest guidelines stipulated in ISO 45001:2018. The OHSMS covers all staff, and training has been done for 2,019 employees on identifying safety risks as it relates to their role. The OHSMS also highlights operational control and procedures put in place to mitigate safety risk.



### Our operational controls are:

- Permit To Work (PTW) System consisting of work safety risk assessment and issuance of PTW document.
- IE Safety Codes, which are displayed below:

Work with a valid work permit when required	Open, isolate, test, earth, bond and/insulate before touch	Hook up at height	Use Personal Protective Equipment (PPE)	Avoid Ground Disturbance
Avoid Ground Disturbance	No alcohol or drugs while working or driving	Never violate safe lifting rules	Avoid contact with hazardous chemicals	Comply and intervene

- Management of Change process, which comprises five basic elements with SAFER as acronym
- S - Survey others involved for potential hazards
- A - Assess the change for possible negative effects
- F - Find an implementation procedure that is safe and effective
- E - Execute the change in a safe manner
- R - Review the change and evaluate
- Personal Protective Equipment (PPE)
- General OHS Requirements such as Housekeeping, Manual Handling and Lifting, Chemical Safety, Fire Prevention and Protection, Electrical Safety, Working at Height, Scaffolding, Ladders, Tools and Equipment, Compressed Gas Cylinders, Company Vehicles and Driver Safety, Working on Transformers, Safe working on Distribution lines, Tree Trimming, and Working at Night

## Human Rights Practices

We adhere to the UN Guiding Principles on Business and Human Rights, although our employees have not been trained on the Human Rights Guidelines. Also, we do not directly work with armed security officers and as such have not provided Human Rights training for security. Our contractual agreements with contractors/vendors generally do not explicitly contain human rights clauses and no human rights screening took place between 2016 and 2018. Similarly we condemn child labour and forced labour as outlined in our HR Policy and Manual but this is not assessed in our supply chain.



## Supply Chain Management

We consider purchasing sustainably to deliver our business objectives through our supply chain. IE believes that embedding sustainability within all our processes will allow growth in our supply chain. This has led to a continuous increase in the number of vendors from 267 in 2016, 274 in 2017 to 398 in 2018. Explicit environmental and social criteria are not used to assess suppliers, we mainly use Governance criteria because most of our suppliers are distributors and not actual manufacturers and we believe the environmental and social (E&S) footprint will be low.



**398**  
Registered vendors



# Sustainable Infrastructure

## ← COO's STATEMENT

In CVL we are driven by the core idea that sustainable value must always be created and added as a consequence of any and all of our endeavours.

Our mission remains to provide infrastructure and property developments and to be engaged in innovative and engaging project activities. In doing so, we are committed to continue increasing the boundaries of our project objectives and more importantly to embrace our responsibility to ensure that these activities remain in line with the sustainable development goals and objectives.

In undertaking projects, CVL along with its strategic development partners are guided by the SDG's and will continue to be committed to ensuring sustainable outcomes on every project we undertake, everywhere we undertake them. We believe also in giving back to our communities through socially responsible developments and corporate social responsibility projects and in line with this, have been committed along with our development partners to the construction of health care facilities and farming developments primarily geared towards these objectives.

Our emphasis will continue to be focused on developing and protecting people, promoting local economic developments, partnering with the host communities and locale towards ensuring that the SDG's are met.

Aniakan-Abasi Benson  
Chief Operating Officer  
Casablanca Ventures Limited



We are committed to continue increasing the boundaries of our project objectives and more importantly to embrace our responsibility to ensure that these activities remain in line with the sustainable development goals and objectives.



# The Entity

Sahara Infrastructure Development and Venture Capital Company (SIVC) and Casablanca Ventures Limited (CVL) remain investor-driven organizations and continue to live up to the founding vision of addressing the shortfall needs of the socio-economic infrastructure in Nigeria, Africa and the world

**S**IVC was established in 2013 and has continued to develop infrastructure projects in oil and gas, utility concessions, industrial and business parks real estate, hospitality, agriculture, healthcare and specialty government-backed projects. SIVC and CVL deliver comprehensive services in infrastructure projects, with investments enhancing economic and social development in Africa and globally, with significant returns to investors and equally addressing the infrastructural deficit in Africa

Centrum Properties Limited (CPL) on the other hand was birthed from CVL as a full-fledged facility management company in Nigeria, through which Sahara Group has investments in projects that presently address the infrastructural shortage within Africa. Primarily, our business activities involve the procurement of land and equipment and lease of properties. Since incorporation in March 2017, the ownership structure of the company has remained the same, with three persons owning an equal shareholding of 33.33%.

SIVC was established in 2013 and has continued to develop infrastructure projects

in oil and gas, utility concessions, industrial and business parks real estate, hospitality, agriculture, healthcare and specialty government-backed projects. SIVC and CVL deliver comprehensive services in infrastructure projects, with investments enhancing economic and social development in Africa and globally, with significant returns to investors and equally addressing the infrastructural deficit in Africa

Currently, we manage over N3 trillion worth of assets in valuation. Our portfolio consists of properties ranging from office buildings, residential spaces, parks and estates across major metropolitan areas

of prime African cities: Lagos, Abuja, Port Harcourt, and Abidjan. We offer fully serviced and prime real estate to commercial and residential customers and support these customers using a seamless integration of people, property, process, and technology. In addition, our facility management functions typically cover building maintenance, lease reviews and renewals, tenant management and operation maintenance of facilities.

**CVL is headquartered at 7A, Oluwa Street, Ikoyi, Lagos State. We have offices in other locations as well:**

- Abuja: 45, Aguiyi Ironsi Street, Maitama, Abuja, FCT
- Lagos: Block 5, Ijora GRA, Ijora Causeway, Lagos State



## > 3,000,000,000,000

Over 3 trillion naira in managed assets

### Our Portfolio

- Office buildings
- Residential spaces
- Parks and estates across major metropolitan areas of prime African cities:

Our headquarters, also known as Corporate Centrum, is located at 7A Oluwa Road, Ikoyi, Lagos. Other locations and the services we manage for Sahara Group and other customers include:

- Port Centrum (Block 5 Ijora GRA Lagos) - Facility Management, Print Management & Fleet management
- L'Air Centrum (Murtala Mohammed Airport, Lagos) - Facility management & Print management
- AAir Centrum (Nnamdi Azikiwe Airport, Abuja) - Facility management
- Capital Centrum (45, Aguiyi Ironsi street, Maitama Abuja) - Facility management & Print management
- Peggy's Pointe Apartments (Maitama, Abuja, Nigeria) - Facility Management
- Marcell's Meadows (Ikoyi, Lagos, Nigeria) - Facility Management
- Olubukola Court (Ikoyi, Lagos, Nigeria) - Facility Management



**Our membership of the International Facility Management Association (IFMA), the global facility management association enables us glean insights from good practices around the world in rendering our facility management services.**

## Risk Management Framework

**!** Our Infrastructure Businesses are fully committed to the implementation of a thorough risk management framework. Our management framework captures our philosophical approach to risk management. Our risk management activities address governance and management responsibilities for setting up the risk context, risk identification, analysis and evaluation, risk treatment, risk monitoring and communication. Owing to peculiarities of our business, we take preventative measures to ensure that all projects executed-minor and major – poses no threat to people's lives or the wider environment. In instances where there have been slight injuries, a range of options have been explored, not least putting the project on hold. In applying the universal principle of sustainability, we are impartial, informed and democratic by engaging all potentially affected parties. The starting point for our risk management framework is risk identification. There are 4 broad categories, identified below:

1. **Operational risks - Incident reporting, Fumigation exercises, Health and safety, procurement**
2. **Compliance risks - This is with the various state and federal organizations**
3. **Strategic risks - reputational, commercial and governance**
4. **Finance - Liquidity, Market default risks.**

Subsequent to the broad categories, the risks are tested utilizing two criteria: magnitude of risk impact and the likelihood of occurrence. The following means are applied to mitigate the risks:

- Risk Termination/Elimination
- Risk Tolerance/Retention
- Risk Treatment/Mitigation
- Risk Transfer/Sharing

Risk reports are generated and reviewed internally for continuous improvement, also the risk register generated is updated every quarter. Every employee has been trained on risk management.



# Sustainability in our Infrastructure Business



Our sustainability drive helps to enhance properties and constructions under our management, to add value to our assets and those of our clients, and to improve the longevity of their performance. Our sustainability pillars are employee welfare, health and safety, and regulatory compliance. We are conscious of how our market presence influences the socio-economic well-being of people, and the impact it has in promoting the wellbeing of our stakeholders especially our clients. We ensure fair employment, diversity and inclusion and acknowledge that these factors strengthen and enrich the companies. We continuously act towards maintaining a workplace that generates equal opportunities for everyone, irrespective of age, gender and race (ethnic). We are committed to providing a safe, accident-free, and healthy work environment for everyone. However, excellent safe and healthy conditions do not occur by chance. They are the result of diligent work and careful attention to all company policies by everyone. Our safety policies are based on past experience and current standards and are also an integral part of the company's personnel policies. Safety and health matters are top priority in our organization and considered as important as productivity and quality. We commenced developing our Work health and safety (WHS) management system which is designed to cover all employees, tenant customers and suppliers' premises. The WHS management system include policies, procedures and relevant trainings. Compliance with regulations is key for business sustainability. We ensure this by constantly engaging our regulatory stakeholders on new laws, policies or regulations applicable to our business. Furthermore, we ensure prompt submission of all regulatory documents required to commence construction or manage a facility.

## Our sustainability pillars

- Employee welfare
- Health and safety
- Regulatory compliance.

## Stakeholder Engagement and Materiality

Engagement of stakeholders are carried out in line with our organizational policies and the Group's Charter. Transparency and addressing grievances, with the sole purpose of achieving win-win results has been the driving concept. We consult and collaborate with a wide range of stakeholders such as Governments, Government Agencies, local communities, the public, Regulators, Suppliers, our Shareholders, and our Employees. These stakeholders are also actively involved in the development of some of our policies and strategies.

### Our key stakeholders

- Shareholders
- Employees
- Clients
- Communities
- Vendors
- Association Membership - International Facility Management Authority
- Government Agencies and Regulators

## Engagements with our diverse stakeholders and their concerns

Stakeholder Group	Frequency	Topics/Concerns	Response
Vendors	Continuous	Delayed feedback to quotes submitted which might come when there is a change in market realities	Steps are being taken to ensure feedbacks are promptly given
		Delay in payment	Payment process revamp to ensure prompt payment
Nigerian Maritime Administration and Safety Agency (NIMASA)	Continuous	Environmental compliance.	Effective cleaning of the waterways and environmental hygiene
Abuja Municipal Area Council (AMAC)	Continuous	Arbitrary tenement charges	Working to forge a strong relationship with AMAC
Lagos State Ministry of Works	Continuous	Delays in granting approvals for renovation works	Building stronger contacts to avert the interminable delays
Abuja Metropolitan Management Council - Department of Development Control	At the commencement of each project	Approvals of Development Plans according to building codes and plans	Submission of detailed drawings and documents required for approvals
			Adherence to approved plans during construction
Abuja Metropolitan Management Council Department of Parks & Recreation	At the commencement of parks and recreation projects	Approvals of Park permits and Structures Developments	Submission of detailed drawings and documents required for approval
			Payment /renewal of park ground rent
Abuja Environmental Protection Board	Continuous	Connection to Public utilities and Sewage disposals	Adherence to public utilities and environmental sustainability codes
Abuja Municipal Area Council	Continuous	Payment of Tenement rates when due	Tenement rates paid
Host and local Communities	Continuous	Local concerns involving a wide range of socio-economic discussions	Concerns are met as required and applicable
Public	Continuous	Safety of buildings and building conditions	Safety of buildings adheres to international best practices
		Quality products	Adherence to client specifications and agreements
		Timely deliverables	Ensuring that client services are delivered within agreed timelines.
Clients	Continuous	Energy efficient products	Ensuring that our services are sustainable in terms of energy consumption
		Compliance with regulations	Adherence to regulations
		Profitability and sustainable organizational growth	Ensuring good financial returns for sustainable growth
Shareholders	Quarterly		
Staff	Continuous	Working conditions: welfare packages, career growth and management	Ensuring that work conditions (career development and remuneration) is structured to attract and retain talents

## Materiality

Sustainability Pillar	Material Issues	Objectives	Challenges	Significance to CPL/CVL	Most related / relevant Stakeholder to issue	Significance to related Stakeholders	Risks/ Opportunity
Economic	Economic performance	Understanding the ramifications of Nigeria's economic performance on the real estate sector	Contraction of the real estate sector for the last 16 quarters Incoherent economic strategy leading to IOCs and potential tenants not coming to Nigeria.	High	Government	High	-Regulatory infractions -Fines -Sanctions -Reputational Damage
	Indirect economic impact of the operation on the local community	To understand the link between the business and small to medium enterprises operating in the vicinity	Delayed feedback to quotes submitted which might come when there is a change in market realities	High	Vendors	High	-Reputational damage -Financial mismanagement -Regulatory non-compliance and fines
	Land use charge and the community charges	To understand the framework underpinning the charges.	The arbitrary increases between 2017 and 2018	High	The state government	High	-Reputational damage -Regulatory non-compliance and fines -Contribution to global warming
Social	Contribution of the operation to the economic development of local community	To forge a greater sense of inclusion and bridge the schism between the organization and local community	The varying interests of the local monarchs Being able to sell to the community the long term benefits of the business	High	Government Local Monarchs (Obas)	High	-Regulatory infractions -Fines -Sanctions -Reputational Damage

## Economic Sustainability

### Financial Performance

At CPL, our revenue is primarily from our facility management, print management and fleet management businesses. In 2018, we made sales worth N122 million which is lower than the N149 million made in 2017. CVL on the other hand, recorded N29.6 million in 2018. In terms of economic value distributed, we have contributed significantly to decent economy growth through our operating costs, and our employee benefits. Our operating costs in CPL has increased from N17.6 million in 2016 to N21 million in 2018. Similarly, payments to employees has increased from N75 million in 2017 to N94.4 million in 2018. For both entities, we received no financial support from the Government from 2016 - 2018.

CPL

CPL



**N122 million**  
Sales figure in 2018

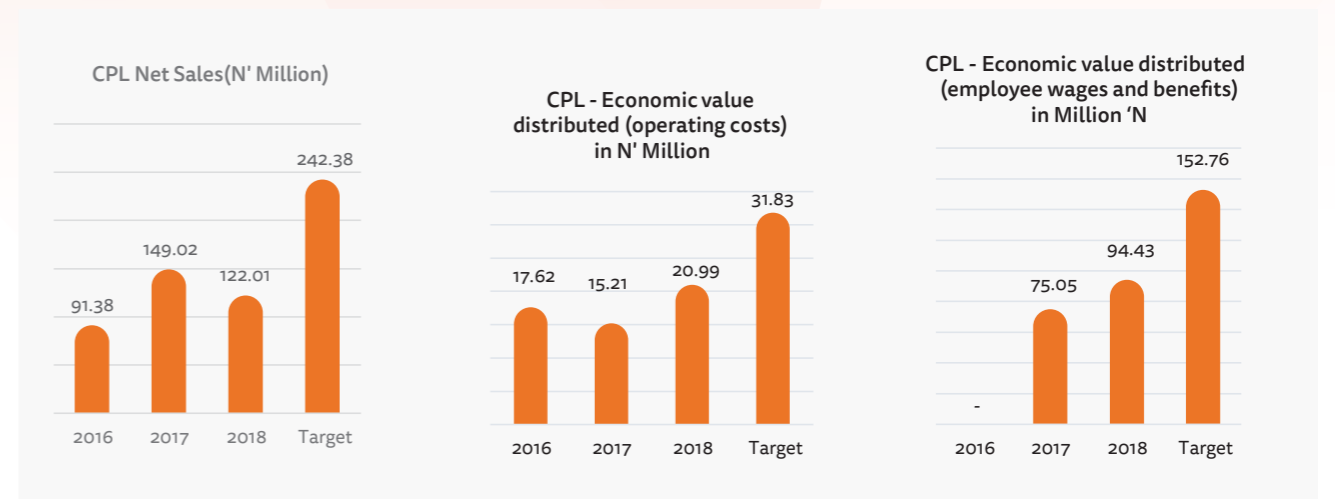


**N21 million**  
Operating cost in 2018



**N94.4 million**  
Payments to employees

CVL  
**N29.6 million**  
Sales figure in 2018



## Social Performance

### Our Valued Workforce

We work towards providing a workplace that generates equal opportunities for everyone, irrespective of age, gender and race (ethnic). We recognise the direct correlation between equality among our people and the success of the company and we are deliberately practise equality among our employees, ensuring that wages and benefits are the same for all employees at the same level. We demonstrate our commitment to gender equality and gender balance by deliberately recruiting and developing female leaders. We endeavour to maintain a productive and healthy organisation by strengthen our leadership and by employing and retaining talented people. As at December 31, 2018, we had a gender mix of 11 females and 35 males at CPL, representing 24% and 76% of our full time employees, respectively. All full time employees are in no way subject to collective bargaining. In addition, we have 3 female and no male temporary staff.



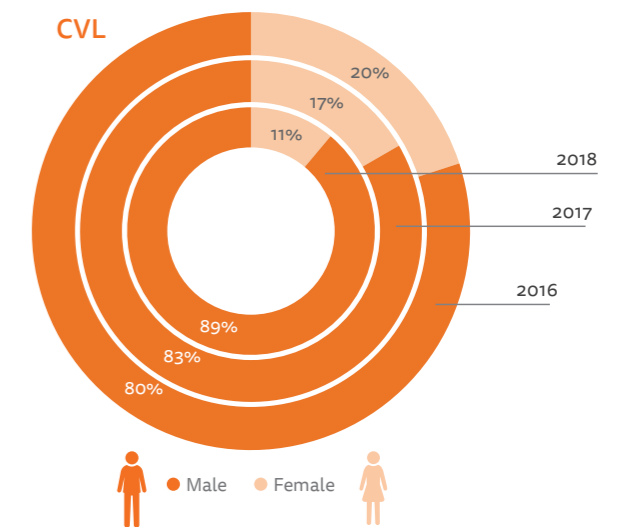
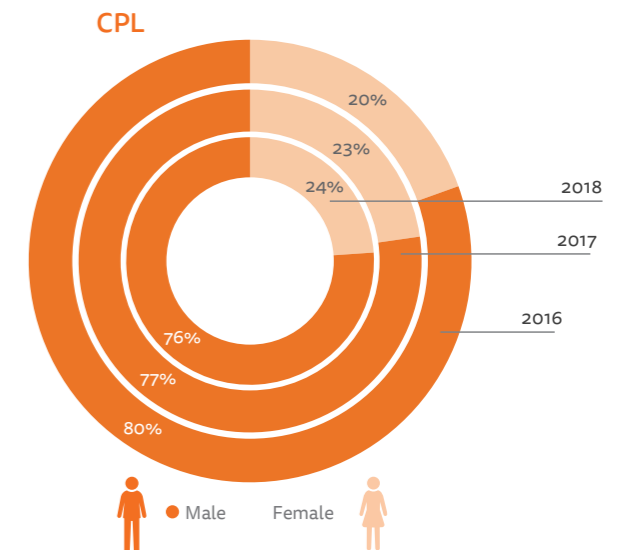
Our strength comes from diversity, through recruiting persons irrespective of gender from diverse backgrounds, cultures language and passions.

**46**  
Total workforce in 2018



**80%**  
Increase in total employee numbers from 2016

Since inception, all our staff in CVL are full time employees and none is covered by collective bargaining. Due to our size and nature of business, we have much lower staff strength compared to CPL. However, we achieved eighty percent (80%) increase in total employee numbers between 2016 and 2018. As at 2018. The ratio of female to male employees was 1:8, however, we are making considerations to prioritise the female gender in our next recruitments exercises. Only one of our employees at CVL is a senior management staff from outside the community.



## Financial Performance

**8** **RETIREMENT AND TERMINATION GROUPS**  
 At CVL, there have been no records of retirement, voluntary retirement, dismissal/suspension, death or transfer to JVs/Subsidiaries. Thus, we recorded 100% retention rate. Although none of our employees went on parental leave in 2016 and 2017, they were entitled to parental leave. In 2018, one female and one male employee took maternity and paternity leave respectively and both returned to work afterwards.

## Training and Education

**4** **QUALITY EDUCATION**  
 We leverage our highly competent and productive workforce, which are results of our investment in employee capacity development. In 2018, CPL, trained its employees for a cumulative of 240 hours, female employees had a total of 100, while the male employees had 140 hours of training. The average number of hours of training for an employees' training was 5. Female employees had an average of 9 hours each of training while their male counterparts had 4 hours of training. Total training hours of CVL employees between 2016 and 2018 is reported in the graph below. We ensure continuing education for our employees through in-house training and use of external training providers. In CVL for instance, training programmes conducted include "Hazard Awareness", "Finance for Non Finance Professionals" and "Effective Business Writing".



**We leverage our highly competent and productive workforce, which are results of our investment in employee capacity development.**

**240 hours**  
 Cumulative employee training hours

**Some training programmes organised for our workforce**



**Hazard Awareness**

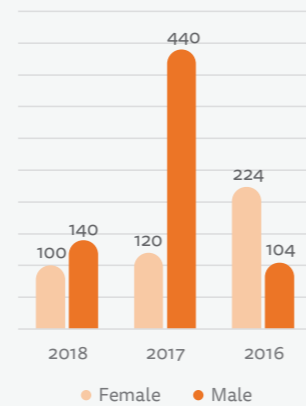


**Finance for Non Finance Professionals**

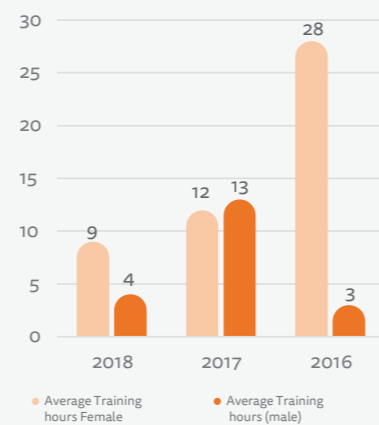


**Effective Business Writing**

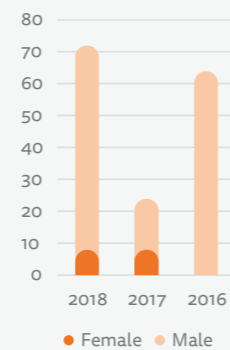
**Total Training Hours per Gender in CPL**



**Average Employee Training Hours in CPL**



**Training Hours by Gender in CVL**



## Occupational Health and Safety (OHS)

We recognize the importance of providing a safe workplace for all our employees, protecting and promoting their well-being. We are committed to high standards of technical and organisational aspects of OHS. All our sites operate with high standards for safety and health, and employees are encouraged and supported to live healthy lives, contributing to a workforce that is healthy, safe and motivated. From 2016-2018, there were no work related illnesses recorded in CPL and CVL. Furthermore, all our staff (including temporary employees) are included in our health plans with Health Management Organisations (HMOs) which is also extended to their immediate families at the Company's expense. Employee personal health-related information resides with the medical service provider of their choice and the patient-doctor confidentiality is respected. In one of our properties, Peggy's Pointe, Abuja 2 fire incidents occurred. However, no injuries were sustained. **To prevent reoccurrence, we have put a number of mitigating measures in place. Some of these actions include:**



**Zero work related sickness/injuries recorded in 2018**



**Switching off of all appliances and air conditioners when not in use**



**Smoke detectors are not to be disabled**



**No more use of open or naked flames**



**Cooking should not be left unattended**



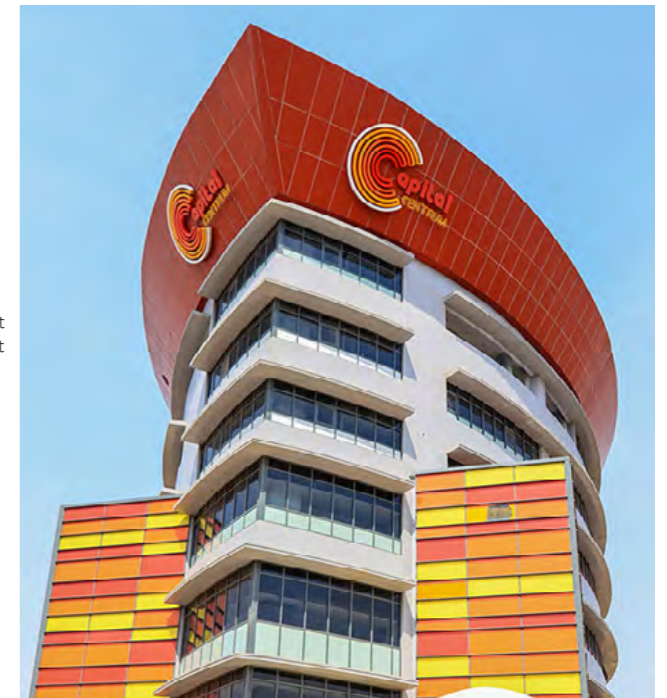
**No Indoor smoking**

## Procurement Practices

In CPL's procurement sourcing, we identify competitive advantages through innovative solutions aimed at achieving strategic and sustainability objectives. As much as possible, we source for products and/or services from our local market before we consider the international market. Our unskilled and semi-skilled labour is sourced from host communities through our community empowerment scheme. We send out a bid, receive responses and review for appropriateness. We ensure patronage of local suppliers while still maintaining the right of selection. Out of a total of 40 suppliers, 97% are Nigerians while 3% are Indians. In 2018, we screened both local and foreign suppliers for environmental, economic and social criteria. Four (4) suppliers were identified to have significant actual and potential negative environmental impacts and were therefore sanctioned, but also educated. Our procurement procedure also contains declaration of Conflicts of interest by employees in the event that this exists. Our procurement process flow/cycle often starts with a request from a Department and ends with review and reconciliation. In 2017 and 2018, N29.8 million and N20.3 million was budgeted for procurement respectively. However, the Company recorded total spend of N20.9 million and N33 million respectively.



**As much as possible, we source for products and/or services from our local market before we consider the international market.**



**97%**  
 Percentage of local vendors in our suppliers list

**N33 million**  
 Procurement spend in 2018

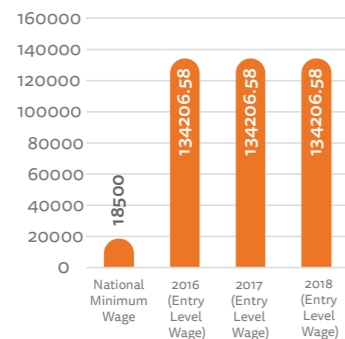
## Human Rights Practices

CPL and CVL adhere to the United Nations' principles on businesses and human rights. Even though our contracts, with our vendors do not have human right clauses and no screening took place between 2017 and 2018, we unequivocally condemn the use of child labour at our construction sites.

## Employee Benefits

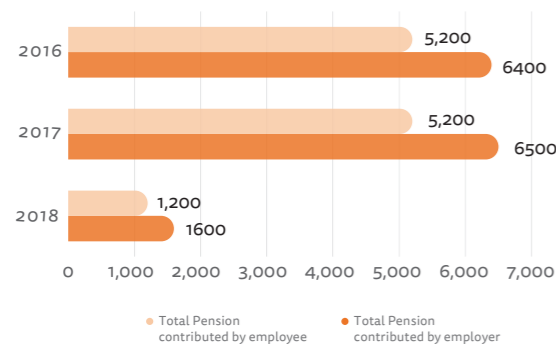
Due to the high value we place on our employees, we offer employee compensation and benefits. CPL's cost-sustainable benefits for our employees are designed to attract and retain the right talent. Our compensation scheme reflects industry-specific, fair-market conditions. We review employees' performances and provide short term incentives to eligible employees based on their level of experience, performance, and location. Entry level wage is the same for male and female recruits and higher than the national minimum wage. Currently, we have no structure in place for re-training retirees intending to continue working, neither are there plans for severance pay.

CPL - Wages (N)



Benefits available to full-time and part-time employees include: gym, library, breakfast, and HMO. Spa, professional membership subscription, birthday cake, and pension benefits are available to full-time employees only.

Pension Contribution N'ooo



## Community Investments

Sahara Foundation undertakes all community investments on behalf of CPL and CVL.

## Environmental Stewardship

### Water Resource Efficiency and Consumption

At CVL, water used for construction activities are obtained from boreholes sunk in accordance with local government regulatory requirements. If need be, water is also sourced from Government approved Water Distribution companies. Port Centrum's water source is the Lagos State Water Corporation and the major water conservation initiative has been the installation of top flush water closet. Between 2016 and 2018, the total volume of water withdrawn and consumed has been constant, 3,650,000.00 litres per annum.

### Waste Management

In our business of property development, our environmental policies and procedures have set out comprehensive instructions for waste management in our development projects. Through the waste management system, construction and demolition waste, including metal, cardboard, timber, plastic, concrete, bricks and general waste, are properly collected and sorted and disposed of.



Waste type	Disposal method
Sewage	Central disposal system
Solid waste	Waste truck by AEPB(Abuja Environment Protection Board, LAWMA)

## Energy Consumption and Emissions

In CPL, we import electricity for consumption from the Grid. Therefore, we have reported our energy consumed as energy imported from the Grid. Energy consumed in Peggy's Pointe Apartments in 2017 was about 920,000 kWh and this increased to 1,100,000 kWh in 2018. Electricity imported from the Grid constituted 58.5% and 59.7% in 2017 and 2018 respectively of energy consumed. Diesel served as the supplementary energy source. This was also reflected in the scope 1 and 2 emissions.

TOTAL GHG EMISSIONS (kg CO<sub>2</sub>e) IN CAPITAL CENTRUM, SCOPE 1



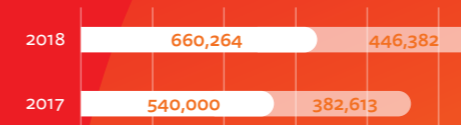
Percentage composition of Energy consumption in Corporate Centrum



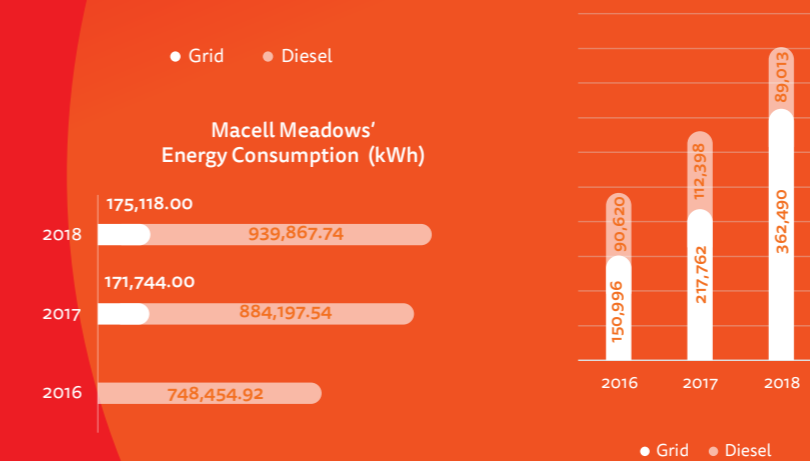
2018  
116,113

2017  
99,986

Peggys Pointe Apartments Energy Consumption (kWh)



Corporate Centrum Energy Consumption (kWh)



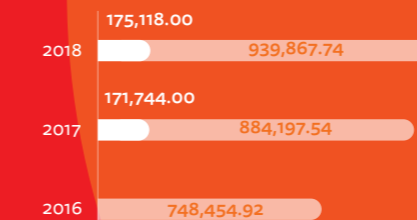
TOTAL GHG EMISSIONS (kg CO<sub>2</sub>e) IN CAPITAL CENTRUM, SCOPE 2



2018  
228,685

2017  
170,486

Macell Meadows' Energy Consumption (kWh)



## Biodiversity Management

None of our properties and those we manage are built on or located adjacent to or within close proximity of protected areas or high conservation value (HCV) areas as classified by the World Bank International Finance Corporation (IFC) Performance Standards 6.

## Emergency Response

We have a robust emergency procedure in place (EPRP) which ensures that potential emergencies are identified and in the event of actual incident, the building is evacuated and every single individual (visitors and employees) is moved to the assembly point. Usually, two emergency drills are conducted annually to ascertain the efficacy of the procedure. Across our various locations, select staff are trained on the EPRP.



# GRI Index

## GRI Index

This report has been prepared in **accordance with** the Global Reporting Initiative Standards having satisfied the following criteria:

1. Including the statement 'in accordance with' in the report.
2. Aligning with report content and quality as defined by GRI. In defining the report content, internal and external stakeholders were involved in the identification of material areas where impacts occur and the potential threats to the operations of entities in Sahara Group. We have also clearly specified the reporting period, boundaries and to show completeness. For report quality, although this report has not been externally assured, the accuracy and reliability of this report is not in doubt as all the facts and figures disclosed are subject to audit by our stakeholders. Also, positive and negative (gaps) aspects of each disclosure was reported to ensure balance. Additionally, data in the report has been compared with previous years, and this should enable stakeholders assess change in performance to ensure comparability and timeliness. The report has attempted to present the activities of entities within the Sahara Group in the wider context of sustainability whilst completely covering material topics that specifically describe impact on the economy, environment and society to ensure clarity.
3. We have used GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics and provided omissions as well as reasons if any.
4. We have used the topic-specific GRI Standards (series 200, 300, 400) to report on material topics providing response to **core** disclosures and indicating reasons for omissions or non-applicability

# GRI 102: General Disclosures

## AEL, Asharami Synergy & Sustainable Infrastructure

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>ORGANISATIONAL PROFILE</b>										
102-1	Name of the Organization	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-2	Activities, brands, products, and services	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-3	Location of headquarters	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-4	Location of operations	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-5	Ownership and legal form	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-6	Markets served	Business Overview	Disclosed	None	Our Operations	Disclosed	None	The entity	Disclosed	None
102-7	Scale of the organization	Business Overview	Disclosed	None	Our Operations	Disclosed	None	Financial Performance	Disclosed	None
102-8	Information on employees and other workers	Our People	Disclosed	None	Employees' Composition	Disclosed	None	Our Valued Workforce	Disclosed	None
102-9	Supply chain	Procurement Practices Local Suppliers Engagement	Disclosed	None	Procurement Practices	Disclosed	None	Our Business Overview	Disclosed	None
102-10	Significant changes to the organization and its supply chain	Procurement Practices	Disclosed	None	Procurement Practices	Disclosed	None	Our Business Overview	Disclosed	None
102-11	Precautionary Principle or approach	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None	Sustainability Approach	Disclosed	None
102-12	External initiatives	Ensuing Environmentally Sustainable Operations	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-13	Membership of associations	Stakeholder Engagement	Disclosed	None	GRI Index	Disclosed	Depot and Petroleum Marketing Association of Nigeria (DAPMAN)	Key Stakeholders	Disclosed	None
<b>STRATEGY</b>										
102-14	Statement from senior decision-maker	CEO's statement	Disclosed	None	CEO's Statement	Disclosed	None	COO's Statement	Disclosed	None
102-15	Key impacts, risks, and opportunities	Risk Management Framework	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
<b>ETHICS AND INTEGRITY</b>										
102-16	Values, principles, standards, and norms of behaviour	Our Core Value System	Disclosed	None	Our Core Value System	Disclosed	None	Our Core Value System	Disclosed	None
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance	Disclosed	None	Board of Directors	Disclosed	None	GRI Index	Not disclosed	No information was provided
<b>GOVERNANCE</b>										
102-18	Governance structure	Corporate Governance	Disclosed	None	Board of Directors	Disclosed	None	Corporate Governance	Disclosed	None
102-19	Delegating authority	Corporate Governance	Disclosed	None	Board of Directors	Disclosed	None	GRI Index	Not disclosed	No information was provided

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance	Disclosed	None	Board of Directors	Disclosed	None	GRI Index	Not disclosed	No information was provided
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	Disclosed	None	Board of Directors	Disclosed	None	GRI Index	Not disclosed	No information was provided
102-22	Composition of the highest governance body and its committees	Corporate Governance	Disclosed	None	Board of Directors	Disclosed	None	GRI Index	Not disclosed	No information was provided
102-23	Chair of the highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-24	Nominating and selecting the highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-25	Conflicts of interest	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-26	Role of highest governance body in setting purpose, values, and strategy	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-27	Collective knowledge of highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-28	Evaluating the highest governance body's performance	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-29	Identifying & managing economic, environmental, and social impacts	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-30	Effectiveness of risk management processes	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-31	Review of economic, environmental, and social topics	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
102-32	Highest governance body's role in sustainability reporting	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-33	Communicating critical concerns	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-34	Nature and total number of critical concerns	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-35	Remuneration policies	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-36	Process for determining remuneration	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-37	Stakeholders' involvement in remuneration	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-38	Annual total compensation ratio	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-39	Percentage increase in annual total compensation ratio	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
<b>STAKEHOLDER ENGAGEMENT</b>										
102-40	List of stakeholder groups	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Key stakeholders	Disclosed	None
102-41	Collective bargaining agreements	Our People	Disclosed	None	GRI Index	Disclosed	None	Our Valued Workforce	Disclosed	None
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Stakeholder Selection and Mapping	Disclosed	None

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-43	Approach to stakeholder engagement	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Summary of our Stakeholder Engagement for 2018	Disclosed	None
102-44	Key topics and concerns raised	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Summary of our Stakeholder Engagement for 2018	Disclosed	None
<b>REPORTING PRACTICE</b>										
102-45	Entities included in the consolidated financial statements	Business Overview	Disclosed	None	Our Operations	Disclosed	None	Business Overview	Disclosed	None
102-46	Defining report content and topic Boundaries	Business Overview	Disclosed	None	Sustainability at Asharami	Disclosed	None	Business Overview	Disclosed	None
102-47	List of material topics	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
102-48	Restatements of information	GRI Index	Disclosed	Some restatements were made	GRI Index	Disclosed	Some restatements were made	GRI Index	Disclosed	Some restatements were made
102-49	Changes in reporting	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-50	Reporting period	GRI Index	Disclosed	January 2018 to December 2018	GRI Index	Disclosed	January 2018 to December 2018	GRI Index	Disclosed	January 2018 to December 2018
102-51	Date of most recent report	GRI Index	Disclosed	December 2017	GRI Index	Disclosed	December 2017	GRI Index	Disclosed	December 2017
102-52	Reporting cycle	GRI Index	Disclosed	Annual	GRI Index	Disclosed	Annual	GRI Index	Disclosed	Annual
102-53	Contact point for questions regarding the report	GRI Index	Disclosed	Sahara Group	GRI Index	Disclosed	Sahara Group	GRI Index	Disclosed	Sahara Group
102-54	Claims of reporting in accordance with the GRI Standards	GRI Index	Disclosed	None	GRI Index	Disclosed	None	Introduction	Disclosed	None
102-55	GRI content index	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-56	External assurance	GRI Index	Disclosed	None provided	GRI Index	Disclosed	None provided	GRI Index	Disclosed	None provided

## Egbin, FIPL & IE

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>ORGANISATIONAL PROFILE</b>										
102-1	Name of the Organization	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-2	Activities, brands, products, and services	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-3	Location of headquarters	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-4	Location of operations	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-5	Ownership and legal form	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-6	Markets served	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-7	Scale of the organization	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-8	Information on employees and other workers	Employees' Composition	Disclosed	None	Employees' Composition	Disclosed	None	Employees' Composition	Disclosed	None
102-9	Supply chain	Procurement Practices	Disclosed	None	Procurement Spend Sustainability in our Supply Chain	Disclosed	None	Supply Chain Management	Disclosed	None
102-10	Significant changes to the organization and its supply chain	Procurement Practices	Disclosed	None	Procurement Spend Sustainability in our Supply Chain	Disclosed	None	Supply Chain Management	Disclosed	None
102-11	Precautionary Principle or approach	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None
102-12	External initiatives	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-13	Membership of associations	The Entity	Disclosed	None	The Entity	Disclosed	None	GRI Index	Disclosed	None
<b>STRATEGY</b>										
102-14	Statement from senior decision-maker	CEO's statement	Disclosed	None	CEO's Statement	Disclosed	None	CEO Statement	Disclosed	None
102-15	Key impacts, risks, and opportunities	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
<b>ETHICS AND INTEGRITY</b>										
102-16	Values, principles, standards, and norms of behaviour	Our Core Value System	Disclosed	None	Core Values	Disclosed	None	Our Core Value System	Disclosed	None
102-17	Mechanisms for advice and concerns about ethics	Code of Ethics	Disclosed	None	Code of Ethics	Disclosed	None	Code of Ethics	Disclosed	No information was provided
<b>GOVERNANCE</b>										
102-18	Governance structure	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None
102-19	Delegating authority	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None	Board of Directors	Disclosed	No information was provided
102-20	Executive-level responsibility for economic, environmental, and social topics	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None	Board of Directors	Disclosed	No information was provided

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-21	Consulting stakeholders on economic, environmental, and social topics	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None	Materiality Matrix	Disclosed	No information was provided
102-22	Composition of the highest governance body and its committees	Board of Directors	Disclosed	None	Board of Directors	Disclosed	None	Board of Directors	Disclosed	No information was provided
102-23	Chair of the highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-24	Nominating and selecting the highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-25	Conflicts of interest	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-26	Role of highest governance body in setting purpose, values, and strategy	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-27	Collective knowledge of highest governance body	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-28	Evaluating the highest governance body's performance	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-29	Identifying & managing economic, environmental, and social impacts	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-30	Effectiveness of risk management processes	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None	Risk Management Framework	Disclosed	None
102-31	Review of economic, environmental, and social topics	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
102-32	Highest governance body's role in sustainability reporting	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option



Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-33	Communicating critical concerns	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-34	Nature and total number of critical concerns	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-35	Remuneration policies	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-36	Process for determining remuneration	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-37	Stakeholders' involvement in remuneration	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-38	Annual total compensation ratio	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
102-39	Percentage increase in annual total compensation ratio	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option	GRI Index	Not disclosed	Comprehensive disclosure not required for core 'in accordance with' option
<b>STAKEHOLDER ENGAGEMENT</b>										
102-40	List of stakeholder groups	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Key Stakeholders	Disclosed	None
102-41	Collective bargaining agreements	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Stakeholder selection and mapping	Disclosed	None
102-43	Approach to stakeholder engagement	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Stakeholder selection and mapping	Disclosed	None
102-44	Key topics and concerns raised	Stakeholder Engagement	Disclosed	None	Stakeholder Engagement	Disclosed	None	Summary of Our Stakeholder Engagement for 2018	Disclosed	None
<b>REPORTING PRACTICE</b>										

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
102-45	Entities included in the consolidated financial statements	The Entity	Disclosed	None	The Entity	Disclosed	None	Our Profile	Disclosed	None
102-46	Defining report content and topic Boundaries	Sustainability at Egbin	Disclosed	None	Sustainability at FIPL	Disclosed	None	Our Profile	Disclosed	None
102-47	List of material topics	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None	Materiality Matrix	Disclosed	None
102-48	Restatements of information	GRI Index	Disclosed	Some restatements were made because the issues had not changed or they simply continued into the reporting year	GRI Index	Disclosed	Some restatements were made because the issues had not changed or they simply continued into the reporting year	GRI Index	Disclosed	Some restatements were made because the issues had not changed or they simply continued into the reporting year
102-49	Changes in reporting	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-50	Reporting period	GRI Index	Disclosed	January 2018 to December 2018	GRI Index	Disclosed	January 2018 to December 2018	GRI Index	Disclosed	January 2018 to December 2018
102-51	Date of most recent report	GRI Index	Disclosed	December 2017	GRI Index	Disclosed	December 2017	GRI Index	Disclosed	December 2017
102-52	Reporting cycle	GRI Index	Disclosed	Annual	GRI Index	Disclosed	Annual	GRI Index	Disclosed	Annual
102-53	Contact point for questions regarding the report	GRI Index	Disclosed	Sahara Group	GRI Index	Disclosed	Sahara Group	GRI Index	Disclosed	Sahara Group
102-54	Claims of reporting in accordance with the GRI Standards	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-55	GRI content index	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
102-56	External assurance	GRI Index	Disclosed	None provided	GRI Index	Disclosed	None provided	GRI Index	Disclosed	None provided

## GRI 200 Series: Economic Disclosures

### AEL, Asharami Synergy & Sustainable Infrastructure

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 201: ECONOMIC PERFORMANCE</b>										
201-1	Direct economic value generated and distributed	Value Generation and Distribution	Disclosed	None	Financial Performance	Disclosed	None	Financial Performance	Disclosed	None
201-2	Financial implications and other risks and opportunities due to climate change	GRI Index	Not disclosed	This has been identified as a gap.	GRI Index	Not disclosed	This has been identified as a gap.	GRI Index	Not disclosed	This has been identified as a gap.
201-3	Defined benefit plan obligations and other retirement plans	Our People	Disclosed	None	Financial Performance	Disclosed	None	Employee Benefits	Disclosed	None
201-4	Financial assistance received from government	Economic Performance	Disclosed	None	Financial Performance	Disclosed	None	Economic Sustainability	Disclosed	None
<b>GRI 202: MARKET PRESENCE</b>										
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	GRI Index	Not disclosed	None	Financial Performance	Disclosed	None	Employee Benefits	Disclosed	None
202-2	Proportion of senior management hired from the local community	GRI Index	Disclosed	None in employment	GRI Index	Disclosed	None in employment	GRI Index	Not disclosed	None
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>										
203-1	Infrastructure investments and services supported	Community Engagement	Disclosed	None	Financial Performance	Disclosed	None	GRI Index	Disclosed	None
203-2	Significant indirect economic impacts	Community Engagement	Disclosed	None	Financial Performance	Disclosed	None	GRI Index	Disclosed	None
<b>GRI 204: PROCUREMENT PRACTICES</b>										
204-1	Proportion of spending on local suppliers	Local Suppliers Engagement	Disclosed	None	Procurement Practices	Disclosed	None	Procurement Practices	Disclosed	None
<b>GRI 205: ANTI-CORRUPTION</b>										
205-1	Operations assessed for risks related to corruption	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
205-2	Communication and training about anti-corruption policies and procedures	GRI Index	Not disclosed	None	Anti-corruption activities	Disclosed	None	Code of Ethics	Disclosed	None
205-3	Confirmed incidents of corruption and actions taken	GRI Index	Not disclosed	None	Anti-corruption activities	Disclosed	None	Code of Ethics	Disclosed	None
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR</b>										
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None

### Egbin, FIPL & IE

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 201: ECONOMIC PERFORMANCE</b>										
201-1	Direct economic value generated and distributed	Financial Performance	Disclosed	None	Financial Performance	Disclosed	None	Financial Performance	Disclosed	None
201-2	Financial implications and other risks and opportunities due to climate change	GRI Index	Not disclosed	This has been identified as a gap.	GRI Index	Not disclosed	This has been identified as a gap.	GRI Index	Not disclosed	This has been identified as a gap.
201-3	Defined benefit plan obligations and other retirement plans	Financial Performance Training and Education	Disclosed	None	People-Centred Workplace	Disclosed	None	Financial Performance Training and Education	Disclosed	None
201-4	Financial assistance received from government	Financial Performance	Disclosed	None	Financial Performance	Disclosed	None	Financial Performance	Disclosed	None
<b>GRI 202: MARKET PRESENCE</b>										
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Financial Performance	Disclosed	None	People-Centred Workplace	Disclosed	None	GRI Index	Not disclosed	None
202-2	Proportion of senior management hired from the local community	GRI Index	Disclosed	None in employment	People-Centred Workplace	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>										
203-1	Infrastructure investments and services supported	Financial Performance	Disclosed	None	Community Investments	Disclosed	None	Financial Performance	Disclosed	None
203-2	Significant indirect economic impacts	Financial Performance	Disclosed	None	Community Investments	Disclosed	None	Financial Performance	Disclosed	None
<b>GRI 204: PROCUREMENT PRACTICES</b>										
204-1	Proportion of spending on local suppliers	GRI Index	Disclosed	None	Procurement Spend	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 205: ANTI-CORRUPTION</b>										
205-1	Operations assessed for risks related to corruption	Anti-corruption activities	Disclosed	None	Living by Our Principles	Disclosed	None	Anti-corruption activities	Disclosed	None
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption activities	Disclosed	None	Living by Our Principles	Disclosed	None	Anti-corruption activities	Disclosed	None
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption activities	Disclosed	None	Living by Our Principles	Disclosed	None	Anti-corruption activities	Disclosed	None
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR</b>										
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI Index	Disclosed	None	Living by Our Principles	Disclosed	None	GRI Index	Disclosed	None

# GRI 300 Series: Environmental Disclosures

## AEL, Asharami Synergy & Sustainable Infrastructure

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 301: MATERIALS</b>										
201-1	Materials used by weight or volume	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
201-2	Recycled input materials used	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
201-3	Reclaimed products and their packaging materials	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
<b>GRI 302: ENERGY</b>										
302-1	Energy consumption within the organization	GRI Index	Not disclosed	None	Resource Consumption and Emissions	Disclosed	None	Energy consumption and Emissions	Disclosed	No disclosures for CV/L
302-2	Energy consumption outside of the organization	GRI Index	Not disclosed	None	Resource Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
302-3	Energy intensity	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
302-4	Reduction of energy consumption	GRI Index	Disclosed	None	Resource Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
302-5	Reductions in energy requirements of products and services	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
<b>GRI 303: WATER</b>										
303-1	Water withdrawal by source	Water use and Conservation	Disclosed	None	GRI Index	Not Disclosed	None	Water Resource Efficiency and Consumption	Disclosed	Disclosed for a single property (Port Centrum)
303-2	Water sources significantly affected by withdrawal of water	Water use and Conservation	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
303-3	Water recycled and reused	Water use and Conservation	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 304: BIODIVERSITY</b>										
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI Index	Disclosed	None	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None
304-2	Significant impacts of activities, products, and services on biodiversity	Environmental Compliance	Disclosed	None	Biodiversity Management	Disclosed	None	Environmental Compliance	Disclosed	None
304-3	Habitats protected or restored	GRI Index	Disclosed	None	Biodiversity Management	Disclosed	None	GRI Index	Disclosed	None

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	GRI Index	Disclosed	None	Biodiversity Management	Disclosed	None	GRI Index	Disclosed	None
<b>GRI 305: EMISSIONS</b>										
305-1	Direct (Scope 1) GHG emissions	Energy Consumption and Emissions	Disclosed	None	Resource Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	Information was not provided for CVL
305-2	Energy indirect (Scope 2) GHG emissions	GRI Index	Not disclosed	None	Resource Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	Information was not provided for CVL
305-3	Other indirect (Scope 3) GHG emissions	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
305-4	GHG emissions intensity	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
305-5	Reduction of GHG emissions	GRI Index	Disclosed	None	Resource Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
305-6	Emissions of ozone-depleting substances (ODS)	GRI Index	Not disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Energy Consumption and Emissions	Not disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 306: EFFLUENTS AND WASTE</b>										
306-1	Water discharge by quality and destination	Efficient Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-2	Waste by type and disposal method	Efficient Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-3	Significant spills	Efficient Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not applicable	None
306-4	Transport of hazardous waste	Efficient Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-5	Water bodies affected by water discharges and/or runoff	GRI Index	Not disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 307: ENVIRONMENTAL COMPLIANCE</b>										
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None
<b>GRI 308: SUPPLIERS ENVIRONMENTAL ASSESSMENT</b>										
308-1	New suppliers that were screened using environmental criteria	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	Procurement Practices	Disclosed	None
308-2	Negative environmental impacts in the supply chain and actions taken	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	Procurement Practices	Disclosed	None

## Egbin, FIPL & IE

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 301: MATERIALS</b>										
201-1	Materials used by weight or volume	Resource Efficiency and Consumption	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not applicable	None
201-2	Recycled input materials used	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
201-3	Reclaimed products and their packaging materials	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 302: ENERGY</b>										
302-1	Energy consumption within the organization	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
302-2	Energy consumption outside of the organization	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
302-3	Energy intensity	GRI Index	Not disclosed	None	GRI Index	Not applicable	None	GRI Index	Not disclosed	None
302-4	Reduction of energy consumption	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
302-5	Reductions in energy requirements of products and services	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 303: WATER</b>										
303-1	Water withdrawal by source	Resource Efficiency and Consumption	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
303-2	Water sources significantly affected by withdrawal of water	Resource Efficiency and Consumption	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
303-3	Water recycled and reused	Resource Efficiency and Consumption	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 304: BIODIVERSITY</b>										
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None
304-3	Habitats protected or restored	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None	Biodiversity Management	Disclosed	None

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 305: EMISSIONS</b>										
305-1	Direct (Scope 1) GHG emissions	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
305-2	Energy indirect (Scope 2) GHG emissions	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
305-3	Other indirect (Scope 3) GHG emissions	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
305-4	GHG emissions intensity	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
305-5	Reduction of GHG emissions	Energy Consumption and Emissions	Disclosed	None	Energy Consumption and Emissions	Disclosed	None	GRI Index	Not disclosed	None
305-6	Emissions of ozone-depleting substances (ODS)	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 306: EFFLUENTS AND WASTE</b>										
306-1	Water discharge by quality and destination	Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-2	Waste by type and disposal method	Waste Management	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-3	Significant spills	Waste Management	Disclosed	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
306-4	Transport of hazardous waste	GRI Index	Not applicable	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
306-5	Water bodies affected by water discharges and/or runoff	Waste Management	Disclosed	None	GRI Index	Not Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 307: ENVIRONMENTAL COMPLIANCE</b>										
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None	Environmental Compliance	Disclosed	None
<b>GRI 308: SUPPLIERS ENVIRONMENTAL ASSESSMENT</b>										
308-1	New suppliers that were screened using environmental criteria	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
308-2	Negative environmental impacts in the supply chain and actions taken	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None

# GRI 400 Series: Social Disclosures

## AEL, Asharami Synergy & Sustainable Infrastructure

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 401: EMPLOYMENT</b>										
401-1	New employee hires and employee turnover	GRI Index	Not disclosed	None	Employees' Retention	Disclosed	None	Employee Retention	Disclosed	None
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI Index	Not disclosed	None	Financial Performance	Disclosed	None	Employee Benefits	Disclosed	None
401-3	Parental leave	GRI Index	Disclosed	None	Financial Performance	Disclosed	None	Employee Benefits	Disclosed	None
<b>GRI 402: LABOUR MANAGEMENT RELATIONS</b>										
402-1	Minimum notice periods regarding operational changes	GRI Index	Disclosed	One month	GRI Index	Disclosed	One month	GRI Index	Disclosed	One month
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>										
403-1	Workers representation in formal joint management-worker health and safety committees	Workplace Health, Safety and Security	Disclosed	None	Occupational Health and Safety	Disclosed	None	GRI Index	Not Disclosed	None
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workplace Health, Safety and Security	Disclosed	None	GRI Index	Not disclosed	None	Occupational Health, Safety	Disclosed	No injury was recorded in the year.
403-3	Workers with high incidence or high risk of diseases related to their occupation	Workplace Health, Safety and Security	Disclosed	None	GRI Index	Not disclosed	Data is not being collected	GRI Index	Not Disclosed	None
403-4	Health and safety topics covered in formal agreements with trade unions	GRI Index	Not applicable	We do not have trade unions	GRI Index	Not applicable	We do not have trade unions	GRI Index	Not Disclosed	None
<b>GRI 404: TRAINING AND EDUCATION</b>										
404-1	Average hours of training per year per employee	GRI Index	Not disclosed	None	Training and Education	Disclosed	None	Training and Education	Disclosed	None
404-2	Programs for upgrading employee skills and transition assistance programs	GRI Index	Not disclosed	None	Training and Education	Disclosed	None	Training and Education	Disclosed	None
404-3	Percentage of employees receiving regular performance and career development reviews	GRI Index	Not disclosed	None	Training and Education	Disclosed	None	Training and Education	Disclosed	None
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>										
405-1	Diversity of governance bodies and employees	Our People	Disclosed	None	Board of Directors Employees' Composition	Disclosed	None	GRI Index	Not disclosed	None
405-2	Ratio of basic salary and remuneration of women to men	GRI Index	Not disclosed	None	Financial Performance	Disclosed	None	Employee Benefits	Disclosed	None

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 406: NON-DISCRIMINATION</b>										
406-1	Incidents of discrimination and corrective actions taken	GRI Index	Not disclosed	None	Risk Management Framework	Disclosed	None	Occupational Health and Safety	Disclosed	None
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>										
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Local Supplier Engagement	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 408: CHILD LABOR</b>										
408-1	Operations and suppliers at significant risk for incidents of child labor	Local Supplier Engagement	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 409: FORCED OR COMPULSORY LABOR</b>										
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Local Supplier Engagement	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 410: SECURITY PRACTICES</b>										
410-1	Security personnel trained in human rights policies or procedures	Workplace Health, Safety and Security	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>										
411-1	Incidents of violations involving rights of indigenous peoples	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>										
412-1	Operations that have been subject to human rights reviews or impact assessments	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
412-2	Employee training on human rights policies or procedures	GRI Index	Not disclosed	None	Human Rights Practices	Disclosed	None	GRI Index	Not disclosed	None
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	GRI Index	Not disclosed	None	Human Rights Practices	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 413: LOCAL COMMUNITIES</b>										
413-1	Operations with local community engagement, impact assessments, and development programs	-Community Engagement -Environmental Compliance -Stakeholder Engagement	Disclosed	None	GRI Index	Not disclosed	None	Sustainable Infrastructures	Disclosed	None

Disclosure Number	Disclosure Description	Asharami Energy Limited			Asharami Synergy			Sustainable Infrastructure		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
413-2	Operations with significant actual and potential negative impacts on local communities	-Community Engagement -Environmental Compliance -Stakeholder Engagement	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>										
414-1	New suppliers that were screened using social criteria	Local Supplier Engagement	Disclosed	None	GRI Index	Not disclosed	None	Procurement Practices	Disclosed	None
414-2	Negative social impacts in the supply chain and actions taken	Local Supplier Engagement	Disclosed	None	GRI Index	Not disclosed	None	Procurement Practices	Disclosed	None
<b>GRI 415: PUBLIC POLICY</b>										
415-1	Political Contributions	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>										
416-1	Assessment of the health and safety impacts of product and service categories	Workplace Health, Safety and Security	Disclosed	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Index	Disclosed	None	Occupational Health and Safety	Disclosed	None	GRI Index	Not applicable	None
<b>GRI 417: MANUFACTURING AND LABELING</b>										
417-1	Requirements for product and service information and labelling	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
417-2	Incidents of non-compliance concerning product and service information and labelling	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
417-3	Incidents of non-compliance concerning marketing communications	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 418: CUSTOMER PRIVACY</b>										
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 419: SOCIO-ECONOMIC COMPLIANCE</b>										
419-1	Non-compliance with laws and regulations in the social and economic area	-Risk Management Framework -Environmental Compliance	Disclosed	None	-Risk Management Framework -Environmental Compliance	Disclosed	None	-Risk Management Framework -Environmental Compliance	Disclosed	None
OG-21	Contingency planning measures, disaster /emergency management plan and training programs, and recovery/ restoration plans	Emergency Response	Disclosed	None	Emergency Response	Disclosed	None	Emergency Response	Disclosed	None

## Egbin, FIPL & IE

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 401: EMPLOYMENT</b>										
401-1	New employee hires and employee turnover	Employees' Retention	Disclosed	None	Attract, Engage and Retain Top Talent	Disclosed	None	Employee Retention	Disclosed	None
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Financial Performance	Disclosed	None	People-Centred Workplace	Disclosed	None	Financial Performance	Disclosed	None
401-3	Parental leave	Employees' Retention	Disclosed	None	Attract, Engage and Retain Top Talent	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 402: LABOUR MANAGEMENT RELATIONS</b>										
402-1	Minimum notice periods regarding operational changes	GRI Index	Disclosed	One month	GRI Index	Disclosed	One month	GRI Index	Disclosed	One month
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>										
403-1	Workers representation in formal joint management-worker health and safety committees	Occupational Health and Safety	Disclosed	None	Occupational Health and Safety	Disclosed	None	Occupational Health and Safety	Disclosed	None
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	Disclosed	None	Occupational Health and Safety	Disclosed	None	Occupational Health and Safety	Disclosed	None
403-3	Workers with high incidence or high risk of diseases related to their occupation	GRI Index	Not disclosed	Data is not being collected	GRI Index	Not disclosed	Data is not being collected	GRI Index	Not Disclosed	None
403-4	Health and safety topics covered in formal agreements with trade unions	GRI Index	Not applicable	We do not have trade unions	GRI Index	Not applicable	We do not have trade unions	GRI Index	Not Disclosed	None
<b>GRI 404: TRAINING AND EDUCATION</b>										
404-1	Average hours of training per year per employee	Training and Education	Disclosed	None	GRI Index	Not disclosed	None	Training and Education	Disclosed	None
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Education	Disclosed	None	GRI Index	Not disclosed	None	Training and Education	Disclosed	None
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Education	Disclosed	None	Capacity Building, Learning & Development	Disclosed	None	Training and Education	Disclosed	None
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>										
405-1	Diversity of governance bodies and employees	Board of Directors Employees' Composition	Disclosed	None	Board of Directors People-Centred Workplace	Disclosed	None	Employees' Composition Board of Directors	Disclosed	None
405-2	Ratio of basic salary and remuneration of women to men	Financial Performance	Disclosed	None	People-Centred Workplace	Disclosed	None	GRI Index	Not disclosed	None

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 406: NON-DISCRIMINATION</b>										
406-1	Incidents of discrimination and corrective actions taken	Risk Management Framework	Disclosed	None	Code of Ethics	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>										
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Procurement Practices	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
<b>GRI 408: CHILD LABOR</b>										
408-1	Operations and suppliers at significant risk for incidents of child labor	Procurement Practices	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 409: FORCED OR COMPULSORY LABOR</b>										
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Procurement Practices	Disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
<b>GRI 410: SECURITY PRACTICES</b>										
410-1	Security personnel trained in human rights policies or procedures	Human Rights	Disclosed	None	Capacity Building, Learning & Development	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>										
411-1	Incidents of violations involving rights of indigenous peoples	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>										
412-1	Operations that have been subject to human rights reviews or impact assessments	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
412-2	Employee training on human rights policies or procedures	Human Rights	Disclosed	None	GRI Index	Not disclosed	None	Human Rights Practices	Disclosed	None
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights	Disclosed	None	GRI Index	Not disclosed	None	Human Rights Practices	Disclosed	None
<b>GRI 413: LOCAL COMMUNITIES</b>										
413-1	Operations with local community engagement, impact assessments, and development programs	-Environmental Compliance -Financial Performance	Disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
413-2	Operations with significant actual and potential negative impacts on local communities	-Environmental Compliance -Financial Performance	Disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Not disclosed	None
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>										
414-1	New suppliers that were screened using social criteria	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None	GRI Index	Not disclosed	None
414-2	Negative social impacts in the supply chain and actions taken	GRI Index	Not disclosed	None	Sustainability in Our Supply Chain	Disclosed	None	GRI Index	Not disclosed	None

Disclosure Number	Disclosure Description	Egbin Power Plc			First Independent Power Limited			Ikeja Electric		
		Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment	Disclosure location (Section)	Disclosure Status	Comment
<b>GRI 415: PUBLIC POLICY</b>										
415-1	Political Contributions	GRI Index	Disclosed	None	GRI Index	Disclosed	None	GRI Index	Disclosed	None
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>										
416-1	Assessment of the health and safety impacts of product and service categories	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 417: MANUFACTURING AND LABELING</b>										
417-1	Requirements for product and service information and labelling	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
417-2	Incidents of non-compliance concerning product and service information and labelling	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
417-3	Incidents of non-compliance concerning marketing communications	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 418: CUSTOMER PRIVACY</b>										
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Index	Not applicable	None	GRI Index	Not applicable	None	GRI Index	Not applicable	None
<b>GRI 419: SOCIO-ECONOMIC COMPLIANCE</b>										
419-1	Non-compliance with laws and regulations in the social and economic area	Risk Management Framework	Disclosed	None	Environmental Compliance	Disclosed	None	GRI Index	Disclosed	None
OG-21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Emergency Response	Disclosed	None	Emergency Response	Disclosed	None	Emergency Response	Disclosed	None

