



SUSTAINABILITY REPORT

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Introduction

About this Report

Our organization is committed to fostering sustainability across all operations, aligning with global best practices, and referencing the Global Reporting Initiative (GRI) standards. This report highlights our performance on material issues categorized under Environmental, Social, and Governance (ESG), reflecting data collected during the year ended December 31st, 2024.

Message from the CEO

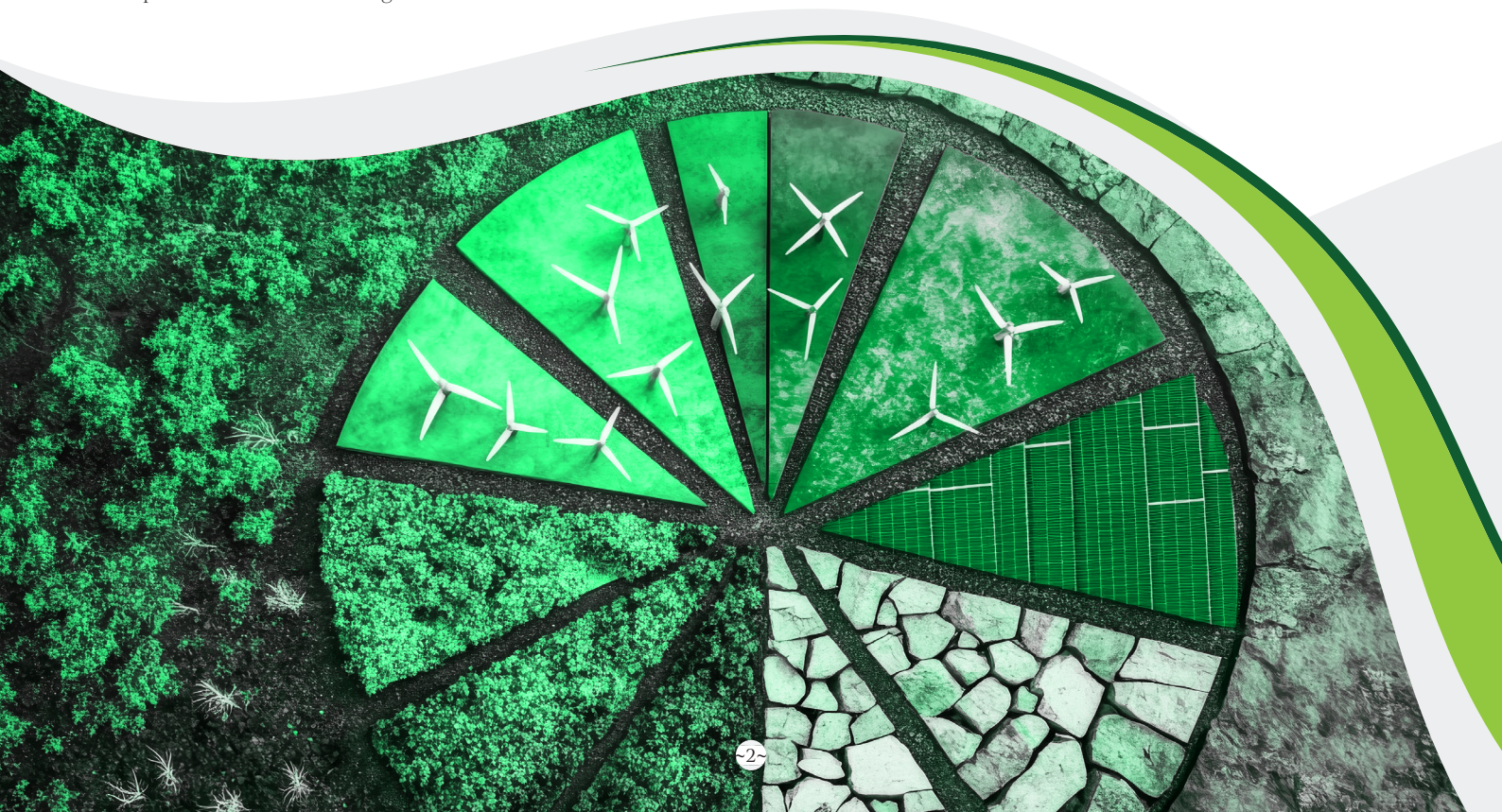
In today's rapidly evolving global landscape, Environmental, Social, and Governance (ESG) principles have become essential for building resilient, future-ready organizations. As climate change, social equity, and ethical governance emerge as defining challenges of our time, businesses are expected to act not only as economic engines but also as responsible stewards of the planet and society. Embracing ESG is no longer optional, it is a strategic imperative that drives long-term value creation, stakeholder trust, and sustainable growth.

At SDG, we recognize our pivotal role in leading the charge toward a more sustainable and equitable future. Our commitment to ESG is deeply embedded in our operations, culture, and decision-making processes. Through transparent reporting, ambitious goals, inclusive practices, and sound governance, we strive to set a

benchmark in our industry. This report outlines our strategic approach towards sustainability, key areas of focus and their impact to Sustainability, our targets and achievements, as we continue to lead by example, empowering our stakeholders and contributing meaningfully to global sustainability efforts.

Message from the Sustainability Lead

At Synergetic Development Group, we are committed to ensuring sustainability is the foundation of our operations and future-focused strategies. In 2024, we embarked on a transformative journey to integrate the Environmental, Social, and Governance (ESG) framework across all aspects of our business. This report captures our progress toward achieving our sustainability goals while aligning with the Sustainable Development Goals (SDGs). By focusing on environmental stewardship, social well-being, stakeholder engagement, and robust governance, we are building a resilient organization that contributes meaningfully to the communities we serve and the environment we operate in. Together with our dedicated teams and partners, we are committed to driving innovative solutions and advancing sustainability for the benefit of current and future generations.



Our Strategic Approach to Sustainability

Who We Are

Founded in 2009, Synergetic Development Group (SDG) is a fully integrated, end-to-end project delivery solutions company headquartered in Nairobi, Kenya. Our core strength and aptitude lie in our ability to innovate and execute every major aspect of our clients' energy & infrastructure projects in-house.

By making sustainability key to our daily operations, our solutions embody longevity and are future-oriented. Youth are the future of the African economies and by extension, the global economy. Therefore, we prioritize mentorship, direction, and growth opportunities for young professionals in the industry.

i) Corporate Identity

Vision

To lead the Energy & Infrastructure transformation in Sub-Saharan Africa through integrated and innovative engineering projects solutions.

Mission

We create sustainable partnership solutions for energy and infrastructure development projects

Our Strategic Pillars



OUR VALUES



#TSW Guiding Principles



ii) Corporate Identity



Our Material Topics and their Contribution to the SDGs

Our material topics represent the critical environmental, social, economic, and governance priorities and opportunities that drive our organization and resonate with our stakeholders. We identified our material topics through a structured process with reference to the Global Reporting Initiative (GRI) Standards, incorporating stakeholder mapping and engagement. This involved analyzing stakeholder expectations, industry trends, and sustainability impacts to ensure our priorities reflect both business objectives and broader societal needs.

The following material topics emerged as a priority for our internal and external stakeholders. These topics are illustrated as per their alignment with the Environmental, Social & Governance (ESG) framework and the Sustainable Development Goals (SDGs), with each topic's significance to our key focus areas highlighted:



I. Environmental:

- a. Environmental Compliance
- b. Land Management & Site Rehabilitation
- c. Renewable & Alternative Energy Sources
- d. Waste Management
- e. Water Consumption & Efficiency
- f. Emissions



II. Social:

- a. Employment Practices
- b. Non-Discrimination and Equal Opportunity
- c. Training & Education
- d. Occupational Health & Safety
- e. Local Communities



III. Governance:

- a. Business Strategy
- b. Stakeholder Engagement
- c. Risk Management
- d. Payments to Government
- e. Sourcing Strategy & Policies
- f. Anti-corruption

Our Impact Areas

In 2024, we developed our Sustainability Strategy and identified 4 key impact areas including:

- A. Environmental Stewardship,
- B. Social Well-Being,
- C. Stakeholder Engagement & Partnerships
- D. Transparent Financial Practices and Governance

Alignment of Sustainability Goals to Sustainable Development Goals

Environmental Stewardship

6. Clean Water and Sanitation

- We are committed to water use efficiency in construction and site operations

7. Affordable & Clean Energy

- We aim to substantially increase the share of renewable energy in the global energy mix.

12. Responsible Consumption & Production

- We aim to ensure compliance with environmental legislation, minimize risks to community health and ecosystems, and reduce the costs associated with waste disposal.

Social Well- Being

5. Gender Equality

- We aim to create an inclusive workplace that advances the rights and opportunities of women, contributing to the elimination of gender-based inequalities.

8. Decent Work & Economic Growth

- We strive to foster innovation, productivity, and equitable growth that benefits both our workforce and the communities we serve

Stakeholder Engagement & Partnerships

17. Partnerships for the Goals

- We prioritize building trust through active engagement and meaningful dialogue with stakeholders to understand and address their needs.

Transparent Financial Practices & Governance

16. Peace, Justice and Strong Institutions

- We are committed to upholding transparent financial practices and strong governance standards in line with its business, sustainability goals, and regulatory policies.

ESG Targets & Achievements

Our aim is to contribute to the achievement of the UN Sustainable Development Goals (SDGs) through our engineering solutions, projects, energy initiatives, and strategic partnerships. Therefore, during the year 2024, we developed our sustainability strategy, prioritized our material issues, and immediately began embedding the ESG framework into our operations. By focusing on our four key impact areas and corporate social investment (CSI), we have aligned our mission with the SDGs, driving meaningful and sustainable change.



Environmental Sustainability Goals

The prioritized material issues included Waste Management and water & effluents.

Key SDG Targets

Target 6.3:

Improve water quality by reducing pollution, minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

Target 6.4:

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

Target 12.5:

By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

Target 12.2:

By 2030, achieve the sustainable management and efficient use of natural resources

2024 Performance Highlights

- Development of a comprehensive environmental management policy, serving as a guideline for how the company manages waste. The policy includes measures for waste segregation, safe disposal, and the adoption of sustainable practices.
- Participation in a Waste Management Training attended by Sustainability Initiative leads
- Centralized waste collection with segregation into categories, such as dry solid waste, measured in kilograms to ensure accurate tracking.
- Collaboration with professional, licensed waste handlers for safe, compliant disposal, mitigating health risks and legal implications.
- Resale of scrap metals as part of a circular economy approach, promoting resource efficiency.
- Regular audits and inspections conducted to monitor waste management practices and uphold proper housekeeping standards.

Looking Ahead (2025 Targets)

- Development of a waste management tracker, to maintain comprehensive records for all waste management activities, including collection, recycling, and disposal, ensuring transparency and accountability.
- Decrease water and soil contamination incidents by 100% through proper hazardous waste disposal.
- Reduce construction wastes and recycle 75% of the waste generated.
- Workforce training in waste handling and disposal practices annually.

Social Sustainability Goals

The prioritized material issues included Employment Practices, Training & Education and Occupational Health & Safety.

Key SDG Targets

Target 8.5:

Full and Productive Employment and Decent Work for All

Target 5.1:

End all forms of discrimination against all women and girls everywhere

Target 5.5:

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life

Target 8.2:

Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high-value-added and labor-intensive sectors.

Target 8.5:

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 16.7:

Ensure responsive, inclusive, participatory, and representative decision-making at all levels.

Target 17.17:

Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.



2024 Performance Highlights

Hiring Trends and Employee Retention

- Achieved 80% compliance rate with recruitment policy for hiring departments
- Achieved 80% compliance with recruitment policies in 2024, hiring 32 new employees and recording 24 exits.
- Retention strengths:
 - 3.94% of employees (8 staff) have served for over 10 years.
 - 26.6% (54 staff) have served for 5–10 years.
 - 69.5% (141 staff) have served for 1–5 years.

Parental Support Program

- 100% utilization of female maternity leave benefits from the parental support program which provides six weeks of work-from-home arrangements and six weeks of flexible workhours after maternity leave
- 100% utilization of male maternity leave benefits including two weeks of remote work after paternity leave

Salary Bands Implementation

- Achieved 95% compliance with structured salary bands in 2024, ensuring fair pay practices based on experience, responsibility, and qualifications.
- Enhanced equity and transparency, minimizing pay discrepancies.

Diversity and Inclusion

- Workforce composition in 2024:
 - Total employees: 202.
 - Individuals with disabilities: 2.
 - Gender ratio: 71.3% men (144) and 28.7% women (58).
 - Women hold 29% of management roles.
 - Generational distribution:
 - Millennials (30–44): 58.6%.
 - Generation Z (18–29): 34.5%.
 - Generation X (45–59): 6.9%.
- No discrimination incidents reported in 2024.

Looking Ahead (2025 Targets)

- Achieve 100% strict compliance with the recruitment policy/procedures
- Achieve a 90% annual retention rate and less than 10% turnover.
- Maintain an annual new hire turnover rate of below 3% within their first year.

- 100% utilization of the benefit among both Female & Male employees
- Temporary tasks assigned for roles unsuitable for remote work, ensuring flexibility without disruption

- Attain 100% compliance with the salary bands, based on years of experience, level of responsibility and academic qualifications

- Increase female representation in technical and leadership roles
- Create a supportive environment for differently-abled employees through targeted recruitment and development initiatives through policies

Salary Bands Implementation

- Each employee allocated 1.5 training hours weekly.
- Conducted 55 training sessions in 2024 with an 86% attendance rate. The training breakdown is as below
- HSE Training - 9
 - Technical & BD Training - 29
 - Wellness Trainings - 6
 - Leadership Trainings- 8
 - Soft Skills Training -3
- Provision of external certification company-sponsored courses: PMP, QS Certifications, HSE Certification Trainings.

- Enhance training budgets and expand access to external certifications to address budget constraints.
- Monthly tracking of training sessions to ensure adherence to training schedules and continuous skill improvement.
- Expansion of the external certification courses to other professionals
- Invest more in the coaching program

Employee Engagement

- Participated in 2 CSR events including a tree planting activity during Kenya's Mazingira Day and a visit to a children's home in the last quarter on 2024
- 2024 employee engagement survey:
 - Participation rate: 69.9%.
 - Positive sentiment: 86.8%.

- Support our immediate community through at least one meaningful CSR engagement per year
- Attain 90% participation in the Employee Engagement Survey.
- Attain at least 80% implementation of the survey recommendations

Health and Safety

- Maintained 100% compliance with Occupational Safety and Health (OSH) standards.
- Conducted training programs in first aid, fire safety, scaffolding, and hazard management.
- Conducted regular safety audits including quarterly reviews by the OSH committee and monthly internal inspections.

- Develop a centralized incident tracker that analyses workplace injuries and illnesses, enabling targeted interventions to improve safety.



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Governance Sustainability Goals

The prioritized material issues included Business Strategy, Stakeholder Engagement & Risk Management.

Key SDG Targets

Target 16.4:

By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organized crime

Target 16.5:

Substantially reduce corruption and bribery in all their forms

Target 16.6:

Develop Effective, Accountable, and Transparent Institutions at All Levels Enhance Institutional Transparency:

Target 16.10:

Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

Target 17.19:

By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.

2024 Performance Highlights

- Development of our comprehensive three-year sustainability strategy.
- Application of ISO certification with the first audit conducted in December 2024 demonstrating our commitment to maintaining management systems and processes that meet ISO standard
- Development of risk management dashboard with the initiative extending beyond strategy development, to strengthen oversight, monitoring, and control mechanisms.
- Stakeholder mapping and identifying strategies for engagement in sustainability
- Zero reported cases of corruption and the organization remained steadfast in monitoring its anti-bribery policy and complying with it

Looking Ahead (2025 Targets)

- Development of an Environmental and Social Management system to monitor sustainability trends and ensure the tracking of targets
- Conduct stakeholder training and sensitization on sustainability to ensure seamless integration of the initiative with day-to-day operations
- Develop a Tax Strategy & a Tax Governance Framework that outlines responsibilities for senior management and tax managers. This framework will integrate tax risk management within internal controls to ensure compliance with the latest tax regulations.

An aerial photograph of a dense, vibrant green forest. A light blue river or stream winds through the center of the forest, creating a meandering path. The trees are thick and cover the majority of the landscape, with the water providing a stark contrast in color and texture.

Conclusion

In 2024, Synergetic Development Group demonstrated its unwavering commitment to sustainability through significant environmental, social, and governance achievements. As we look ahead to 2025, we remain resolute in our mission to create lasting impact by enhancing operational excellence, fostering innovation, and strengthening partnerships. By embedding sustainability into our business strategy and daily operations, we will continue to align our actions with global standards and address the critical challenges of our time. This journey requires collective effort, and we invite our stakeholders to join us in driving sustainable growth and positive change for all.



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