



**BB Energy**



# **COMPANY PROFILE**



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# OVERVIEW











# CHAIRMAN'S MESSAGE

## **Bahaeddine Bassatne**

I am honoured to address you again for our Group's 2023 Company Profile. This year has been pivotal, marked by resilience, innovation and a commitment to sustainable growth.

2023 proved to be another volatile year for global energy markets, driven by the continuing conflict in Ukraine, the tragic conflict in the Middle East, disruption to shipping in the Red Sea and climate related challenges on the Panama Canal and elsewhere. It is fair to say that the volatility and disruption we have experienced over recent years has equalled or even exceeded levels I have witnessed in the decades I have been at the helm of BB Energy. However, while many feared that 2023 would be a year of global recession, despite the shocks, growth proved to be resilient and inflationary pressures started to ease.

These events caused major disruption to traditional trade flows, which created both challenges and opportunities for all commodity trading companies. Despite the challenging global landscape, our Group has demonstrated remarkable adaptability and determination.

In the 56 years since I founded BB Energy's first trading company we have grown into a leading global player with the capabilities, skills and a robust approach to governance that allows us to maximise the opportunities and minimise the risks of operating in volatile markets.

The true test of any company is how it responds to adversity. Our aim is to build on our strengths, tackle the obstacles we encounter, and develop our business to thrive in a changing energy landscape. As an independent commodity trader, we have a unique entrepreneurial spirit, an agile management structure, and a committed team who are well-incentivised to deliver growth.

The Board has set out a clear strategy centred around geographical expansion, product diversification and preparation for the energy transition through the provision of more transitional and renewable energy products. Across the business we made significant progress on all three fronts.

In regard to geographic expansion, the Group has further solidified its trading activities and presence in North,

Central and South American markets and further developed trading flows into and from selected African countries and the Americas.

On product diversification, we now trade the full spectrum of the barrel including Crude, Middle Distillates, Light Ends and increasingly LPG. Added to this, we completed our first biofuels trades by arbitraging feedstock and biogenic components between the Far East and Europe.

Our preparations for the energy transition also accelerated with the completion of our major solar and battery charging project at the Balama Mine in Mozambique, advancing our plans to develop projects in several other African countries and through securing full membership of the Southern African Power Pool, which will allow us to trade electricity in southern African markets.

Over the last three years, the Group has undertaken a rigorous internal review of its governance, compliance, and risk management procedures. These include the addition of two independent Board members and strengthening our governance and compliance function through robust anti-money-laundering and Know-Your-Customer processes, market risk and credit risk management.

We have also integrated Environment, Social and Governance (ESG) considerations into our Governance processes with the creation of an ESG Board sub-committee. This committee will provide direct oversight as we develop plans to address the full spectrum of ESG issues.

Looking ahead to 2024, there are reasons to be optimistic, global oil demand is expected to grow by 1.9 million barrels per day. For BB Energy we expect Asia Pacific to be the region of strongest demand growth and in terms of product we expect Jet Fuel to perform well, with diesel also returning to growth as the global economy rebalances. Non-OPEC production is projected to slow dramatically in 2024 and OPEC will need to increase volumes to balance the market.

We plan to continue our focus on diversification and geographic expansion, exploring new opportunities in high potential markets and strengthening our presence in existing ones. Our strategic investments in renewable energy sources are intended not only to reduce our own greenhouse gas emissions but also position us to advance the energy transition towards a sustainable future.

We have the global network, business processes and strategy to make the most of the opportunities that lie ahead but most importantly I believe we have the right people to succeed. I want to thank every member of the BB Energy team, their hard work, passion and resilience have propelled us forward, even in the face of adversity.

**Bahaeddine Bassatne**

Executive Chairman of The Board  
BB Energy Group Holding Ltd.





# CEO'S MESSAGE

## **Mohamed Bassatne**

Agility and adaptability are two of BB Energy's core strengths. Our purpose is to empower people, communities and businesses by responsibly trading energy. In testing times such as these, the role commodity traders play in providing efficient, safe and reliable access to energy is particularly important.

In another volatile year we responded quickly to market signals and maintained efficient supply of energy products to our customers while effectively managing the risks created by uncertainty.

In light of this, I am pleased to report that BB Energy delivered a strong performance in 2023. During 2023, BB Energy traded just over 25 million metric tonnes of Crude and Petroleum products and Gas, this is equivalent to 490 thousand barrels per day. Over the last few years, BB Energy has demonstrated solid growth with trading volumes representing around 41 per cent volume growth between 2016-2023. For 2023, this resulted in a turnover of approximately US\$18.5 billion and a gross profit of US\$ 305 million.

Our long-term relationships with banking and financial partners enabled us to grow our total lines of finance to a record US\$ 5 billion from 45 banks. In July, we re-financed our one-year committed Revolving Credit Facility, reaching a total of US\$ 350 million with an accordion feature enabling an increase in the facility up to US\$ 400 million. We also expanded our senior secured US Digital Borrowing Base Facility to US\$ 600 million and launched our inaugural Asia Digital Borrowing Base Facility for US\$ 210 million. To achieve this we worked closely with SGTraDex and utilised KomGo's digital platform to enhance transparency.

Access to energy is essential for driving global growth and prosperity. In 2023, we increased trading flows into a range of African countries and strengthened our team in Singapore as well as pursuing new trading opportunities in the Americas.

Our portfolio now covers all major components of the barrel, including LPG, LNG, and niche products. We

expanded our presence in Ultra Low Sulphur Diesel (ULSD) with long-term agreements and grew our LPG business through time charters and contracts in the US Gulf Coast, Far East, Africa, and Mediterranean markets. Our Belgian office has also been active in trading niche products tailored to the Northwest European market.

Renewable energy is increasingly important to our business. We have invested over 75 per cent of our capital expenditure in transitional and renewable projects from 2021 to 2023, exceeding our goal of 25 per cent. In 2023 we completed our 11.25 MWp solar and 8.5 MWh battery hybrid system in Mozambique and have advanced plans for a range of other projects in countries including Mozambique, Botswana and Gibraltar. In all, Solarcentury Africa now has over 800MW of renewable projects under development, with an additional 4 GW in the pipeline.

Our commitment to driving the energy transition in Africa took a major step forward with our membership in the Southern African Power Pool (SAPP). This allows us to trade power from our merchant plants and other independent power producers, and we aim to build a 500 MW renewable energy fleet by 2030.

We have also invested in Electric Vehicle Charging Infrastructure with SP Rwanda's investment in Ampersand and BB Energy's investment in Sun Mobility in India, as well as Gasmeth Energy in Rwanda for methane gas extraction and distribution. Another milestone was our first trade in renewable diesel in Europe.

In 2023, we made substantial progress in expanding our geographic footprint, diversifying our product range, and advancing our energy transition goals. Despite market volatility, we delivered strong financial results and maintained our long term upward growth trajectory. Looking ahead, we are committed to furthering our mission of empowering people, communities, and businesses around the world. I am deeply grateful to the BB Energy team for their dedication and hard work, which have been instrumental in our success. Together, we will continue to drive innovation and growth in the energy sector.

**Mohamed Bassatne**

CEO

BB Energy Group Holding Ltd.

# BOARD OF DIRECTORS

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BB Energy Group Holding Ltd. (DIFC) is managed by a Board of Directors comprising seven board members with five executive members and two non-executive members.



**Bahaeddine Bassatne**  
Executive Chairman and Founder



**Mohamed Bassatne**  
CEO



**Haytham Sioufi**  
Director, Global Head of Trading



**Khaled Bassatne**  
Global Head of Bitumen  
and Liquid Gases



**Jacques Erni**  
CFO



**Dominique Beretti**  
Non-Executive Director



**Gaby Abdelnour**  
Non-Executive Director



# PERFORMANCE HIGHLIGHTS

## Overall Business Performance

- Revenue US\$ 18.5 billion
- Gross Profit US\$ 304 million
- US\$ 5 billion finance lines
- US\$ 350 million Group Revolving Credit Facility
- US\$ 600 million US Digital Borrowing Base Facility
- US\$ 210 million Asia Digital Borrowing Base Facility
- 339 employees (>500 including downstream)

## Trading Performance

- Trading volumes c. 25 million mt of petroleum products and liquid gases in 2023
- New tender to market Guyana's Crude Oil

## Downstream Performance

- 14 new retail sites in Morocco

## Renewables Performance

- 75 per cent of capex 2021 to 2023 invested in renewable and transition projects
- Over 800 MW Renewable Projects Under development
- 4 GW of solar project pipeline
- Scope 1 GHG Emissions 341,268 MTCO<sub>2</sub>e
- Scope 2 GHG Emissions 827 MTCO<sub>2</sub>e
- Scope 3 GHG Emissions 98,689,034 MTCO<sub>2</sub>e

# MILESTONES

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**1963**

Entered the  
Middle Eastern  
oil industry

**1968**

First Jet  
Fuel sale

**1969**

Began trading  
oil worldwide

**2019**

Established  
SP Morocco and  
BB Energy Belgium  
and France

**2018**

Finalised  
acquisition of  
SP Rwanda

**2016**

Acquired Hypco Turkey,  
Storm and Feedco

**2020**

Invested in Euro Oil /  
Established BB Energy  
Renewables

**2021**

Acquired Solarcentury  
Africa

**2022**

Improved Cookstove  
Initiative launched

**1979**

Opened  
London office

**1980**

Opened Singapore office /  
Processing agreements with  
Italian refineries

**2011**

Redeveloped  
Bitumen trading

**2015**

New offices in  
Houston and Istanbul

**2013**

Invested in Omera  
Petroleum Ltd.,  
Bangladesh

**2012**

Strategic refocus  
on Crude Oil

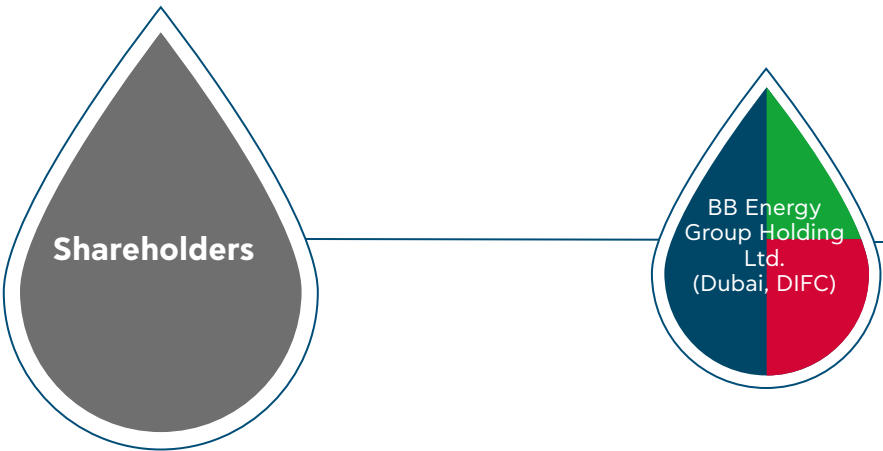
**2023**

11.25 MWp Balama  
Solar and 8.5 MWh  
battery project  
completed and  
operational



# GROUP ACTIVITIES

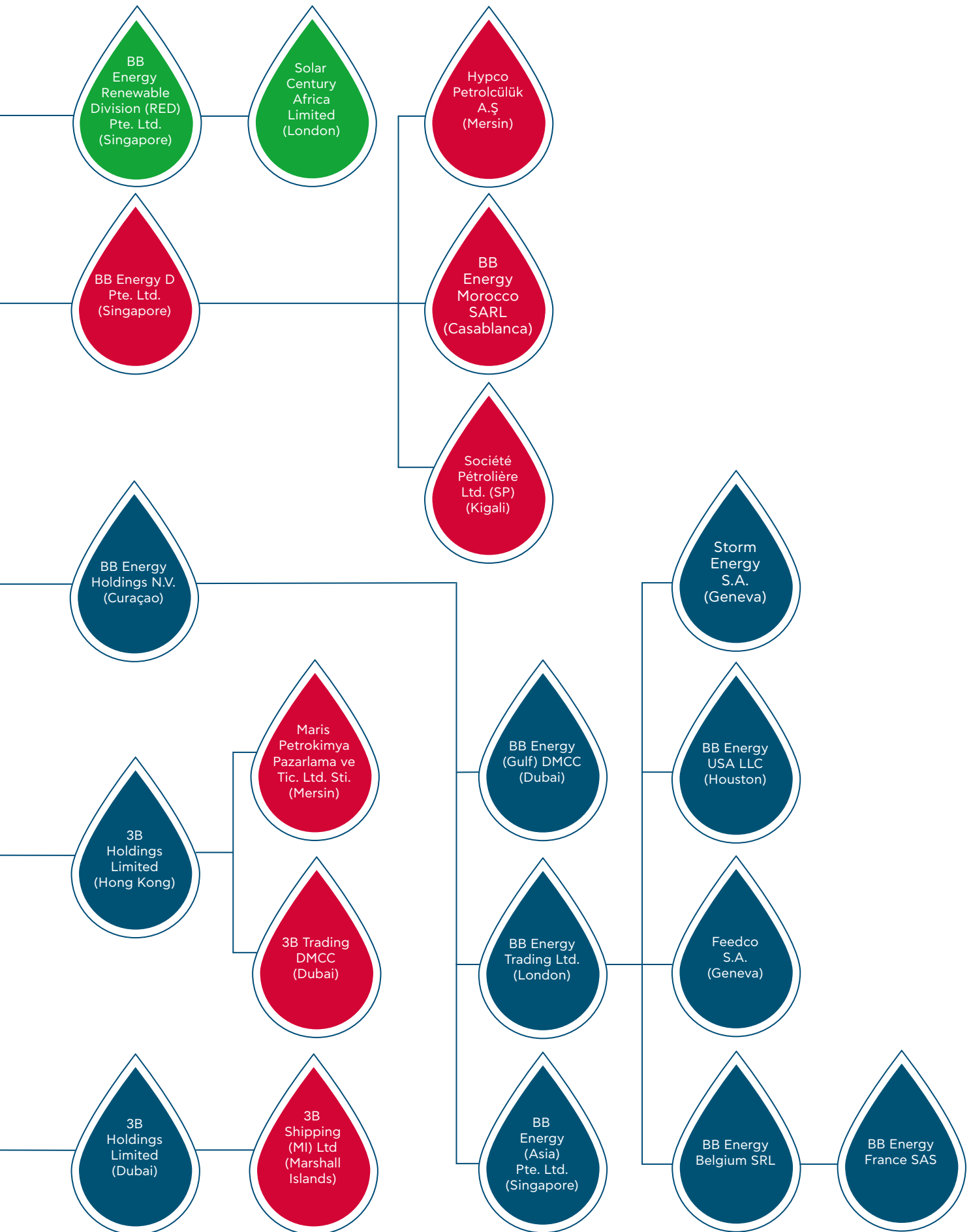
## Simplified Group Structure



**Legend**

- ◆ Trading activities
- ◆ Service companies
- ◆ Downstream (Storage and Distribution)
- ◆ Renewable Energy activities

The Group is effectively owned by the Bassatne Family who invest through their respective investment vehicle. There are no UBO's who own more than 15% of the Group.



# GROUP ACTIVITIES

## BB Energy Group Holding Ltd. (DIFC)

This is the Parent consolidating entity of the Group which owns the following four key subsidiaries:

### BB Energy Holdings N.V., Curaçao

Our holding company involved in Global Oil & Gas Trading activities and owns the below subsidiaries:

- **BB Energy Trading Ltd., London**  
Europe and the Mediterranean region
- **BB Energy (Gulf) DMCC, Dubai**  
Middle East, Arabian Gulf, Red Sea, East and South Africa, Pakistan, Western side of India and the CIS
- **BB Energy (Asia) Pte. Ltd., Singapore**  
All the Indian subcontinent in addition to Asia and the Pacific region
- **BB Energy USA LLC, Houston**  
Domestic trading in the US in addition to Central and South America
- **Feedco S.A., Geneva**  
Established trader of Base Oil with a substantial international client base, especially in Africa
- **Storm Energy S.A., Geneva**  
Oil distribution business active in Zimbabwe and the DRC mainly for Gasoline and Gasoil. Opened new offices in Zambia in Q4 2022
- **BB Energy Belgium SRL and BB Energy France SAS**  
Established domestic oil trading activities in France and Belgium

### 3B Holdings Limited, Dubai (DIFC)

Our holding company is involved in Global Bitumen activities and owns the following subsidiaries:

- **3B Shipping Ltd., Marshall Islands**  
Purchased 3B Destiny vessel in Q4 2022. We also charter vessels to support our trading activities
- **Bitubulk SRL, Italy**  
The group owns 75% of Bitubulk, a newly acquired Bitumen trading company based in Italy

### 3B Holdings Limited, Hong Kong

This holding company owns the following entities:

- **3B Trading DMCC, Dubai**  
The Bitumen trading arm of the group.
- **Maris Petokimya Pazarlama ve Tic. Ltd. Sti., Mersin**  
The Maris Terminal in the port of Mersin, which is the only storage facility dedicated to the import of Bitumen into the Southeastern region of Turkey.

### BB Energy Renewable Division (RED) Pte. Ltd., Singapore

Our new holding company involved in investing and managing Renewable Energy projects and owns:

- **Solarcentury Africa Limited, London**  
In line with the Group's ambition to transition to greener and cleaner energy, the Group acquired Solarcentury Africa in Q1 2021. Solarcentury Africa is one of the leaders in Africa for the development of solar PV and energy storage projects

### BB Energy D Pte. Ltd., Singapore

Our holding company involved in investing and managing downstream Oil & Gas assets and that complement our trading activities. Following a restructuring process, BB Energy D Pte. Ltd. will mainly own all or part of the following subsidiaries:

- **Hypco Petrolcülük A.Ş., Turkey**  
Retail and distribution business in Turkey servicing the country from a fast growing network of over 125 stations
- **Société Pétrolière Ltd., Rwanda**  
Is the leading downstream distribution company in Rwanda (largest Oil Marketing Company) with sourcing subsidiaries in Kenya and Tanzania. SP owns a storage depot and sells refined petroleum products through its retail network and to commercial and industrial customers



- **BB Energy Morocco SARL**  
We opened new offices in Casablanca and reached our target to have 14 operational retail stations under our brand 'Société Pétrolière'
- **Euro Oil (Pvt) Ltd., Pakistan**  
Is an Oil Marketing Company in Pakistan selling Gasoline and Diesel from a network of retail stations in the Punjab region. Euro Oil operates 141 retail stations and one storage depot with a capacity of 7,000 mt

### Our affiliated companies:

- **BB Energy Management S.A., Athens**  
It is the Group's administrative and risk management centre where all the Group's transactions are recorded, monitored, and consolidated. It is also a key operation base for part of our trading activities



Houston Office

# FINANCE

BB Energy places paramount importance on securing reliable access to diverse and flexible funding sources to procure commodities and facilitate their distribution to global customers and counterparties. Since its inception, the company has prioritized cultivating strong relationships with leading international banks specialising in trade finance. This commitment to fostering open and transparent partnerships with banking institutions persisted throughout 2023.

In July, BB Energy successfully refinanced and augmented its Group Revolving Credit Facility (RCF) to US\$ 350 million, experiencing oversubscription by over 100 percent. This refinancing effort includes an accordion feature, enabling an increase in the facility amount up to US\$ 400 million.

In October, the company renewed and expanded its senior secured US Digital Borrowing Base Facility in the Americas to US\$ 600 million. This facility caters to the company's working capital needs for inventory and receivables in the region, with contributions from a globally diverse group of banks. Utilising KomGo's digital platform, this facility underscores BB Energy's commitment to enhanced transparency.

In November, BB Energy finalised its debut Asia Digital Borrowing Base Facility for US\$ 210 million to support its trading business in Asia. Developed in collaboration with KomGo, this facility represents the company's first digital borrowing base facility outside the US, covering import finance and funding for inventory, receivables, and hedging positions under its wholly-owned subsidiary, BB Energy Asia.

Overall, BB Energy now boasts access to 45 banks and a record liquidity of US\$ 5 billion across bilateral trade finance lines, structured facilities, and corporate facilities. This diversification and sophistication of its finance platform provide the company with the flexibility needed to responsibly manage its cash requirements for trading and hedging, particularly in a volatile commodity market.

As a trading entity reliant on debt for its operational financing, BB Energy is subject to close scrutiny by a large and expanding group of banks worldwide. The company's finance team maintains regular engagement with its lenders. The substantial support from BB Energy's expanding pool of banking partners underscores their confidence in the company's enhanced corporate governance structures and control processes, which have been pivotal to its growth.



# OUR BUSINESS

At BB Energy, our purpose is to empower people, businesses and communities by sourcing and delivering energy solutions around the world. To do this effectively our business activities are organised into three broad functions:

**TRADING** – focused on the purchase, transport, storage, blending, sale and delivery of Crude Oil, Refined Petroleum products and Liquid Gases.

**DOWNSTREAM** – focused on the storage, distribution and, both B2B and retail sale of oil products.

**RENEWABLES** – focused on direct and indirect investment into transitional and renewable products and businesses including solar, through Solarcentury Africa, carbon credit trading and power trading from renewable sources.

The Group conducts its business from strategically positioned offices located in:

- Athens
- Brussels
- Casablanca
- Dubai
- Geneva
- Istanbul
- Kigali
- London
- Singapore

## Strategy

BB Energy's growth strategy is multifaceted, drawing upon decades of industry expertise and a deep understanding of market dynamics. Attracting and retaining the best people allows us to prioritise long-term relationships over short-term gains, and our experienced team navigates the complex energy landscape to drive growth and value creation.

Central to our strategy is geographic expansion, where we leverage our extensive global network to thrive in high-potential markets. By establishing a presence in key regions, we not only broaden our reach but also deepen our understanding of local energy needs and market dynamics. This allows us to tailor our offerings to meet the diverse demands of communities worldwide, positioning ourselves as trusted partners in their energy journey.

In parallel, BB Energy pursues product diversification, recognising the evolving nature of energy markets and the increasing demand for cleaner alternatives. By expanding our product portfolio to include renewable energy sources, transitional fuels, and emerging technologies, we position ourselves to capture the opportunities created by the energy transition, driving innovation and sustainability across the value chain.

Strategic acquisitions and investments also play a pivotal role in our growth strategy, enabling us to enhance our capabilities, expand our market presence, and capture

synergies. Through targeted investments in midstream and downstream assets, we strengthen our position as a leading player in the global energy trading landscape while creating value for our stakeholders.

At the heart of our approach lies a belief that access to energy drives responsible growth and social development. By balancing the long-term goals of sustainability with the immediate needs of communities, we strive to create a more equitable and resilient energy future.

## Product and Geographic Diversification

Beyond our traditional portfolio of Crude Oil and Petroleum products, we have diversified into a comprehensive array of energy commodities, including LPG and Biofuels. Through strategic alliances and investments, we have expanded our product offerings and established new markets to meet evolving demands.

In 2023, our Crude activity showed continued geographic expansion, focusing on new grades and regions. New achievements for the BB Energy Crude Team included Crudes from Ghana, Congo, and Guyana, highlighting our ongoing efforts to expand our activities. We also developed trading activities between countries in South-east Asia and increased our focus on Far-East markets



by strengthening our team in Singapore. Additionally, we continued our presence in light and Middle Distillate activities in the Americas.

Our commitment to LPG is underlined by Société Pétrolière's plans to construct a 17,000 m<sup>3</sup> Liquefied Petroleum Gas (LPG) storage facility in Kigali. As part of the project, SP will manage the LPG strategic stock and provide safe storage and infrastructure.

In 2023, BB Energy's London and Singapore offices collaborated to trade our first consignment of Biofuels, a cargo of Used Cooking Oil Methyl Ester, a Biofuel produced from used cooking vegetable oil. Given the projected growth of the Biofuel market, BB Energy's Asia office has now secured its International Sustainability and Carbon Certification (ISCC), joining BB Energy Trading UK and BB Energy Belgium, which were already ISCC approved.

Storm Energy Zambia, BB Energy's subsidiary, has commenced operations in Lusaka. It is bolstering BB Energy's regional business by overseeing the import, storage, and distribution of Gasoil and Gasoline in the Zambian market. Since its launch in June 2023, it has already established a strong local customer base, encompassing wholesalers, retailers, OMCs, transporters, mining enterprises, and other oil-focused businesses.

## Acquisitions

To leverage our established infrastructure and trading network, we actively pursue investment opportunities in midstream and downstream sectors. The growth of the SP brand into Morocco saw BB Energy open 14 new service stations in 2023, with plans for an additional 16 to open as part of our rollout.

Our investment strategy, as outlined in the Group's Investment Policy, involves a thorough strategic assessment and plan, with a particular emphasis on leveraging synergies with our trading books. The primary objective is to unlock infrastructure bottlenecks and open up new markets for BB Energy. In line with our strategy towards the transition to renewable energies, the required hurdle rate (IRR) for renewable investments is lower than that for Oil & Gas investments. This differentiation underscores BB Energy's commitment to its energy transition strategy.

## Renewable Energy Ventures

BB Energy is actively engaged in renewable energy ventures such as solar power development and Electric Vehicle Charging Infrastructure investments. These initiatives exemplify our dedication to fostering a transition to a low-carbon economy.

Solarcentury Africa is central to our renewable energy plans. It now has over 800 MW of renewable projects under development with exclusive agreements and an additional 4 GW of solar projects in its pipeline. The company has also received full membership of the Southern African Power Pool, enabling it to trade power across the Southern African region.

A particular highlight in 2023 was the commissioning of the 11.25 MWp solar and 8.5 MWh battery energy storage system at the Balama Graphite Mine in Mozambique.

In February 2023, BB Energy invested in Gasmeth Energy, Rwanda's first indigenous gas developer. The company focuses on the responsible extraction, processing, and distribution of naturally occurring methane gas from Lake Kivu, one of the African Great Lakes. This gas is set to be distributed to the local market as compressed natural gas, replacing conventional fuels such as gasoline, diesel, and coal across the country's transport, industrial, and power generation sectors.

Our investments in Electric Vehicle Infrastructure also gathered pace in 2023. Our downstream distribution company in Rwanda, Société Pétrolière (SP), partnered with Ampersand, Africa's leading e-mobility solution, to facilitate battery swaps for electric motorcycle drivers at our various retail locations in Kigali. Ampersand's electric motorcycles have already impacted commercial transportation in Rwanda by making the transition from petrol to electric motorbikes seamless. BB Energy's investment will unlock further growth in this sector.

In India, BB Energy Renewables invested in Sun Mobility, an Electric Vehicle Infrastructure and battery swapping platform targeting the electrification of the micromobility sector, which includes 25 million, two and three-wheeled vehicles in the country. As part of the partnership with Sun Mobility, we will explore rolling out this platform in other downstream markets where we have a presence. This will expand the reach of this game-changing technology and demonstrate that the Electric Vehicle revolution need not be limited to markets such as Europe and the Americas, where Electric Vehicles have a more established foothold.

In addition to EV Infrastructure, we have invested in Zouk Capital's European Climate Tech Fund, which closed in 2023. The fund invests in technology-enabled companies that have the potential to positively contribute to addressing climate change and assist in the transition to a "net zero" economy.





Balama Graphite Mine, Mozambique



# TRADING







# TRADING REVIEW

2023 was another volatile year for energy markets, marked by a significant gap between early-year sentiment and the unfolding reality. Initially, expectations were for recessions in both the US and Europe, rising inflation, and uncertainty about China's economic recovery—some of which proved justified.

As the year progressed, the ongoing impact of the war in Ukraine, the tragedy in the Middle East, and disruption of Red Sea shipping routes all affected trade flows and increased the cost of energy transportation and storage.

Despite these headwinds, the energy market in 2023 demonstrated resilience, with oil product demand continuing to grow and prices remaining stable or increasing as OPEC cut production towards the end of the year and into 2024.

Against this backdrop, we aim to support the global energy system by connecting energy producers with the people, communities, and businesses that need energy most. In 2023, we managed volatility through a more selective approach to trading, resulting in lower volumes than in 2020, 2021 and 2022 but still ahead of our pre-pandemic performance.

Our trading business primarily focuses on Crude Oil and its derivatives, as well as transition fuels such as LPG and other specialised products. We:

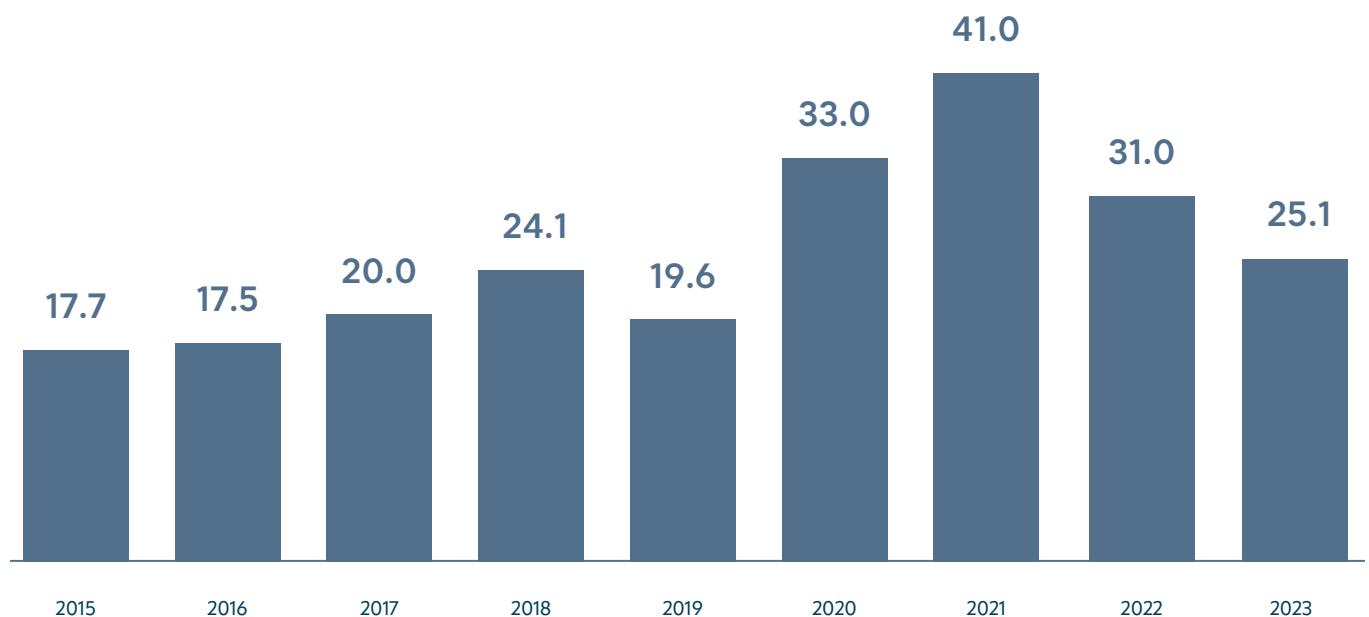
- Buy
- Transport
- Store
- Blend
- Sell
- Deliver to end users around the world.

Our strategically located trading offices in London, Dubai, Singapore, Houston, Geneva, and Brussels serve as a network for national oil organisations, major oil corporations, independent trading companies, and refineries around the world.

East and West Africa, the Americas and Arabian Gulf remain sources of supply, while Europe and the Mediterranean, including North African countries, continues to be a significant area for deliveries. Additionally, China, Southeast Asia, and the West Coast of South America represent increasingly active markets for the Group.

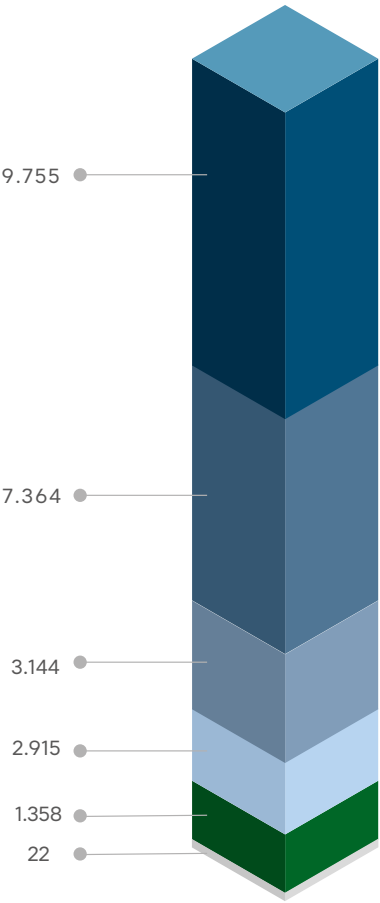
Whether through spot purchases or term contracts, we deliver the right energy products to the right customers reliably and efficiently.

## Total traded volume in million mt



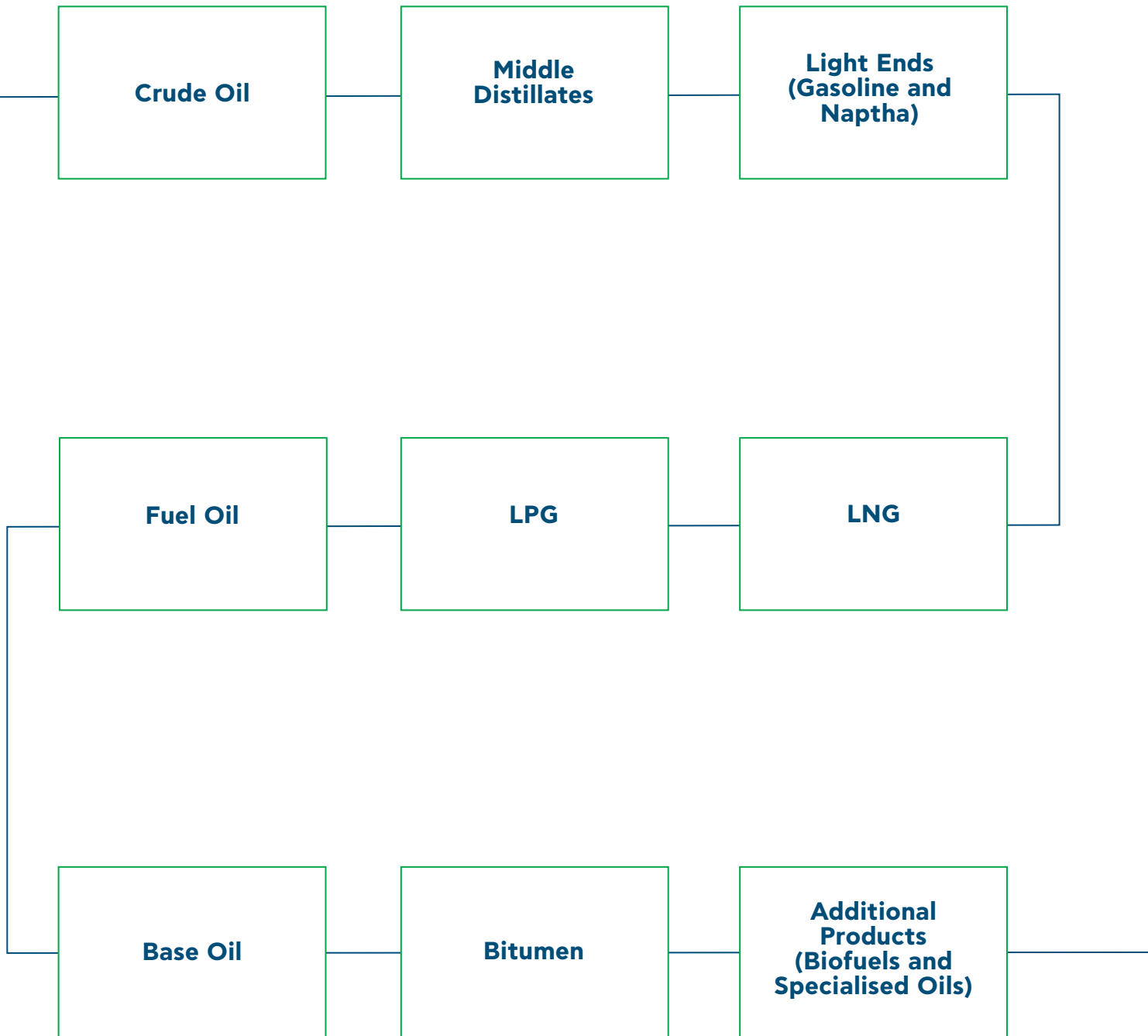
Volumes 2023 ('000s, % to total)

🔹 Middle Distillates	40%
🔹 Crude Oil	30%
🔹 Fuel Oil	13%
🔹 Gasoline	12%
🔹 Other Products	5%
🔹 LNG	< 1%



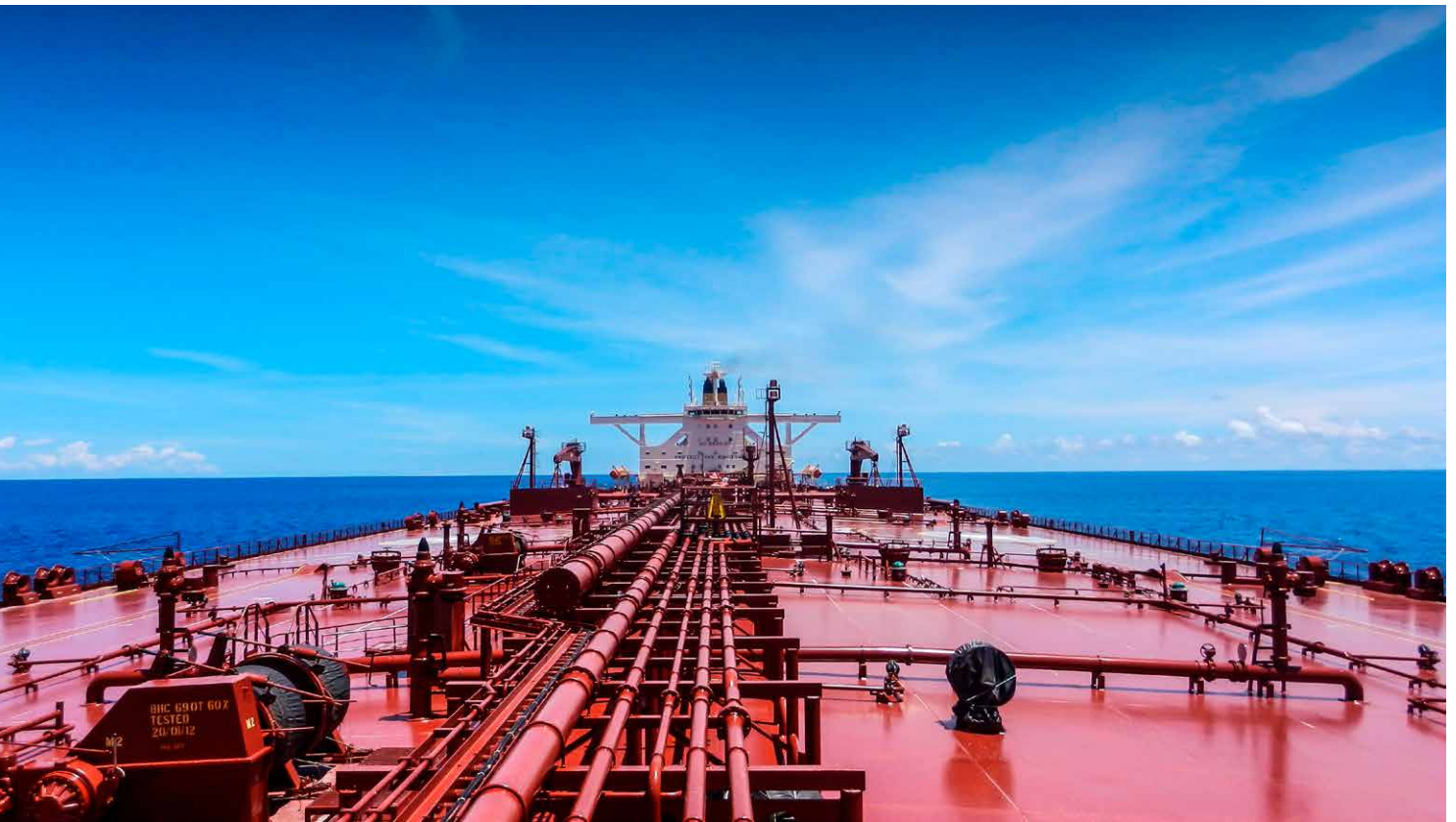
# SUMMARY OF PRODUCTS

We trade all the components of the barrel, as well as specialised oil products and gas, to meet our clients' needs, such as:





# CRUDE OIL



After the extreme volatility of 2022, Crude Oil trade flows continued to be disrupted in 2023, particularly due to the crisis in Israel-Palestine, the ongoing war in Ukraine, and Houthi attacks on Red Sea shipping routes.

Our Crude trading business delivered solid results, surpassing pre-pandemic levels, with Crude Oil representing around 30 per cent of the volumes we traded in 2023. The reduction in volumes compared to the previous year is attributed to increased volatility, which we expect to offset with our geographic expansion.

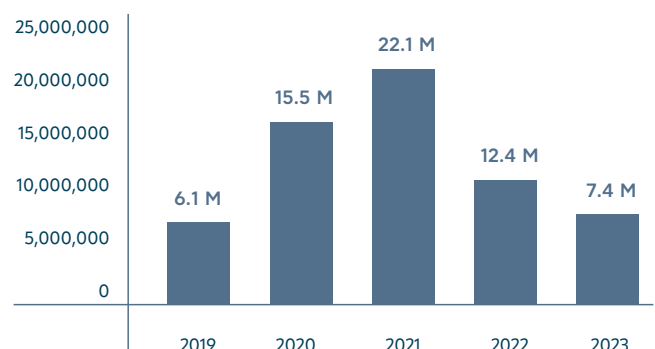
BB Energy trades a wide range of grades, totalling around 7.4 million metric tonnes in 2023, sourced from different geographic regions. Crude Oil is primarily sourced from North, West and East Africa, with significant volumes also coming from Latin America and the US.

In 2023, our Crude activity showed continued geographic expansion, focusing on new grades and regions. Crudes from Ghana, Congo, and Guyana were new achievements for the BB Energy Crude Team, highlighting our ongoing efforts to expand and make breakthroughs in new markets.

A notable highlight was our success in Guyana. In November, BB Energy won two contracts to market most of Guyana's share of Crude production.

The eurozone was a key destination for Crude in 2023. Our Crude Oil desk also made inroads into the US markets, successfully arbitraging US Crude cargoes into Europe. Additionally, trading volumes in Singapore were bolstered by the blending Crude Oil into the very low sulphur pool.

**Traded Crude Oil 2019 to 2023**



# MIDDLE DISTILLATES



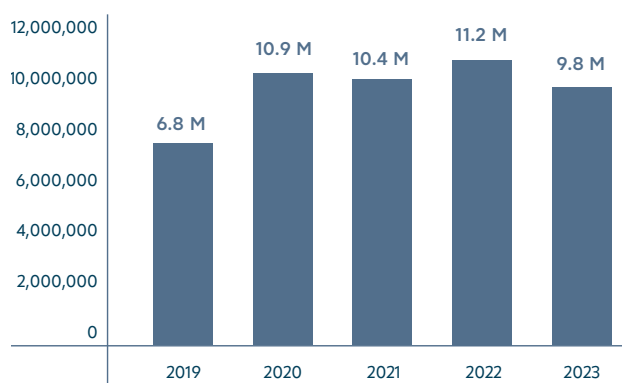
BB Energy is a leading player in the global Middle Distillates market. In 2023, there was a reconfiguration of long-established Middle Distillate trade flows, with Russian petroleum products increasingly diverted to new markets while Europe sought new sources of non-Russian supply.

The Group's Middle Distillates book comprises a wide range of products, with Ultra Low Sulphur Diesel, Gasoil and Jet Fuel representing a large share of the total volumes. The reduction in volumes compared to the previous year is attributed to a more selective approach to our term contracts in light of volatility in premiums.

Our core presence in the Middle Distillates market centres around EMEA, and the Americas, with exciting growth opportunities opening up in Africa. A key focus in 2023 was on establishing new flows to meet European demand.

The Group's arbitrage and logistical capabilities ensure consistent and timely fulfilment of its customers' requirements.

## Traded Middle Distillates in mt 2019 to 2023





# LIGHT ENDS (GASOLINE AND NAPHTHA)



*SP Rwanda, Loading Bay*

As with other Crude Oil derivatives, the Gasoline market was highly competitive in 2023 and saw increased volatility as a result of the conflict in Russia and the Middle East. Our agility and global reach has allowed us to react quickly to opportunities created by this volatility.

BB Energy has access to storage in the Northwest Europe market and we frequently act as swing suppliers in Africa and the Mediterranean. We also capitalise on synergies with our downstream networks.

In 2023, the arbitrage volumes on the transatlantic grew with additional new markets being secured in the Car-

ibbean, which we supported through increased storage capacity in the region.

BB Energy is also active in sourcing and supplying components of Gasoline for blending and is active in the global Naphtha market.

We are actively trading across all regions with activity focused on cross-regional arbitrage to meet growth demand coming from the Far East. We are expanding our trading activity with the creation of the new trading team in Singapore and the group works closely with petrochemical plants and Gasoline blenders in all regions.

# FUEL OIL

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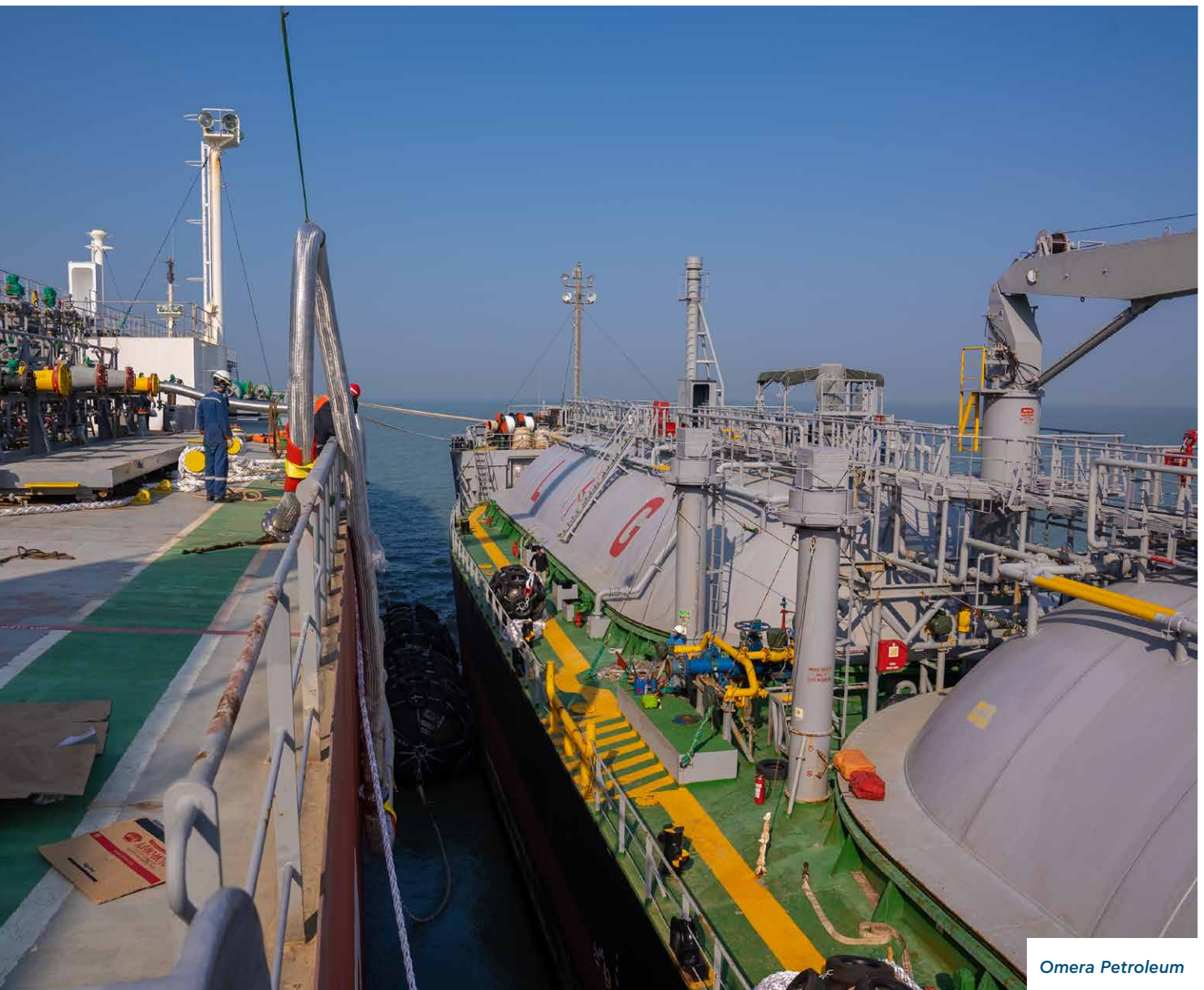


BB Energy has been a leading Fuel Oil trader for over 50 years. After a disrupted year in 2022, the Fuel Oil market was more stable in 2023, with increasing demand in Europe as large commercial and industrial users increased their use of Fuel Oil as a replacement for natural gas. Traded volumes of Fuel Oil rose to 3,144 KT in 2023, up from 2,398 KT in 2022.

Several countries are still heavily dependent on Fuel Oil for their power generation and industrial needs, with significant trading opportunities in Africa, the Americas and Indian subcontinent. The recent expansion of our Brussels office has opened up opportunities in the shipping industry through the ports of Amsterdam, Rotterdam and Antwerp.



# LPG, LNG AND CNG



*Omera Petroleum*

Increasing BB Energy's involvement in LPG is a priority for the company and the volume of LPG traded in 2023 grew. LPG is emerging as crucial transition fuels because, while still fossil fuels, they have significantly lower carbon footprints than the fuels they can displace.

The Group started trading LPG in 2015 and are now one of the leading LPG suppliers to Bangladesh, supplying Omera Petroleum Ltd. ("OPL") and other domestic LPG players. OPL is a fully integrated LPG terminal, bottling, and distribution facility in Bangladesh, which the Group invested in together with a local partner and an international development institution.

BB Energy has now expanded its foothold in LPG with contracts from the US Gulf Coast to the Far East and Mediterranean markets. Overall the Group now has four VLGC vessels in long-term time charter to support the LPG desk to capitalise on any arbitrage opportunities.

The Group opened an LNG trading desk in 2016, but subsequently reduced in the following years due to reassessment of strategy and a more selective approach to trades which means volumes were down in 2023.

# BASE OIL

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Through its 100 per cent owned Geneva-based subsidiary, Feedco S.A., BB Energy is an established player in the Base Oil sector.

Feedco offers its customers Base Oil, Waxes, Petroleum Jellies and Pale Oils.

Feedco has access to all major Base Oil producers, refineries, and distributors worldwide, ensuring it can meet all requirements for any sort of Base Oil. Feedco's traded volumes of Base Oil reached 212,000 metric tonnes in 2023.



# BITUMEN



Maris Terminal, Turkey

BB Energy is a growing player in the Global Bitumen industry through our 3B Group subsidiary. To help meet our Bitumen clients' needs we are continuing to develop our Bitumen subsidiaries: 3B Trading, 3B Shipping, Bitubulk and Maris Petrokimya. We also operate one Bitumen vessel the MT 3B Desitny. Across the 3B Group companies, Bitumen trading volumes reached 615,000 metric tonnes in 2023.

3B Trading, based in UAE, is the Bitumen trading arm of the Group. Bitubulk, specialises in trading and shipping asphalt to customers in Europe, the Mediterranean and Africa. BB Energy acquired 75 per cent of Bitubulk in December 2022. 3B Shipping ships Bitumen across the Mediterranean, MENA, West Africa and Europe on

behalf of 3B Group. Finally, the 3B Group managed Maris Petrokimya proudly operates the first Bitumen import-export terminal in Turkey with a storage capacity of 12,500 metric tonnes.

Today 3B Group has become a major independent player in the trading, transportation, and distribution of Bitumen in the Mediterranean, Arabian Gulf, Europe, Asia, and Africa. Key Bitumen markets in 2023 included Algeria, France, Tunisia and Libya.

Our Bitumen products can be supplied by specialised chartered tankers, ISO containers, steel drums and polymer bags of different weight capacities.

# ADDITIONAL PRODUCTS

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We continually strive to identify opportunities and relationships that complement our core business offerings. This can typically be renewable fuels, condensate and small quantities of specialised oil products.

In 2023, BB Energy's London and Singapore offices traded our first consignment of biofuels, a cargo of Used Cooking Oil Methyl Ester. We continually strive to identify opportunities and relationships that complement our core business offerings.



# DOWNSTREAM REVIEW







# DOWNSTREAM

Our Downstream business, BB Energy Downstream, focuses on the storage, distribution and sales of oil products to B2B and retail customers. We do this in various ways, either through direct ownership, through operational control of subsidiaries in key markets, or through strategic investments in partner companies or by renting storage facilities in key locations. Our downstream business focuses on creating networks of service stations, which are committed to excellent customer service for our retail customers and on providing our commercial and industrial customers with access to cost effective and reliable fuel supply.

The Group owns and operates or has investments in retail and storage businesses across Africa, the Mediterranean and in Asia. Further details are provided over the coming pages.



SP Morocco Station

# RWANDA

**Key statistics:** 63 Service Stations; 63k m<sup>3</sup> storage facility for AGO, PMS and Jet-A1; 17.1k m<sup>3</sup> LPG storage under construction

BB Energy owns a majority stake in Société Pétrolière Ltd ("SP") in Rwanda, the largest fully integrated Oil Marketing Company in the country. SP is a leading downstream distribution company in Rwanda with a market share of around 35 per cent and selling 220,000 m<sup>3</sup> of refined products through its retail network and to leading industrial and commercial customers across the country. It also has sourcing capabilities in Kenya and Tanzania, where it also operates a downstream business. SP opened a service station in Tanzania in August 2023.

SP Rwanda's business includes:

- 63 retail sites in Rwanda, up from 56 in 2022 and from 48 in 2017. Of these sites, 31 are company owned and operated, with the balance dealer owned.
- The largest wholesale business in Rwanda, supplying industrial and commercial customers.
- Owns 50 percent and operates AMLC the only lubricants blending facility in Rwanda.

- Distribution of Rymax lubricants.
- Heavy Fuel Oil supply contracts to all the power plants in the country.
- A state of the art 63 k m<sup>3</sup>, ISO certified storage facility.

SP has now started construction of a 17,100 m<sup>3</sup> Liquefied Petroleum Gas (LPG) storage facility in the capital, Kigali. As part of the project, SP will manage Rwanda's LPG strategic stocks, as well as provide safe storage and distribution infrastructure.

The investment in the facility will support the country's energy security and its energy transition ambitions, ensuring that there is a reliable supply of LPG and thus limiting the pollution caused by cooking and delivering health benefits by reducing the harmful emissions caused by domestic wood fired cooking.

BB Energy's investment in Gasmeth Energy also contributes to Rwanda's energy security and transition ambitions.



SP Rwanda Station



# MOROCCO



SP Morocco

## **Key statistics: 14 Service Stations, 16 Service Stations under development**

BB Energy Group, the parent company of BB Energy Morocco, has been involved in energy trading in Morocco for over 40 years. Now under the Société Pétrolière brand, SP Morocco began operations in January 2023 and opened new offices in Casablanca.

Building on the 14 gas stations already operating, the company plans to open 16 more retail stations, targeting 30 stations by the end of 2024. This enlarged footprint will grant us a permanent license to allow us to import, store, sell to other oil marketing companies, and distrib-

ute products on our retail network. This forms part of a significant investment into distribution infrastructure by the group in Morocco over the next two years.

BB Energy Group intends to make further strategic investments to grow Morocco's green and clean energy sources. The group is currently considering investment in solar power, e-mobility infrastructure and green hydrogen and ammonia, contributing to Morocco's ambition to become one of the world's largest hydrogen producers.



# TURKEY



*Hypco Turkey*

**Key statistics: 125 Retail sites; 12,500 m<sup>3</sup> storage facility**

BB Energy owns Hypco Petrolcülük Turkey, with a retail and distribution business servicing the country with a fast-growing network of over 125 stations, two of which are "Hypco Green" stations. The group also has exciting plans to further extend its storage capacity and retail network, and to develop its LPG offer in Turkey.

Our Group also owns and operates a 12,500 m<sup>3</sup> state of the-art storage facility in the port of Mersin, which

was specifically designed for the inland supply of hot Bitumen to road contractors. This fully integrated facility is equipped with its own dedicated berth as well as shore-lines to the terminal. It also has a self-heating system which utilises Fuel Oil and/or LNG and offers loading directly into trucks. The storage facility is also used to export Bitumen to neighbouring Mediterranean markets.

# BANGLADESH



Omera Petroleum

**Key statistics:** 10,000 MT Terminal Capacity; 5.36 million LPG cylinders; 180 k MT LPG Sales

In 2013, BB Energy entered Bangladesh by investing in Omera Petroleum Ltd. (OPL), now the largest LPG operator in the country with 17 per cent market share. OPL has a state of the art LPG import terminal, combined with a bottling and distribution facility. Partners include local partner MJL Bangladesh Ltd. and FMO, a Dutch development finance institution.

The LPG terminal capacity is being expanded to 10,000 MT. The main storage site is at the Port of Mongla and includes a jetty, receiving terminal, five storage spheres, bottling/filling plant, and distribution centre.

The facility also includes three satellite stations with storage, bottling and filling stations, three LPG barges and distribution capabilities in Chittagong, Bogra and Gorashal, Dhaka.

With sales volume of over 5.36 million 12 kg cylinder bottles, OPL is the largest distributor of retail and bulk LPG in the country.

BB Energy's role is an investor and the company does not have operational control of Omera Petroleum Ltd.



# PAKISTAN



Euro Oil

## Key statistics: 141 Service Stations; 7,000 MT Storage

In October 2020, BB Energy Downstream invested in Euro Oil (Pvt) Ltd, an Oil Marketing Company in Pakistan selling Gasoline and Diesel from a network of retail stations in the Punjab region.

Euro Oil operates 141 retail stations and one storage depot with a capacity of 7,000 MT and has plans to roll out a network of 375 retail stations and c. 50,000 MT combined storage depots in the main demand centres of the country, including Machike, Daulatpur and Taru Jabba. BB Energy is one of the main suppliers of products to Euro Oil.

BB Energy's long term strategy for Pakistan focuses on increasing our commitment to LPG and LNG supply and distribution. Along with our local partners, BB Energy has established a new entity, Euro Gas, and is obtaining the permits to import and distribute both LPG and LNG in Pakistan. Our aim is to become a significant energy supplier, and establish an optimised supply chain to import, store and distribute the oil products through an innovative retail network, and to supply LPG and LNG to off-grid industries and stations. BB Energy's role is an investor and the company does not have operational control of Euro Oil (Pvt) Ltd.



# RENEWABLES









# RENEWABLES

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Our purpose is to empower people, communities and businesses by responsibly trading energy. In the context of the energy transition, our Renewable Energy Division is central to this mission.

At COP28 nations around the world approved a roadmap for transitioning away from fossil fuels. At the same time, the IEA's World Energy Outlook 2023 predicts that global oil demand will peak during the 2020s at around 102 million barrels per day, declining gradually from 2030 to just over 97 million barrels per day by 2050. With the global population and energy demand likely to grow, the path towards preserving a goal of 1.5 degrees Centigrade warming is narrow but achievable if collectively we grasp the opportunities presented by transitional and renewable sources of energy.

BB Energy's Renewable Energy Division was established in 2020 to invest either directly or indirectly in renewable energy opportunities such as solar generation, battery storage, EV charging infrastructure and carbon emission reduction projects.



*Solar PV and Battery Installation for a Graphite Mine. Balama, Mozambique*





### **Key Statistics: 800+ MW of projects under development; 4 GW solar project pipeline**

Since BB Energy acquired Solarcentury Africa in March 2021 it has become a key part of BB Energy's renewable ambition. Solarcentury Africa's integrated business model means it builds, owns and operates solar projects as well as managing the financial and commercial stages such as equity and debt fund raising, power purchase agreements and energy management.

In October 2023, Solarcentury Africa completed its 11.25 MWp solar and 8.5 MWh battery hybrid system at the Balama Graphite Mine in Mozambique. The system will provide 35 per cent of the Mine's total power demand. Furthermore, Solarcentury Africa is due to start construction of the 19 MWp Gerus solar plant in Namibia this year, which will operate on a fully merchant basis. Solarcentury Africa has also received licenses to build a 120 MWp solar plant in Botswana and another 60 MWp solar plant in Namibia, both of which will operate on a merchant basis, and has signed an agreement with Dallagio to build a 7 MWp solar plant at the Eureka Gold mine in Zimbabwe.

Solarcentury Africa now has over 800 MW of renewable projects under development through exclusive agreements with an additional 4 GW of solar projects in the pipeline.

Solarcentury Africa is developing a mix of behind the meter solar plants which will help to directly reduce the carbon emissions of private customers, such as mines, and merchant plants which generate power that can be sold directly to multiple customers or traded on the electricity grid, as explained on page 46.

As well as the development of commercial solar power projects Solarcentury Africa is actively supporting communities. In Mozambique it has installed solar power in three local schools situated in the Balama District. Solarcentury Africa, in collaboration with Syrah Resources,

installed three hybrid 2.4 kW solar and 9.6 kWh battery systems at the Muapé, Pirira, and Chipembe primary schools meaning for the first time 1,400 pupils will have access to electricity while at school.

While historically Solarcentury Africa has focused on solar projects in Africa, the company's objective is to expand its horizons to focus on renewable projects beyond the continent where it can bring its expertise and experience to bear. For example in Gibraltar where in May 2024 Solarcentury Africa achieved financial close on a 14 MWh battery energy storage system next to the North Mole Power Station.

### **2023 Highlights: Transforming Communities**

- Completion of a 12 MW off-grid solar and 8.5 MW/8.5 MWh BESS (Battery Energy Storage System) Project in Balama, Mozambique. It provides electrical power to TWIGG's Balama Graphite Mine, which is owned and operated by Australian Syrah Resources. The off-grid solar power plant will reduce TWIGG's 1.9 million litres of monthly diesel consumption and reduce Syrah's diesel cost by more than 70%.
- The installation of roof-top solar systems for three public schools in and around Balama, as part of Solarcentury Africa's corporate social responsibility (CSR) objective.
- A 20 MWp project in Namibia, near to the Gerus substation, is entering its construction phase. It will be Solarcentury Africa's first merchant project, meaning we will be feeding power into the South African Power Pool (SAPP). This will benefit the wider region and improve energy security and sustainability.

## Power Trading

BB Energy and Solarcentury Africa have plans to become a significant regional power company in Southern Africa. Having received a provisional license in September 2023, our power trading business took a major step forward in April 2024 when Solarcentury Africa was granted one of the first unconditional memberships of the Southern African Power Pool (SAPP) as a Market Participant.

SAPP's competitive energy market provides a platform for its members to trade power on a monthly, weekly, day-ahead and intra-day basis. It also allows participants to trade directly with each other through bilateral agreements.

With the support of BB Energy, Solarcentury Africa intends to build a portfolio of 500MW of merchant solar plants, including the two merchant plants already under development in Namibia and one in Botswana. Once online, they will supply power directly to customers and into the power grid through the SAPP.

This initiative is important to our energy transition plans because in sub-Saharan Africa 600 million people, or 53 per cent of the population live without access to electricity, with many more having access to limited or unreliable supplies. BB Energy is committed to playing its part in addressing this shortfall, in line with our commitments to advance UN SDG 7 – ensuring access to affordable, reliable and modern energy.

## Carbon Credit Desk

Our carbon credit desk finances and manages environmental activities which generate carbon credits while our product trading team creates value by trading the credits created across both the mandatory and voluntary carbon markets through both spot and term contracts.

2023 was defined by falling carbon prices with all segments ending the year lower than they started according to S&P Global Commodity Insights. Short term sentiment remains pessimistic but, over the longer term, the role of carbon markets in facilitating decarbonisation remains.

BB Energy remains committed to its aim to become a global leader in carbon credit trading with worldwide access to high-quality projects across segments including household appliances, nature-based conservation and energy efficiency.



Solarcentury Africa - Balama, Mozambique



### Case Study: Improved Cookstove Initiative Rwanda

Our flagship Improved Cookstove (ICS) initiative was launched in Rwanda in 2022. The aim is to distribute 500,000 efficient woodfire cookstoves to rural communities in the various Provinces of Rwanda.

The improved efficiency will:

- 1) reduce the volume of emissions per household
- 2) alleviate deforestation through decreased demand for wood
- 3) improve the health of the households' members by reducing the fumes emitted
- 4) create local employment in the manufacturing of the new devices.

So far, 141,000 locally produced stoves have been distributed and are used by various communities throughout Rwanda. In addition to our ICS project in Rwanda, we expect to soon announce additional nature-based and energy efficiency initiatives in Southeast Asia and Africa.

### Other transition and lower carbon investments

In 2023, our downstream distribution company in Rwanda, Société Pétrolière (SP) invested in Ampersand, a company that facilitates battery swaps for electric motorcycle drivers at various SP retail locations in Kigali.

In India, BB Energy Renewables invested in Sun Mobility, an Electric Vehicles Infrastructure and battery swapping platform that targets the electrification of the micromobility sector. This market includes 25 million, two and three wheeled vehicles in the country.

These initiatives build our previous investment in Zouk Capital's Electric Vehicle Charging Infrastructure Investment Fund in the UK.



Improved Cookstove Project, Rwanda



# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE







## Our Approach to ESG

Our commitment to Environmental, Social, and Governance (ESG) principles is ingrained in everything we do. As a global energy company, we support the global energy system by responsibly delivering reliable, secure, and increasingly clean energy to the people, communities, and businesses that need it most.

Our ESG framework is our response to the ESG issues we have identified that could have the most material impact on our business and where our business may have the most significant impact on the world.

As a company with a particular focus on high-potential markets, we are also conscious of the critical role we can play in society by driving economic growth and social development by providing access to safe, reliable, and affordable energy to communities around the world and creating long-term value for all our stakeholders. We support communities directly through our approach to Corporate Social Responsibility and through the work of the BB Energy Foundation which we fund.

We balance the tension between the need to improve energy access and the need to promote decarbonisation by supplying a range of energy products, including traditional fuels, transitional energy, and renewable energy.

Responding to the risks and opportunities created by climate change and the energy transition are a key

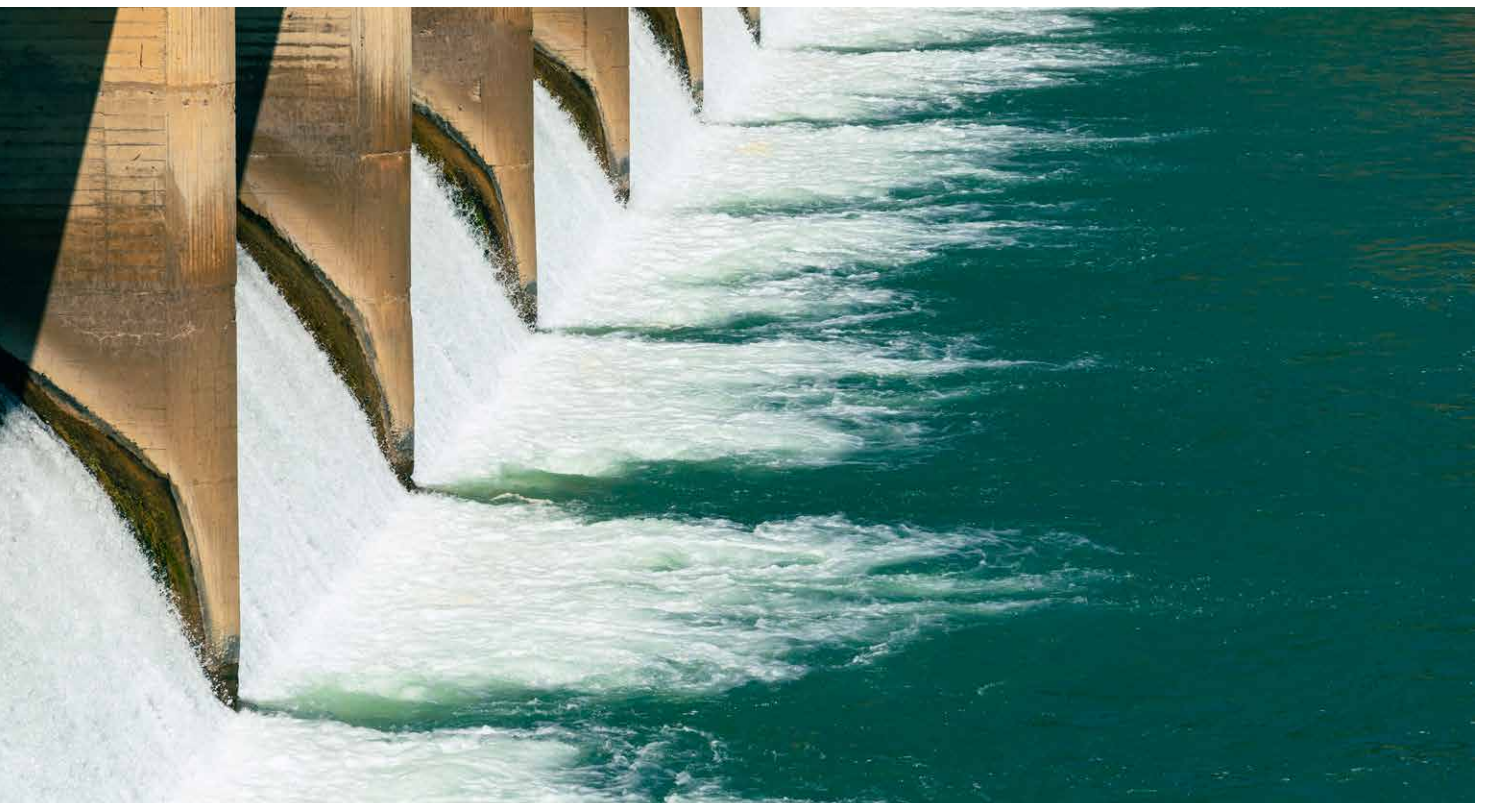
priority. We will use our capabilities to play our part in limiting climate change to +1.5 degrees Celsius. Therefore, our goal is to invest 25 per cent of our capital expenditure in renewable and transitional projects. We have exceeded this target, with over 75 per cent of our capital expenditure invested in transitional and renewable projects over the past three years (2021 to 2023).

Our ESG Governance has been strengthened through the creation of an ESG Board sub-Committee which provides oversight of our ESG initiatives and a direct line of accountability to the Board.

## Our Key Stakeholders and ESG Materiality

Our approach to ESG has not been created in isolation. We have identified and engaged with stakeholders to assess which issues are most material to our business and the areas where our business and supply chain could have the most impact on the environment and society.

We assess which ESG risks are most material to our business by considering a range of factors, including public perception, our internal business perspectives, applicable regulatory and reporting standards such as CSRD and ISSB, and by engaging with our stakeholders, as described below.





Key Stakeholders	Why & How we engage	Material Issues
<b>Customers and Counterparties</b>	<ul style="list-style-type: none"> <li>Engage with a wide spectrum, including energy producers, customers, and distributors, fostering long-term partnerships.</li> <li>Prioritise relationship-building through daily interactions with our commercial teams.</li> <li>Our KYC and contracting processes ensure alignment with our counterparties and suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Reliability, safety and security of supply.</li> <li>Transparency and fairness.</li> <li>Provision of access to traditional, transitional and renewable energies.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Central to our success, employees contribute expertise, dedication, and professionalism.</li> <li>Governance processes, robust review and challenge of business decisions, fostering transparent communication via various channels.</li> <li>Performance Review process, management engagement and employee surveys.</li> </ul>	<ul style="list-style-type: none"> <li>Fair employment and recruitment.</li> <li>Employee benefits.</li> <li>Health and Safety.</li> <li>Wellbeing and work life balance.</li> <li>Diversity and inclusion.</li> <li>Training and development.</li> <li>Whistleblowing.</li> </ul>
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>Collaborate with 45 banks globally for financing and maintain strong relationships with insurers for managing physical risks.</li> <li>Engagements include corporate presentations, bilateral calls, and regular meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Robust governance.</li> <li>Risk management.</li> <li>Strong balance sheet.</li> <li>Transparency and engagement.</li> <li>Sustainable and balanced approach to the energy transition.</li> <li>Business strategy and delivery.</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>Strive for open and constructive relationships across all jurisdictions, maintaining communication through statutory representation and multilateral meetings.</li> <li>Maintain ongoing dialogue across our markets, engaging through bilateral meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulation.</li> <li>Secure, affordable access to energy (or route to market for products).</li> <li>Energy Transition &amp; Climate Change</li> <li>Openness and transparency.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Ensure understanding of ESG frameworks, tailoring engagements based on project type, geography, and local regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Access to energy.</li> <li>Support local prosperity.</li> <li>Environmental protection.</li> <li>Respect for communities.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Engagement through our communications department ensures transparent and timely information dissemination.</li> </ul>	<ul style="list-style-type: none"> <li>Openness and transparency.</li> </ul>
<b>Non-Governmental Organizations (NGOs)</b>	<ul style="list-style-type: none"> <li>Engagement as appropriate, fostering collaboration on key initiatives.</li> <li>Attendance and engagement at events such as COP.</li> </ul>	<ul style="list-style-type: none"> <li>Social and environmental responsibility.</li> <li>Respect for human rights.</li> </ul>

Through our engagement process, several ESG topics have emerged as potentially material to our operations. These topics are categorised into four thematic pillars: Environment, Social, Governance, and Health & Safety, forming the foundation of our sustainability framework. Details of our work under these pillars are provided in the following pages.

# ENVIRONMENT

This pillar covers our approach to combating climate change by reducing our operational emissions and facilitating the adoption of lower carbon and transitional energy products by our customers. It also guides our efforts to reduce our impact on the natural environment through environmental protection policies, which apply both to our direct operations and to third parties that we lease or charter from.

BB Energy's goal is to invest 25 per cent of our capital expenditure into renewables, transitional, and emission reduction projects. In the years 2021 to 2023, we exceeded this target with 75 per cent of capital expenditure invested in renewable and transitional budgets.

We established the BB Energy Renewable Division in April 2020 with the purpose of investing, building, and managing renewables projects alongside emission reduction projects.

One of BBE Renewables' first moves was to invest in the Electric Vehicle sector in the UK, through Zouk Capital's Electric Vehicle Charging Infrastructure Investment Fund (CIIF), where the British Government is a primary investor. Since the launch, the fund made investments in four portfolio companies in the UK. CIIF has updated its expected benefits as saving 4.3 million tonnes of CO<sub>2</sub> and 30,000 tonnes of NO<sub>x</sub> before December 2030. In 2023, we expanded our investment portfolio through SP Rwanda's investment in Ampersand's Electric Vehicle Charging network and our investment in Sun Mobility's network in India.

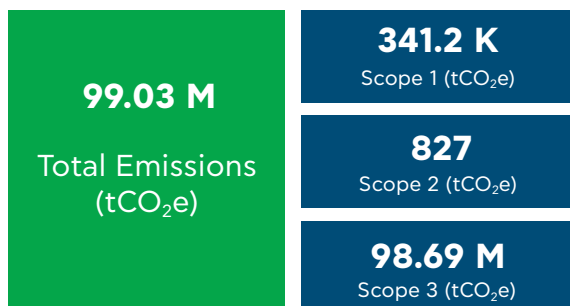
Since the acquisition of Solarcentury Africa in 2021, a key focus area has been developing solar and battery hybrid energy projects across Africa. Solarcentury Africa is now a full member of the Southern African Power Pool, which allows it to trade power from the merchant plants it is developing in the region.

For the first time, in our 2023 reporting, we are publishing our Scope 1, 2, and 3 emissions and will use this as a baseline as we develop our ESG roadmap.

## Climate Change

As a first step to reducing our operational emissions, we have partnered with CarbonChain to record and report our GHG emissions publicly for the first time in 2023. CarbonChain calculated these emissions in accordance with the GHG Protocol.

### BB Energy Greenhouse Gas Emissions 2023



## Environmental Impact

Our three lines of business impact climate change differently. We are enhancing our business's resilience to transitional climate risks by offering a variety of transitional and renewable energy products. We also recognise that the effects of global warming will result in an increase in the frequency and intensity of weather-related incidents such as drought, flooding, cyclones and high-precipitation events. An increase in these types of events, as was demonstrated by the restrictions on the use of the Panama Canal in 2023 and the extreme precipitation event in Dubai in early 2024, has the potential to affect our operations and safety so we are working to assess business resiliency and ensure our operations are prepared.

The table on the next page summarises their impact and our mitigation plans:

Business line	Impact	Mitigation examples
<b>Trading Business</b>	<ul style="list-style-type: none"> <li>As a trader of Crude and Liquid Petroleum products our direct (Scope 1 &amp; 2) carbon emissions are proportionately low relative to the Scope 3 emissions created by upstream production and downstream end users.</li> <li>We have a role in providing visibility over commodity prices, providing liquidity to markets and being in a position to trade lower carbon products.</li> <li>The choice of vessels we charter to trade our products can also have an impact on climate change.</li> </ul>	<ul style="list-style-type: none"> <li>Measure and analyse our carbon emissions footprint to enable its management. (See carbon emissions data p. 52)</li> <li>Focus on new markets and lower carbon fuels. Trading in alternative energy products such as biofuels and biodiesel as demand requires it, whilst supporting the trading in transitional fuels such as LPG and LNG. (see case study p. 54)</li> <li>Measure and analyse the emissions of the ships that we charter and their alignment to the Sea Cargo Charter.</li> </ul>
<b>Downstream Business</b>	<ul style="list-style-type: none"> <li>BB Energy has - directly and indirectly via JV partnerships - storage, retail and distribution networks in Rwanda, Turkey, Pakistan, Bangladesh and most recently Morocco.</li> <li>There is a reliance on oil products for transport. Road transportation (passenger and freight) accounts for ~75 per cent of the transport sector CO<sub>2</sub> emissions, therefore 15 per cent of global CO<sub>2</sub> emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Provide access to cleaner transition energy fuels. (see Transitioning to alternate fuels p. 54)</li> <li>Execute on BB Energy physical investments and expenditure within the retail space that decrease carbon emissions such as improving operations and low carbon customers' offerings. (See Driving Innovation p. 55)</li> </ul>
<b>Renewable Business</b>	<ul style="list-style-type: none"> <li>Global demand for electricity is increasing and meeting this demand with renewables displaces fossil fuel usage and therefore avoids GHG emissions. The IEA estimates supply of renewable energy needs to continue expanding by about 13 per cent annually over 2022-2030 to align with the Net Zero Scenario.</li> <li>BB Energy invests in and manages renewable energy projects through the BB Energy Renewable Division.</li> </ul>	<ul style="list-style-type: none"> <li>Increase supply of renewable power by delivering on Solarcentury Africa's 4 GW solar power project pipeline and through membership of the Southern African Power Pool. (See p. 45 - 46)</li> <li>Continue to create and trade carbon credits through our Carbon Trading desk. (See p. 46)</li> <li>BB Energy Renewables also drives the strategy in this area, through its equity investment in innovative carbon emission reduction projects such as Climate Tech Fund, managed by Zouk Capital, Ampersand in Rwanda and Sun Mobility in India. (See Ampersand, Sun Mobility and Zouk Investments p. 47)</li> <li>Create carbon offset projects. (See the Improved Cookstove Initiative case study p. 47)</li> </ul>



## Transitioning to alternative fuels

There is a growing need for transition and lower carbon fuels: biofuels and LNG or LPG as alternatives to traditional fuels.

In 2023, BB Energy's London and Singapore offices worked together to trade our first consignment of biofuels, a cargo of Used Cooking Oil Methyl Ester, a biofuel that is produced from 100 per cent used cooking vegetable oil. In light of the projected growth of the biofuel market BB Energy's Asia office has now secured its International Sustainability and Carbon Certification (ISCC), a voluntary scheme that is applicable to the bio-economy and circular economy for bio-based products. It joins BB Energy Trading, UK and BB Energy Belgium which were already ISCC approved. LPG is also an important transitional fuel and is helping to diversify the fuel mix and reduce air pollution, serving as a fuel for heavy-duty road transport, domestic energy and shipping. More than 90 per cent of the African population do not have access to clean energy fuel for cooking, and we see LPG as a credible source of energy which can reduce carbon emissions and improve health outcomes. Therefore, BB Energy Downstream is committed to expanding its LPG footprint in key identified markets across Africa and elsewhere to meet the demand during the transition.

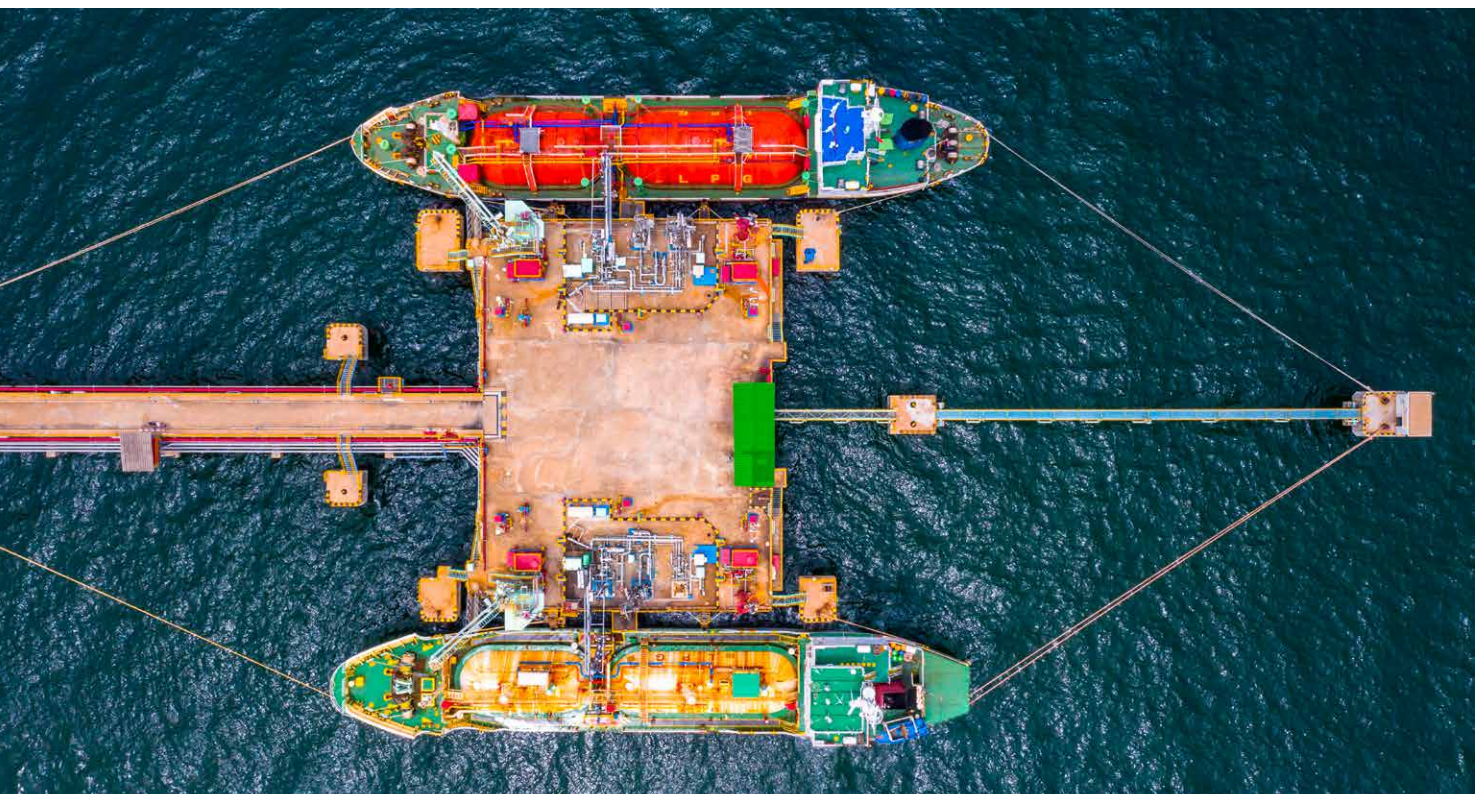
## Case Study: Investment in an LPG Terminal and Distribution Business in Rwanda

The Nationally Determined Contribution for Rwanda includes the following targets by 2030:

1. At least 80 per cent of the rural population to phase out open fires by accessing modern efficient or alternative cleaner fuels and cooking stove technologies.
2. At least 50 per cent of the urban population to use modern efficient cook stoves or cleaner cooking fuels, such as LPG, pellets, briquettes, electricity, or green charcoal.
3. Reduce deforestation by decreasing demand for wood biomass for cooking and heating.

These ambitious targets mean that approximately one million households will need to be provided access to new sources of energy by 2030. However, the existing LPG infrastructure in Rwanda is operating at maximum capacity, primarily due to bottlenecks around the lack of LPG storage and cylinder filling capacity.

To support this transition, BB Energy's Société Pétrolière is designing, constructing, and eventually operating a 17,300 m<sup>3</sup> LPG storage infrastructure. This capacity, if fully utilised with LPG volumes, would serve the full forecasted demand in 2030. The project has received all regulatory approvals, and detailed designs. Environmental Impact Assessments, and licensing processes are complete. Financing from the Rwandan Development Bank has been obtained, and civil works are currently ongoing. The target is to commission the project in 2025.







EV Charging

## Driving Innovation

BB Energy is committed to driving the adoption of more sustainable transport, particularly in the Electric Vehicle sector. In 2021, BB Energy Renewables invested in the UK's Electric Vehicle sector through Zouk Capital's Electric Vehicle Charging Infrastructure Investment Fund (CIIF), where the British Government is a primary investor. Since the launch, the fund has made investments in four portfolio companies in the UK. CIIF has updated its expected benefits, anticipating saving 4.3 million tons of CO<sub>2</sub> and 30,000 tons of NOx by December 2030.

In August 2023, BB Energy Renewables invested in Sun Mobility, an Electric Vehicles Infrastructure, and battery swapping platform, targeting the electrification of the micromobility sector, which includes 25 million two and three-wheel vehicles in the country. As part of the partnership with Sun Mobility, we will explore rolling out this platform in other downstream markets where we have a presence.

Our downstream distribution company in Rwanda, Société Pétrolière (SP), is also leading the way by promoting Electric Vehicle use in Africa. In 2023, SP partnered with Ampersand, Africa's leading e-mobility solution, to facilitate battery swaps for electric motorcycle drivers at various retail locations in Kigali.

## Environmental Protection

As a physical commodity trading business, we are inherently exposed to health, safety, and environmental (HSE) risks presented by the storage, handling, and transportation of physical products. Our storage leasing procedures involve meticulous vetting, assessing various aspects like environmental permits, safety procedures, and emergency response capabilities.

We have implemented appropriate policies and procedures across our operations and continue to refine our approach to operational environmental protection excellence. Our majority-owned storage facilities and physical storage sites adhere to international standards such as ISO 14001.

To bolster sustainability across our supply chain, we've enhanced our KYC process, incorporating sustainability-related inquiries. Additionally, comprehensive insurance policies cover all our products, ensuring industry-standard risk controls, including those related to environmental protection.



## Vessel Leasing and Charters

BB Energy, facilitated by a designated third-party chartering counterparty, charters vessels globally for the transportation of hydrocarbons from terminal to terminal, as well as for ship-to-ship loading and discharge. BB Energy is committed to ensuring that each vessel possesses valid classification society certificates and successfully undergoes the "Ship Inspection Report Programme" (SIRE) in accordance with international standards.

Our vessel chartering procedures cover the following:

- Vessels which are sanctioned (owning company, managers, or pools) are prohibited and are tracked via a separate monitoring system. In order to protect charterers against possible sanctioning of a fixed vessel, a sanctions clause is inserted into the charter party terms and conditions.
- Owners undertake that the vessel is a tanker owned by a member of the International Tanker Owners Pollution Federation Limited (which covers the losses and damages incurred by oil spills and promotes effective oil spill response).
- Vessels are also legally required to comply with the International Management Code for the Safe Operation of Ships and for Pollution Prevention.
- All chartered vessels are vetted in line with our company standards, and chartering is in line with the International Ship and Port Facility Security Code, which enhances the security of ships and port facilities.
- We monitor vessel performance in accordance with the Sea Cargo Charter.
- All commercial shipping agreements are subject to industry-leading Terms and Conditions contracts that adhere to laws and marine regulations, encompassing essential pollution prevention and safety-related requirements.

## Storage Leasing

BB Energy frequently leases third-party-owned storage facilities. Prior to selecting storage, the Group uses internationally recognised independent inspectors to vet the facilities and perform due diligence.

In addition to stringent requirements around tank conditions and cleaning regimes, from an operational HSE perspective, our vetting procedure also confirms the adequacy of the following aspects:

- Environmental permits
- Safety/Personal Protective Equipment policies
- Safety procedures
- Tank bunding (to prevent fuel being released into the environment in case of a leak)
- Firefighting capability and equipment
- Emergency shutdown systems
- Security arrangements

From a supply chain perspective, we further enhanced our Know Your Customer (KYC) process to now include sustainability-related questions from our business counterparts in an attempt to promote attention to sustainability across the industry.

All our products are covered by a comprehensive insurance policy requiring industry standard risk controls (including HSE risks).

## Case Study: Displacing diesel at a Graphite Mine in Mozambique

Solarcentury Africa's solar and battery hybrid project in Balama is now complete and fully operational. Solarcentury Africa undertook the design, detailed engineering and procurement of, and structured and arranged the funding for, a hybrid power system for the Balama graphite mine in Mozambique which is owned by the Australian company Syrah Resources Limited. It was delivered under a 10-year build-own-operate-transfer ("BOOT") arrangement, with a Mozambique incorporated project company in charge of constructing, owning, operating and maintaining the system during the BOOT period before transferring ownership the Mine at the end of this arrangement.

Funding for the project company was arranged and structured by Solarcentury Africa. The hybrid power system is a 11.25 MWp solar PV plant combined with an 8.5 MW/MWh battery energy storage system, integrated with the Mine's existing thermal power generation plant and managed by a hybrid power control system.

The hybrid power system will supply approximately 35 per cent of the Mine's power needs, reducing diesel consumption and therefore carbon emissions. Graphite is one of the materials that goes into EV batteries and being able to reduce the carbon emissions in the supply chain is important for the industry. Solarcentury Africa used a local contractor to build the plant, with local people employed through the build phase and ongoing local employment while the plant is operational.



Battery Energy Storage System Balama, Mozambique



# SOCIAL

Our social pillar guides our approach to social issues, including human rights protection, the support we provide to communities, and how we support our employees.

We support social progress in three ways. First, through the responsible operation of our business, which provides communities with access to energy, employment opportunities, and investment. We are committed to providing meaningful employment opportunities and promoting the social and economic development of the communities we serve. We do this in accordance with robust policies to ensure responsible business practices regarding human rights, employment practices, and fair business practices.

Secondly, beyond the social value we create through our business activities, we contribute to communities through our social investment activities, including Solarcentury Africa's solar power project for three schools in Balama, Mozambique, and the provision of 500,000 free cookstoves through our Improved Cookstoves Initiative in Rwanda.

Finally, the BB Energy Foundation is an independent entity funded by BB Energy, supporting projects that improve health and educational outcomes for women and children in priority areas worldwide.



*Solar Power project at schools in Balama, Mozambique*

## Our Employees

Our people are our most important asset and at the heart of our success. In 2023, we directly employed 339 people, with a further 21 contractors, and a total of over 500 people, including our downstream businesses, with more employed indirectly by the network of dealers who operate our downstream retail sites.

As a global company, diversity and inclusion are vital to our success, and we recruit from every country in which we operate. Of our 339 full-time BB Energy employees, 39 per cent are female, and we have a well-balanced age profile with 25 percent of employees under 35, 48 per cent aged 35 to 50, and 27 per cent over 50.

We work hard to ensure BB Energy is a rewarding place to work, with access to excellent training and career development opportunities. As a result, we have achieved an exceptionally high retention rate for many years, and in 2023, our overall attrition rate was 2.1 percent.

In 2023, we transformed the management of our HR function and the communications channels available to engage with employees through the rollout of a new intranet and a comprehensive HR software platform, bringing all our employee, payroll, time, and benefit information together in one place.

Our growing team is a dynamic mix of seasoned professionals cultivated internally and fresh recruits from diverse backgrounds, including other industries and recent graduates.

We are mindful that the energy transition is reshaping the skill sets and expertise required within our organisation. Therefore, we prioritise access to training and development opportunities. This encompasses mandatory training to ensure all employees are aware of their obligations in the evolving regulatory landscape, for example, regarding Modern Slavery and Anti-Money Laundering and Corruption. Our career development programs provide employees with the opportunity to enhance their skill sets, for example, in ESG, Artificial Intelligence, and IT skills.

## BB Energy Scholarships

In addition to our commitment to supporting communities through various initiatives, BB Energy also champions education and social mobility through the BB Energy Scholarship. Established in 2016, this scholarship program is aimed at providing financial assistance to deserving

undergraduates at the Singapore Management University (SMU) and motivating them to achieve academic excellence.

The BB Energy Scholarship is available to full-time undergraduates enrolled in any degree program at SMU. Eligible students must demonstrate good academic results, and evidence of financial need or hardships in their family. The scholarship, valued at US\$ 15,000, is tenable for one year of study and provides financial support towards tuition and other study-related expenses.

Moreover, recipients of the BB Energy Scholarship may also have the opportunity to undertake internships with BB Energy, further enhancing their learning and development opportunities.

## Modern Slavery, Human Rights, and Anti-Discrimination

As part of our commitment to combat modern slavery, BB Energy has implemented various policies, systems, and controls to safeguard against any form of modern slavery within our business or supply chain.

This includes:

Publishing an internal Anti-Slavery Policy to ensure that employees are aware of our commitments and their responsibilities regarding modern slavery. They are also educated on how to report and escalate any concerns they may have.

Conducting due diligence processes as part of our Know Your Customer (KYC) procedures on potential and existing business operations, partners, and suppliers. This ensures appropriate engagement and checks for any convictions related to modern slavery offences or other human rights violations.

Providing ad-hoc training to relevant employees to raise awareness of the risks associated with modern slavery, human trafficking, and forced labour. This training ensures that employees know how to respond if they suspect any breaches of our policies, including our Anti-Slavery Policy.

Like many business risks, we continuously review our business activities and supply chains to identify work-sites, regions, or vulnerable workforces where modern slavery risks may be present. We implement proactive measures as necessary to address these risks.



BB Energy upholds a zero-tolerance policy towards bullying, harassment, or discrimination. We have robust policies in place to prevent and address these issues promptly if they arise. To foster an environment where employees feel comfortable reporting concerns, we operate a confidential whistleblowing helpline. This ensures that any issues, including those related to modern slavery, human rights violations, or discrimination, can be raised and addressed effectively.

## Supporting Communities

The growth of our family business into a global player is reflected through the expansion of our support for both local and global initiatives. This includes the positive social impacts created through our Improved Cookstove Initiative which is improving health outcomes, reducing deforestation and providing access to clean cooking in Rwanda or the solar project delivered as a community benefit to schools in Mozambique which is detailed in the case study below.

### Case Study: Supporting Schools in Mozambique

Solarcentury Africa in collaboration with the Balama Graphite Mine, delivered three hybrid 2.4 kW solar and 9.6 kWh battery systems across three schools.

The project provides direct benefits to the communities by delivering clean and renewable energy to three primary schools: Muapé, Pirira, and Chipembe, all situated in the Balama District of Mozambique. This initiative has positively impacted a total of around 1,400 students, enabling them to overcome the obstacles posed by the absence of electricity.



*Solar Power Project in Schools Balama, Mozambique*



## BB Energy Foundation

Alongside the support BB Energy provides direct to communities, the BB Energy Foundation is an independent entity funded by BB Energy. It prioritises investment in women and children to catalyse sustainable development. Its mission focuses on their education, health, overall well-being, and environmental progress, particularly in poverty-stricken regions where BB Energy operates.

Working in collaboration with non-profits, we believe in effecting meaningful change by addressing societal challenges. Our values, including sustainability, equality, and inclusivity, guide our actions, ensuring integrity, respect, and transparency in all endeavours. Aligned with the Sustainable Development Goals, our strategic objectives aim to uplift marginalised communities, with a spotlight on Rwanda, Guyana, and South Sudan.



*Improved Cookstove Project, Rwanda*



# GOVERNANCE

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We promote good governance within BB Energy and across our value chain to protect our business and drive sustainability.

The Group is managed by the Board of Directors, comprised of five executive and two non-executive members, along with senior management as highlighted on page 8 of the company profile.

The physical trading activities of the Group are organised into Trading Books covering various products or specific regions. Each Trading book is supervised by a Global Head empowered to enter into physical term contracts or spot deals, subject to specific conditions and limits. All trading activities are overseen and coordinated by the Global Head of Trading or the Global Head of Bitumen and Liquid Gases.

Further detail of the Governance policies regarding other, non-ESG related, aspects of risk are detailed in the Risk Management section.

## ESG Governance

Our Board of Directors has overall responsibility for the strategic direction and management of the Group. Given the importance of ESG to our purpose, the Board has appointed an ESG Committee responsible to the Board and operating under delegated authority. The Committee is chaired by our Head of Corporate Affairs and includes the Chief Financial Officer, who is a Board member.

Working closely with the Compliance Committee, the principal purpose of the ESG Committee is to consider and maintain BB Energy's strategy in relation to ESG matters. The Terms of Reference of the ESG Committee are defined by the Board. Its members are drawn from the company's senior management and appointed by the Board to ensure it has the capabilities to address the full range of ESG issues identified in our ESG Framework.

## Business Ethics and Compliance

Our business operations are governed by the Group's Anti-Bribery and Corruption Policy, aimed at detecting and preventing instances of bribery and corruption. The Compliance Committee is primarily responsible for implementing and monitoring the effectiveness of this

Policy on a day-to-day basis. Management at all levels are accountable for ensuring that their subordinates are familiar with and understand this Policy. Training on the Policy is integrated into the induction process for all new employees, with existing staff undergoing annual training sessions to reinforce their understanding and adherence to the Policy.

Regular audits are conducted on internal control systems and procedures to provide assurance of their effectiveness in countering bribery and corruption. Additionally, we have systems and control mechanisms in place related to our Anti-Bribery and Corruption policy, as well as part of our KYC process and recruitment procedures, to support our stance against dealing with or supporting any business and individuals involved in anti-social or criminal behaviour.

Our Code of Conduct, along with other policies and procedures, outline our expectations for stakeholders across our value chain. We maintain a zero-tolerance stance against bribery, corruption, money laundering, and modern slavery, reinforced by a Whistleblowing hotline enabling stakeholders to report any concerns they may have confidentially.

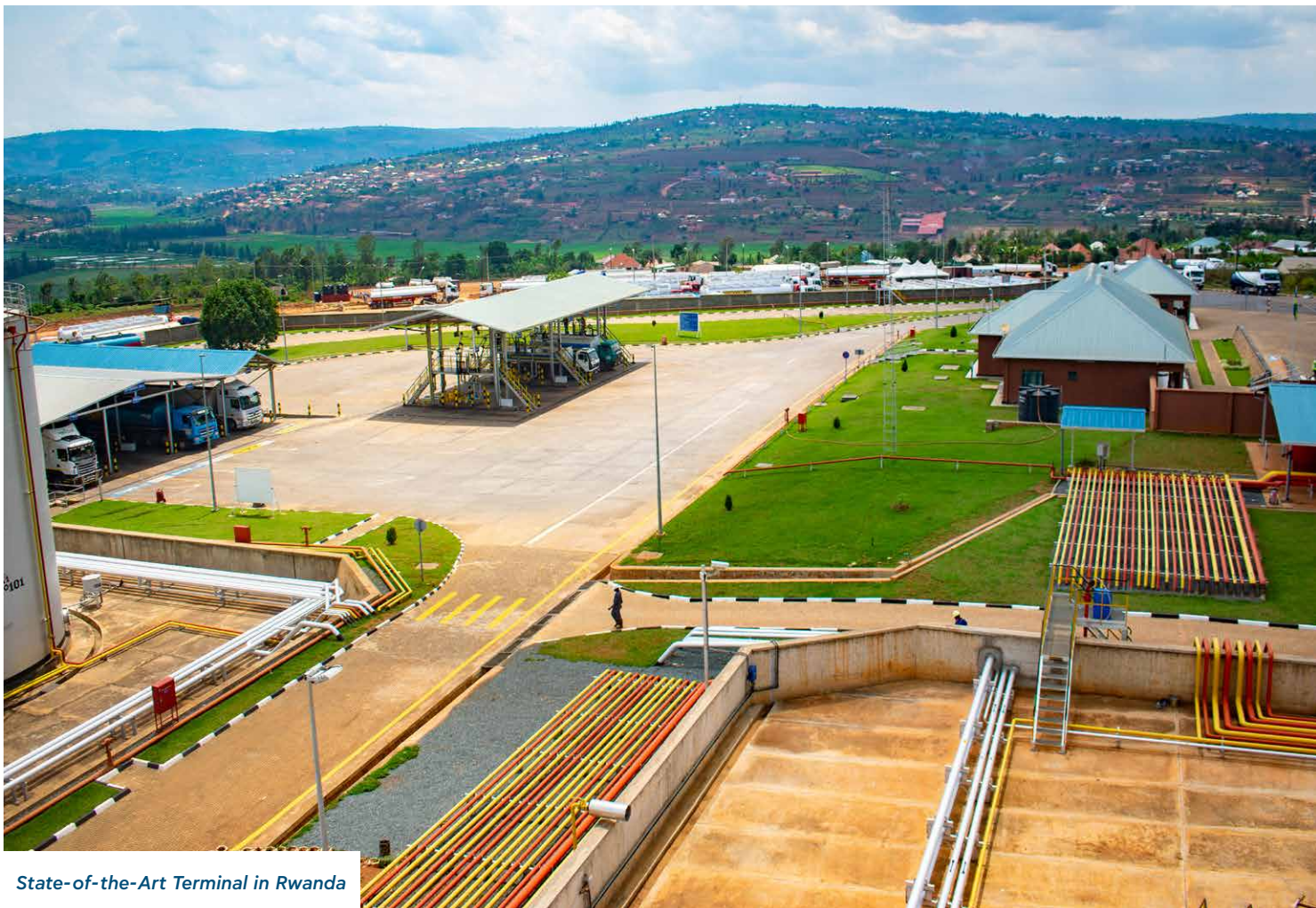
# HEALTH & SAFETY

Our health and safety policy guides conduct at our operational sites and offices.

In transporting hydrocarbon products, we prioritise safety and environmental standards. Our vetting procedures for third-party trucking fleets and chartered vessels encompass rigorous checks, including compliance with international regulations and pollution prevention measures.

Our own storage facilities and physical storage sites:

- Are governed by HSE policies outlining key requirements and procedures to protect our people, contractors, customers, the public, and the environment.
- Our operated storage assets in Turkey and Rwanda were built recently, incorporating state-of-the-art designs, including the highest levels of HSE protection.
- The Environmental, Health, and Safety Management Systems (covering policies, plans, procedures, and records) controlling our majority-owned operated storage assets are certified to international standards such as "ISO 14001" (covering environmental risks) and "OHSAS 18001" or "ISO 45001" (covering safety risks).
- Third parties operating and maintaining our owned facilities are leading operators, thoroughly vetted against our own procedures and standards.



*State-of-the-Art Terminal in Rwanda*



# RISK MANAGEMENT







# RISK MANAGEMENT

Our activities expose us to a variety of risks, the most relevant being market price, credit, governance/organisational, operational, reputation, as well as the ESG risks detailed in the previous section. Mitigating these risks is fundamental to the short, medium, and long-term success of our business. We have developed rigorous risk management and governance systems designed to address our key risks, which are: Market Price Risk, Credit Risk, Governance and Organisational Risk, Operational Risk, and Reputational Risk.

The Board of Directors has ultimate responsibility for risk mitigation, sets the risk management framework, determines the overall risk appetite of the business, and has established policies and procedures to mitigate risk, which are reviewed periodically. Additionally, Board sub-Committees provide additional oversight. These committees include the Investment Committee, Trading Executive Committee, Compliance Committee, Credit Committee, Market Risk Committee, and ESG Committee, with their Terms of Reference, Remit, and Delegated Authorities outlined in our Corporate Governance Manual.

## Market Price Risk Management

BB Energy is primarily engaged in physical oil and gas trading activities on a global scale. In order to complement the physical trading activities, the Group makes substantial use of Derivative instruments for hedging purposes.

In order to provide a framework for the mitigation of any exposure to market price fluctuations and risks associated with physical unmatched/unallocated trading positions, as well as to ensure that the management of the Group is constantly and promptly informed of the performance of the global trading activities, BB Energy has developed and implemented a strict Risk Management Policy.

The Risk Management Policy describes the organisational framework for managing the market risks of BB Energy's business activities. This Policy prescribes the standards by which market risks are measured, reported, and controlled within the Company, and ensures consistency with its strategic direction and risk appetite.

The Risk Management Policy ensures that:

- Financial risks are identified, monitored, managed and as the case may be, mitigated or covered.
- Appropriate and effective risk procedures and controls are in place.
- Processes and communication between the front, middle/ back office teams is consistent and efficient.
- Reporting is timely, useful, and accurate.
- BB Energy captures its physical and financial trading businesses in Symphony, a commodity trading and risk management (CTRM) system. Symphony supports front and middle office, operation, claims, trade finance and back office functions.

## Credit Risk Management

The Group has implemented a Credit Policy for the mitigation of credit risk resulting from physical trading and derivatives transactions.

The Credit Policy is regularly reviewed and approved by the Board of Directors and is designed to ensure that consistent processes are in place to measure and control credit risk. The Board of Directors has appointed a Group Credit Committee and Regional Credit Committees to consider and approve credit limits.

The Credit Policy ensures:

- Credit risk is monitored on an ongoing basis to ensure that all counterparty exposure and limits can be managed and reported in a timely manner.
- The Group uses internal credit limits established by the Credit Department to reduce counterparty and credit risk. Credit limits reflect our conservative appetite for credit risk and are based on credit analysis of the client as well public credit ratings where available.
- Credit limits are based on a sliding scale of probability of default and consider the size of prospective transactions when compared with the Group balance sheet.
- The Group mitigates credit exposure through utilisation of letters of credit as well as credit risk coverage through the insurance and banking markets.

## Governance and Organisational Risk Management

The physical trading activities of the Group are organised into trading desks covering various products or specific regions.

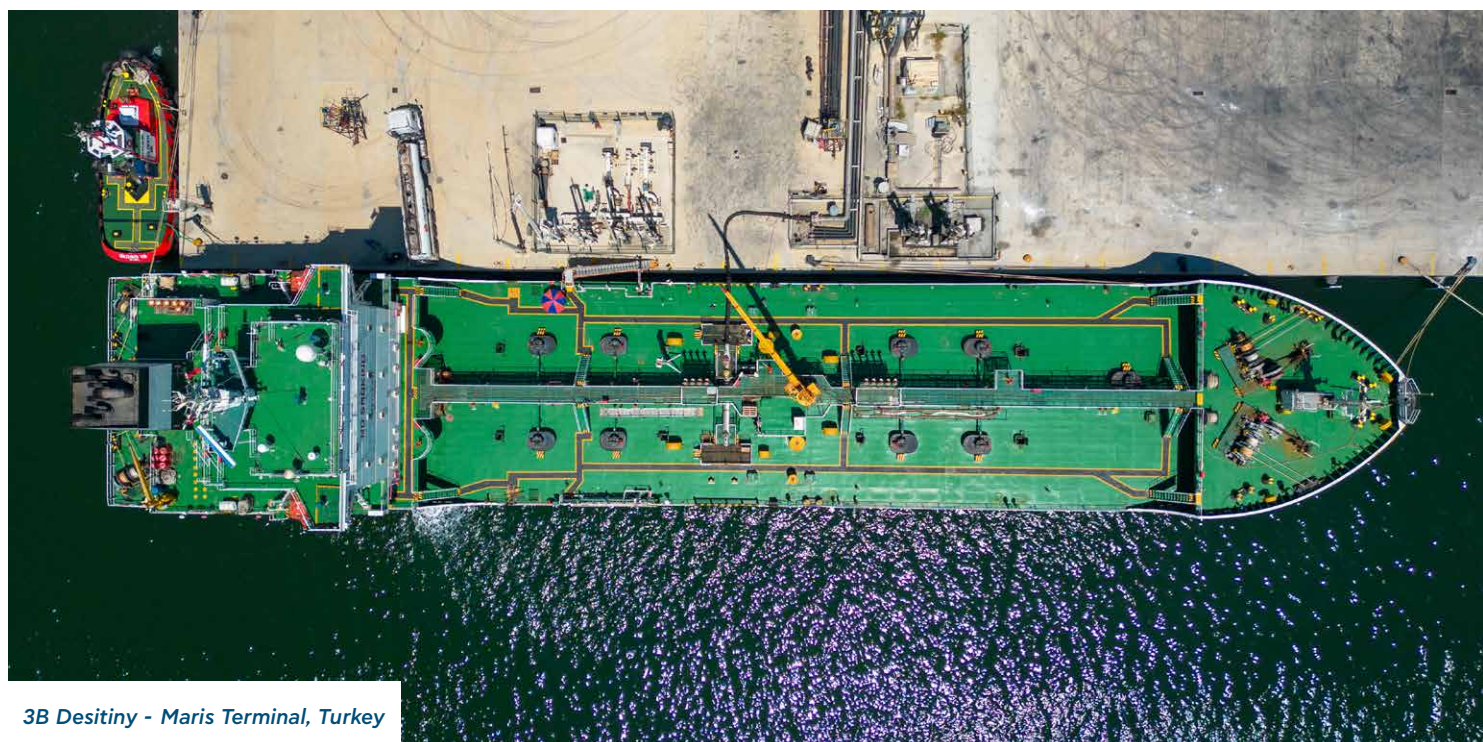
Each trading desk is managed and supervised by a Global Head empowered to enter into physical term contracts or spot deals, or delegate such authority subject to specific conditions and limits.

- Term contracts are subject to both cargo and duration limits.
- Spot deals that are back-to-back physical deals are not subject to any specific volume limitation.
- Unallocated short or long positions in any of the trading desks are subject to specific volume limits per desk and per trader.
- All trading activities are supervised and coordinated by either the Global Head of Trading or the Global Head of Bitumen and Liquid Gases.

## Operational Risk Management

Operational risks that the Group faces are those typical for a physical trading business that deal with the purchase, storage, handling, transportation, and sale of physical products.

- Our chartering division has decades of experience in chartering and managing vessels. Standard loading and unloading procedures are in place and supervised by our staff in Athens.
- Independent 'third-party' inspectors are employed at load and discharge ports to provide confirmation of quality and quantity as per contractual terms.
- All our products are covered by a comprehensive insurance policy to ensure proper risk controls in line with industry standards. These cover: transit, storage, including product loss, contamination, and pollution. Where required, our company takes additional insurance in some countries such as political risk insurance, war insurance and piracy insurance.
- With an average of 30 years of relevant experience, our operations teams systematically apply consolidated system procedures. These cover the entire logistics chain, including invoicing and demurrage activities.
- BB Energy implemented Health, Safety, and Environmental (HSE) guidelines on the storage it operates, following international standards.



3B Desitiny - Maris Terminal, Turkey



## Reputational Risk Management

BB Energy is firmly committed to strict adherence to all applicable trading regulation and compliance with applicable trading requirements including compliance with all laws and regulations pertaining to business operations and as a result has established and implemented trading and compliance procedures.

The aim of our reputation risk management process is to ensure:

- Contracts are only signed with reputable buyers and suppliers; this process requires prior compliance of the Counterparty with internal KYC procedures.
- Every new Counterparty is required to fill in a New Counterparty Form and to provide the required documentation, which mainly includes questionnaires, corporate documents and policies that also include ESG information. The Compliance department uses a Global Screening tool called 'World Check', to identify any PEPs, Sanctions or Adversities. These are continually monitored once the Counterparty has been approved, and the KYC clearing is subject to periodic review depending on the risk classification.

- BB Energy strengthened and reorganised the Compliance department which now has five professionals reporting to a Head of Compliance, and rolled out a new detailed KYC Policies and Procedures manual.
- Full compliance with international sanctions and embargoes is implemented and monitored across the Group.
- Other internal policies implemented include: Anti-bribery and Corruption, Anti-Slavery and Preventing the Facilitation of Tax Evasion.

## Other Risks

- Liquidity risk is actively managed by maintaining conservative cash reserves in the Group at any given time.
- Foreign exchange (FX) exposure is limited to local currency overheads in the various Group offices and is hedged as and when required.









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**BB Energy**

## **COMPANY PROFILE**

[www.bbenergy.com](http://www.bbenergy.com)