

## United Nations Global Compact: Communication on Progress

### Message of Continued Support from Enecore Carbon's Managing Director, Stuart Cerne:

I am pleased to present Enecore Carbon's first United Nations' Global Compact Communication on Progress (COP) and to confirm our continued support of the Global Compact and its principles. With this COP, we express our intent to advance the principles related to human rights, labour, environment and anti-corruption within our sphere of influence. We are committed to making them part of the strategy, culture and day-to-day operations of Enecore Carbon ("Enecore") as well as engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

Over the past year, Enecore has grown substantially, opening a new headquarters in Hong Kong and a representative office in Hanoi. Along with this growth, we have improved our corporate governance and commercial practices, developing a robust set of procedures and policies to ensure we are following best practices in relation to both our internal governance and core business activities. We have become a truly multicultural organization, with employees representing over half a dozen different nations and we continue to expand our service offerings within the carbon and energy management sector. These factors create a corporate culture that inherently understands the responsibility we have in terms of human rights, labour, the environment and anti-corruption towards our customers, employees, shareholders and the local communities in which we work.

Over this past year, Enecore has worked towards embedding the UN Global Compact principles into our company policy and we have benefited greatly from supporting this initiative as it has assisted us in establishing a set of ethical guidelines, policies and procedures to ensure we go above and beyond expectations in all aspects of our business. Following the General Reporting Initiative's Sustainability Reporting Guidelines (v.3.1), Enecore's first COP provides a balanced, clear and reliable report for stakeholders and a solid foundation for the development of baselines, indicators and outcomes upon which we can continue to improve in the future.

I am very proud of the achievements Enecore has made in relation to the UN Global Compact principles over the past year and recognize the unique opportunities we have to support these principles. I look forward to Enecore seizing these opportunities in the years to come.

Sincerely,



**Stuart Cerne**  
Managing Director  
Enecore Carbon Limited

*September 2011*

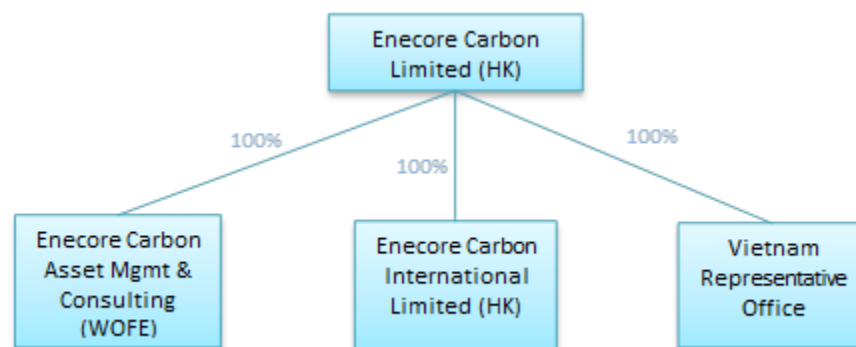
## Enecore’s Communication on Progress (COP)

### Boundary and Sphere of Influence of the COP

Enecore’s first COP is based on the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines (version 3.1).

As illustrated in **Figure 1**, the range of entities encompassed by the COP (the “Enecore Group”) includes all offices and companies of and including the parent, Enecore Carbon Limited. Thus, the Enecore Group currently consists of 3 operating companies and a Representative Office, which are all ultimately owned by Enecore Group Co. Ltd, a British Virgin Islands-registered company.

**Fig. 1 Boundary of Enecore’s COP**



The Global Compact asks companies to ‘embrace, support and enact the 10 principles within their “sphere of influence”, illustrated in **Figure 2**, where influence diminishes as the circles increase in size:

**Fig. 2 Sphere of Influence**



This year, Enecore has focused on supporting the principles in relation to its core business activities, and will expand its efforts to other areas within its sphere of influence over time. The Global Compact defines core business activities as those both in the workplace and the marketplace. In this context, Enecore has applied the main aspects of the GRI performance indicators to those core business activities we carry out in the market – as a provider of energy and emission reduction solutions to a broad range of clients - and those activities we carry out in relation to our internal corporate operations.

### **Structure of this COP**

This report is structured in accordance with The Practical Guide to the United Nations Global Compact – Communication on Progress. As such, each section relates to one category of principles (although the Human Rights and Labour sections have been merged as there is extensive overlap). The relevant principles are briefly stated at the beginning of each section and then the commitment, systems, activities and annual performance in relation to the stated principles are described, in turn. After the narrative portion of the section, the section is completed by a table setting out the relevant GRI core aspects and performance indicators as well as Enecore’s 2011 performance and future goals in relation to each performance indicator.

### **Stakeholders**

Given the nature of our business, we have a broad number of stakeholders, including employees, advisory clients, project owners, carbon credit buyers and government legislative bodies responsible for energy, carbon, climate change and environmental regulation, as well as those impacted by the services we provide for specific projects, including local communities.

### **Overview of Enecore**

Enecore’s objective is to be a leading provider of carbon, energy and emission reduction solutions to a broad range of clients. We are headquartered in Hong Kong, with regional and representative offices in Beijing and Hanoi. Enecore has been active in the carbon market since 2006 with the provision of services relating to the identification, evaluation, development and management of projects eligible under the Clean Development Mechanism (CDM) for the generation of Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs).

The company has an intrinsic commitment to the protection of the environment and mitigation of climate change due to the nature of its business but also upholds sustainable business practices and strong corporate governance through its declaration of Enecore’s core values and competencies, as set out in **Table 1** below.

**Table 1. Enecore’s Core Values and Competencies**

<b>Enecore’s Core Values</b>	<b>Core Competencies</b>
Economically, Socially and Environmentally Sustainable Development	<ul style="list-style-type: none"> <li>• Climate and energy-related projects that respect the physical limits of the natural world and its resources</li> <li>• Leadership in best practices and risk management</li> </ul>
Quality Service	<ul style="list-style-type: none"> <li>• Customer Focus</li> <li>• Technical Excellence</li> <li>• Attention to Detail</li> </ul>
Commercial Focus	<ul style="list-style-type: none"> <li>• Commercial Orientation</li> <li>• Work Planning / Organizational Skills</li> <li>• Problem Solving</li> <li>• Analytical Skills</li> </ul>
Team Collaboration	<ul style="list-style-type: none"> <li>• Teamwork and Collaboration</li> <li>• Communication Skills</li> <li>• Interpersonal Skills</li> </ul>
Respect for Employees	<ul style="list-style-type: none"> <li>• Leadership / Delegation</li> <li>• Supervisory Skills</li> </ul>
Fairness and Integrity / Public Responsibility	<ul style="list-style-type: none"> <li>• Transparent Decision Making</li> <li>• Responsible Projects and Advice</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Innovation / Change Orientation</li> <li>• Initiatives / Motivation</li> </ul>

Enecore ensures that all of its directors, executives and employees are aware of the UN Global Compact principles, and requires all staff to strictly adhere to these principles. Enecore also has a policy of requiring its counterparties to contractually agree that they shall uphold the principles.

**Service Offerings**

Enecore primary business is focused on assisting clients in originating and developing emission reduction projects, and maximizing the value of their carbon assets. As part of this, we also work closely with project owners in order to identify emission reduction opportunities and assists in making them financially feasible through an accurate estimate of the carbon finance available for the projects. We work in close consultation with our clients to cover all aspects of CDM development and find solutions to potential implementation problems. Enecore also coordinates the project cycle from origination to issuance. This process involves managing the relationship between the project owner, buyer, Designated National Authority (DNA), Designated Operational Entity (DOE) and the Executive Board (EB). We assist project owners in finding the right buyer for their projects and in structuring favorable Emission Reduction Purchase Agreements (ERPAs) at competitive prices with the most financially reliable counterparties in the market, i.e. credit rating A/A+.

In addition, Enecore offers advisory and consulting services in supporting organizations with regards to the development and execution of their carbon and energy management strategies across business units, operating companies and supply chains. We also aim to offer services to support clients in identifying, financing and implementing energy efficiency measure.

### **Staff**

Enecore's team comprises carbon market and policy experts, environmental economists, risk managers, and lawyers, working alongside our in-house technical team of CDM experts, project managers and developers. Enecore's experts are professionals with initiative and ambition. They create excellent working relationships with clients, as well as key bodies involved in the CDM process. Enecore's multi-cultural staff is comprised of over 30 employees, who are located in Beijing, Hanoi and Enecore's headquarters in Hong Kong.

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### **Clients**

Enecore helps some of the world's largest organizations in managing compliance to mandatory and voluntary efficiency and emission reduction targets; Enecore's clients include major energy companies, such as China Datang, China Guodian, CNOOC, CEZ, Gas Natural, RWE Power, Gazprom and Shell. Enecore has also provides its services to a number of financial institutions active in the carbon market, including Deutsche Bank, BNP Paribas, JPMorgan and Citi.

## **Human Rights and Labour Principles**

### **Human Rights**

Principle 1: Support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure we are not complicit in human rights abuses.

### **Labour**

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Elimination of all forms of forced and compulsory labour.

Principle 5: Effective abolition of child labour.

Principle 6: Elimination of discrimination in respect of employment and occupation.

### **Commitment:**

The protection of human rights at Enecore is supported and guided by internationally accepted principles, including those in the Universal Declaration of Human Rights. In preventing discrimination, employment related decisions such as recruitment, promotion, transfer, training, dismissal and redundancy as well as terms and conditions of employment are based on consistent selection criteria. Individuals are assessed according to their ability to carry out a given job. Employees who make employment related decisions do not assume that persons of a particular age, sex, marital status, family status, race, colour, descent, national or ethnic origin, nationality or religion, or who are not pregnant or without a disability are only able to do certain kinds of work, and are prohibited from considering these factors in their employment-related decision making.

Enecore upholds the freedom of association and although Enecore's employees are generally professionals and thus not members of labour unions, all employees are entitled to form and join trade unions, and Enecore recognizes their right to collective bargaining. Enecore does not support forced, compulsory or child labour and our policies and processes aim to eliminate discrimination and harassment in employment on the grounds of age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality or religion.

### **Systems:**

Enecore protects human rights in employment, as supported by the Universal Declaration of Human Rights, as reflected in our Human Resource Philosophy and related policies including our Equal Opportunities Policy and Employee Code of Conduct. Employees' freedom of speech and association are respected, balanced by reporting and 'whistleblowing' policies to protect against discrimination and harassment and workplace safety is given top priority to protect human health and security through our Occupational Health and Safety Policy. Our Equal Opportunities Policy aims to eliminate discrimination, harassment and vilification in employment on the grounds of age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality or religion.

Enecore's team of professionals provide legal identification (passports or identity cards) when employed and the youngest member of our time is in their early twenties. Our adult workforce is paid wages well above minimum statutory levels, and therefore children of Enecore employees would not need to be sent to work.

**Activities:**

This year, Enecore developed numerous frameworks to enhance the protection of human rights and fair labour practices, which are applied across the Enecore Group. These include the following:

- Development of human resource philosophy and standardized hiring policies and human resource procedures, encompassing the entire life cycle staff, from recruitment to retirement;
- Development of standardised employment contract templates, job descriptions across business units and levels of authority;
- Development of an Occupational Health and Safety Policy;
- Development of an Employee Code of Conduct;
- Development of an Equal Opportunities Policy; and
- Development of Whistleblowing Policy and reporting procedures to deal with discrimination and harassment.

Enecore aims to provide employment that offers fair and equitable remuneration in relation to responsibility and performance. The salary policy at Enecore is designed to attract, motivate and retain a high-caliber workforce. The policy also ensures that pay and benefits offered are fair, equitable and competitive. On top of this, we have remuneration practices, including incentives and employee share plans for senior staff. Retirement benefits for all employees working in the Hong Kong, Beijing and Hanoi in accordance with the relevant local mandatory provisions (the only exception being expatriates assigned to Beijing, who are not covered by a mandatory scheme, however this is factored into the basic compensation, so that individuals may contribute to their own scheme of choice).. Employees are able to review their employment contracts at any time, and copies of signed contracts are provided to employees upon commencement of employment.

Enecore is committed to achieving a high standard of occupational safety and health, adhering to the principle that the wellbeing of employees should be given the first and foremost consideration at work. Enecore’s Occupational Health and Safety Policy and Code of Conduct ensure that both our employees and contractors are protected by and meet acceptable safety standards and requirements. Senior employees are also provided with a stipend to pay for a portion of their medical insurance premiums.

Regional Office Managers are responsible for keeping information on all relevant labour and employment regulations in the given geography and being aware of updates for any relevant human resource documentation to ensure Enecore remains compliant, as well as providing regular updates to the Group HR Coordinator on changes to regulations. Office Managers also set up and manage appropriate systems to determine, submit and manage all statutory employee benefits (health and social insurance, pension schemes) for all employees in the local offices and communicate with the relevant regulatory bodies.

**Performance:**

Enecore has based its performance for this year on the GRI’s Core Human Rights and Labour Performance indicators, and has set future goals in relation to each as stated in **Table 3** below.

This year Enecore made important strides in strengthening its human rights and labour policies; developing a consistent human resource system across the Enecore Group, covering the entire life cycle of employment from recruitment to retirement (and differentiated where necessary to account for jurisdictional variations of law and regulation). A human resource manual was also created, setting out Enecore’s Human Resource Philosophy, Equal Opportunities Policy and Whistleblowing Policy as well as

an employee Code of Conduct and Occupational Health and Safety Policy. All of these policies and procedures are audited and reviewed on an annual basis and major issues are discussed at monthly board meetings, or sooner if the urgency was to arise.

The Whistleblowing Policy is designed to encourage employees to raise serious concerns internally, without fear of reprisal or victimization. Such matters include breaches of legal or regulatory requirements, criminal offences, breach of civil law and miscarriage of justice, improper conduct or unethical behavior likely to prejudice the standing of Enecore and deliberate concealment of any of the above. The Whistleblowing Policy also sets strict guidelines with regards to reporting any evidence of activities that are not in alignment with the UN Global Compact principles. In the context of discrimination, in proportion to the nature of the complaint, disciplinary action will be taken against employees who:

- have discriminated, harassed or victimized others;
- have instructed, induced, threatened or knowingly helped others to discriminate, harass or victimize others; and
- have made allegations which are false or not made in good faith.

Internally, all of Enecore’s staff members are employed solely based on their skills, performance and ethical conduct; these indicators are also used when considering salaries and promotions. At present, local staff comprises 33% and 50% of our Senior Management team in Beijing and Hanoi, respectively and we are proud to be a provider of quality employment to the local labour force.

In terms of core business activities within the market, all hydropower projects exceeding 20 MW undergo human rights screening for compliance with international criteria and guidelines, including those contained in the World Commission on Dams November 2000 Report “Dams and Development – A New Framework for Decision-Making.” The screening is undertaken in compliance with the application of ARTICLE 11 b (6) of the EU’s Emissions Trading Directive. Other project types are not subject directly to human rights screening, however local and global stakeholder consultation is an integral step in the process towards registration as a CDM project.

**Table 2. Human Rights Aspects and Performance Indicators**

Aspect and Performance Indicator	Enecore’s 2011 Performance	Enecore’s Future Goals
<b>Aspect: Investment and Procurement Practices</b>		
% and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screenings	All Enecore contract templates have an explicit clause requiring our counterparties to guarantee that they are fully aware of and understand the provisions of the Global Compact, and will abide and adhere to the Global Compact and any related laws and regulations in the relevant jurisdiction as well as ensuring that all of its directors, managers, employees, affiliates, agents and professional advisers are fully aware, abide and adhere to the Global Compact.	With the coming into force of the “UK Anti-Bribery Act”, Enecore will need to adjust its contract templates to ensure we maintain global compact provisions whilst also complying to our Clients requirements in terms of UK Anti-Bribery Act
% of significant suppliers, contractors, and other business partners that	Hydropower projects exceeding 20 MW undergo human rights screening for compliance with international criteria and guidelines, including	There are no future plans in relation to this indicator.



have undergone human rights screening, and actions taken	those contained in the World Commission on Dams November 2000 Report. For other types of projects, local and global stakeholder consultation is an integral step in the process towards registration as a CDM project.	
Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the % of employees trained	No training has been provided to employees concerning human rights.	This year, Enecore is developing a Human Resource manual, which sets out an Employee Code of Conduct and an Equal Opportunities Policy. Employees will receive training with regards to this manual over the next 12 months.
<b>Aspect: Non-discrimination</b>		
Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination have occurred.	Enecore aims to continue to have zero incidents of discrimination.
<b>Aspect: Freedom of Association and Collective Bargaining</b>		
Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	None identified.	Enecore aims to implement a due diligence policy, which screens projects to ensure there is no significant risk of violations of the right to exercise the freedom of association or collective bargaining, however this is not expected to take place in the next 12 months as we believe that given the nature of our business the implementation of other measures to be a priority.
<b>Aspect: Child Labor</b>		
Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the	None identified.	Enecore aims to implement a due diligence policy, which screens projects to ensure there is no significant risk of child labour, however this is

effective abolition of child labor		not expected to take place in the next 12 months as we believe that given the nature of our business the implementation of other measures to be a priority..
<b>Aspect: Forced and Compulsory Labor</b>		
Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	None identified.	Encore aims to implement a due diligence policy, which screens projects to ensure there is no significant risk of forced or compulsory labour, however this is not expected to take place in the next 12 months as we believe that given the nature of our business the implementation of other measures to be a priority.
<b>Aspect: Assessment</b>		
% and total number of operations that have been subject to human rights reviews and/or impact assessments	Internally, Encore follows an anti-discrimination policy as set out in its Code of Conduct and Equal Opportunities Policy.	This year, Encore is developing a Human Resource manual, which sets out an Employee Code of Conduct and an Equal Opportunities Policy. Employees will receive training with regards to this manual over the next 12 months.
<b>Aspect: Remediation</b>		
Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	No human rights grievances have been filed.	Encore aims to continue to have zero incidents of human rights grievances.
<b>Aspect: Market Presence</b>		
Range of ratios of standard entry level wage by gender compared to local minimum wage at	As Encore is a small company and thus in our offices there are often only one or no employees at entry level. We indicate below the gender of our ratios: Hong Kong: 4 (female only)	As entry level wages at Encore are well above minimum wage levels, there are no future plans in relation to this

significant locations of operation	Vietnam: 12.5 (female only) Beijing: 6.25 (male only)	indicator.				
<b>Aspect: Labor/Management Relations</b>						
% of employees covered by collective bargaining agreements	None.	There are no future plans in relation to this indicator.				
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Although there is no set minimum notice period, management acts with transparency and as the company is small, directors communicate with employees so that they are made aware of operational changes shortly after decisions being made.	There are no future plans in relation to this indicator.				
<b>Aspect: Occupational Health and Safety</b>						
Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Office Days of Sick Leave					As there have been zero injuries, diseases or work-related fatalities (the table is purely based on numbers of sick days, none being due to occupational health and safety issues), there are no future plans in relation to this indicator.
		Males	Females	Total No. of Males	Total No. of Females	
	Hong Kong	2.5	14.75	4	5	
	Beijing	5	4	8	8	
	Hanoi	3	2	4	2	
Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	As this is a fairly low risk to Enecore employees (they are located in major cities within Asia), we follow Government advice in relation to epidemics such as SARS and would implement training programs for such issues as the need arises.	There are no future plans in relation to this indicator.				
<b>Aspect: Diversity and Equal Opportunity</b>						
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Board of Directors: Gender: 1 male, 1 female Age Group: 30-35=1; 35-40=1  Senior Management Team: Gender: 3 male, 3 female Age Group: 25-30=2; 30-35=1; 35-40=2; 40-45=1 Minority Group: 1 Asian; 5 Caucasian	There are no future plans in relation to this indicator.				
<b>Aspect: Equal Remuneration for Women and Men</b>						
Ratio of basic salary and remuneration of women to men by employee	As Enecore is a small company with limited employees, there are few comparisons that can be made across gender lines and employment	There are no future plans in relation to this indicator.				

category, by significant locations of operation	levels across offices. We provide one comparison below, from our headquarters: <b>Hong Kong</b> Principal (ratio women to men): 1.2	
<b>Aspect: Public Policy</b>		
Public policy positions and participation in public policy development and lobbying	Enecore is a member of the Business Environment Council ( <a href="http://www.bec.org.hk">http://www.bec.org.hk</a> ) the Climate Change Business Forum ( <a href="http://www.climatechangebusinessforum.com">http://www.climatechangebusinessforum.com</a> ), the British Chamber of Commerce in Hong Kong ( <a href="http://www.britcham.com/">http://www.britcham.com/</a> ), the European Union Chamber of Commerce in China ( <a href="http://www.euccc.com.cn/">http://www.euccc.com.cn/</a> ), the Project Developer Forum ( <a href="http://www.pd-forum.net/">http://www.pd-forum.net/</a> ) and the China Wind Energy Association ( <a href="http://www.cwea.org.cn/">http://www.cwea.org.cn/</a> ). These business forums engage in discourse on environment and climate change related public policy and interact with and lobby authorities.	There are no future plans in relation to this indicator.
<b>Aspect: Customer Health and Safety</b>		
Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and % of significant products and services categories subject to such procedures	As Enecore is a small, advisory services based company, this indicator is not a priority and thus the company does not conduct these types of assessments.	There are no future plans in relation to this indicator.

**Environmental Principles**

*Principle 7: Support a precautionary approach to environmental challenges.*

*Principle 8: Undertake initiatives to promote greater environmental responsibilities.*

*Principle 9: Encourage the development and diffusion of environmentally friendly technologies.*

**Commitment:**

Enecore is committed to minimizing our environmental impact, taking a precautionary approach and improving our environmental performance wherever possible. We also encourage our clients, suppliers and other stakeholders to follow the same principles.

**Systems:**

Enecore’s Environmental Policy states we act in a precautionary manner and encourage and support broader support to minimizing environmental impacts. One of our core business activities is as an advisor for CDM project development and as such, we not only encourage, but actively engage in the development of activities that aim to reduce emissions. Our regional offices also undertake local initiatives including recycling, minimizing use of resources and energy saving activities.

**Activities:**

This year, Enecore developed an Environmental Policy, which sets out a number of aims and actions related to the GRI environmental aspects that shall be implemented over the next 12 months. At the office level, the Hong Kong and Beijing offices recycle all plastics, metals and paper waste that are able to be recycled in their jurisdictions and print double-sided. Beijing also changes its pen cores rather than throwing out the pen casing when worn out, cutting down on plastic waste. Headquarters implements energy saving measures such as turning off computer screens whenever employees are not using them and the Beijing office also joins them by turning off all computers, printers, air conditioning and lights at the end of each work day. The Beijing office also relocated this year and installed LED lights as part of the fit-out of the new office.

Enecore is a member of the Business Environment Council (<http://www.bec.org.hk>) the Climate Change Business Forum (<http://www.climatechangebusinessforum.com>), the British Chamber of Commerce in Hong Kong (<http://www.britcham.com/>), the European Union Chamber of Commerce in China (<http://www.euccc.com.cn/>) and the China Wind Energy Association (<http://www.cwea.org.cn/>). These business forums engage in discourse on environment and climate change related public policy and interact with and lobby authorities.

**Performance:**

Enecore has based its performance for this year on the GRI’s Core Environmental Performance indicators, and has set future goals in relation to each as stated in **Table 3** below.

In addition to the development of an Environmental Policy, Enecore implemented a number of environmental initiatives within our various offices this year in relation to our internal operations; these include energy reduction strategies at our headquarters, which include turning off all equipment and lighting when not in use and both Beijing and Hong Kong offices recycle, where possible. Employees are encouraged to use public transport when commuting, and travelling to meetings. Enecore also uses

telephone and video conferencing for as many meetings as possible, while ensuring that necessary flights are direct so as to reduce unavoidable emissions.

Enecore does not invest directly in CDM projects; it receives fees in exchange for services to achieve registration and issuance of carbon reduction credits under the CDM. In this way, our advisory service offerings include assisting clients in relation to large scale CDM projects. We recognize that despite their lower-carbon benefits, these projects may still have a large impact on the environment. However, these projects must meet strict requirements in order to become eligible under the CDM mechanism. These requirements, as set out in the CDM Rulebook at 3/CMP.1, Annex, paragraph 37 include that the project developer must confirmation they have undertaken the following: stakeholder participation and consultation, consideration of environmental impacts, and additionality of emission reductions as well as baseline and monitoring methodologies. Enecore believes these requirements for validation ensure there is a robust process for the protection of the environment and the local communities that are impacted by these projects. Where these requirements overlap with the GRI performance indicators used in this COP, the former are referenced as “CDM Rules”.

**Table 3. Environmental Aspects and Performance Indicators**

Aspect and Performance Indicator	Enecore’s 2011 Performance	Enecore’s Future Goals
<b>Aspect: Materials</b>		
Materials used by weight or volume	As Enecore is a small, service-based company, its primary material used is paper for office needs. Enecore does not currently measure materials used.	Enecore will implement a policy to measure office paper use for all offices and minimize the use of paper in the office, including setting double-sided printing as a default in all offices and seeking to purchase recycled and recyclable paper products, where possible.
% of materials used that are recycled	Enecore does not measure the % of materials used that are recycled. Enecore’s HQ has a recycling policy within its Office Management Procedures Manual and recycles all plastics, metals and paper waste that is able to be recycled in Hong Kong. Beijing changes its pen cores rather than throwing out the pen casing when worn out. Both offices print double sided.	The Beijing office is currently working with a recycling collection company called Daily Cleaning and negotiating an agreement whereby Enecore trades its renewable resources for recycled stationary. Enecore will review what materials are able to be recycled in Hanoi and implement a recycling policy for those offices next year.
Direct energy consumption by primary energy source	Enecore does not measure its direct energy consumption but its headquarters implements energy saving measures such as turning off computer screens whenever employees are not	The efficiency measures shall be turned into an energy saving policy and rolled out across all offices in the coming year.

	<p>using them and the Beijing office also joins them by turning off all computers, printers, air conditioning and lights at the end of each work day. As the Hong Kong office is leased from a serviced office provider, they do not measure energy use on a per office basis. We are working with them to see if we can get an estimate of our direct energy use.</p> <p>The Beijing office also relocated this year and installed LED lights in the new fit out.</p>	
Indirect energy consumption by primary energy source	As Enecore is a small, service-based company consumption is minimal and this indicator is not considered a current priority, therefore Enecore does not measure indirect energy consumption.	No goals are currently set in relation to this indicator for the future.
<b>Aspect: Water</b>		
Total water withdrawal by source	The only water consumed by Enecore is for the personal consumption and hand washing of its employees. Most water consumed comes from bottled sources and thus wastewater is minimized. Enecore's environmental policy also encourages the conservation of water.	No goals are currently set in relation to this indicator for the future.
<b>Aspect: Biodiversity</b>		
Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	<p>All Enecore offices are within the CBD of Hong Kong, Beijing and Hanoi and therefore the company has no land near protected areas or areas of high biodiversity value outside protected areas.</p> <p>As we are currently a small, office-based operation we would only lease portions of buildings for the foreseeable future and therefore not engage in building</p>	Enecore will not expand into land near protected areas or areas of high biodiversity value outside of protected areas.

	new facilities or evening owning entire buildings.	
Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	All CDM projects that we provide services for are required to consider environmental impacts as part of the validation process under CDM Rules before they can become eligible. Some previous projects that are within protected areas have designed their projects to take into account biodiversity. For example, wind project turbines have been relocated so as not to be in migratory pathways of birds.	No goals are currently set in relation to this indicator for the future.
<b>Aspect: Emissions, Effluents, and Waste</b>		
Total direct and indirect GHG emissions by weight	As Enecore is a small, service-based company and does not currently measure its direct or indirect GHG emissions but recognizes that GHG emissions are our one of our largest environmental impacts.	Enecore will explore the potential for measuring and reporting our carbon footprint over the next year, reducing our impact where possible.
Other relevant indirect GHG emissions by weight	As Enecore is a small, service-based company it has minimal GHG emissions and does not currently measure these emissions but recognizes that GHG emissions are our one of our largest environmental impacts.	As above, Enecore will explore the potential for measuring and reporting our carbon footprint over the next year, reducing our impact where possible.
Emissions of ozone-depleting substances by weight	As Enecore is a service-based company, its emission of ozone-depleting substances is minimal and this area is not seen as a priority.	No goals are currently set in relation to this indicator for the future.
NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight	As Enecore is a service-based company, its emission of NO <sub>x</sub> , Sox or other significant air emissions is minimal and this area is not seen as a priority.	No goals are currently set in relation to this indicator for the future.
Total water discharge by quality and destination	As Enecore is a service-based company, its water discharge is minimal and this area is not seen as a priority.	No goals are currently set in relation to this indicator for the future.
Total weight of waste by type and disposal method	As Enecore is a service-based company, its waste is minimal,	Enecore aims to implement a waste measurement system and



	<p>comprised entirely of office waste.</p> <p>Enecore’s headquarters in Hong Kong recycles all paper, metallic and plastic waste.</p> <p>The Beijing office changes its pen cores rather than throwing out the pen casing when worn out.</p>	<p>to implement recycling in all offices by next year.</p> <p>The Beijing office is currently working with a recycling collection company called Daily Cleaning and negotiating an agreement whereby Enecore trades its renewable resources for recycled stationary.</p>
Total number and volume of significant spills	Enecore has not been involved in any spills.	No goals are currently set in relation to this indicator for the future.
<b>Aspect: Products and Services</b>		
Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	<p>The very nature of Enecore’s project offerings are to mitigate the impacts of climate change through acting as a consultant for CDM projects and to assist in the protection of the environment through the provision of related advisory services. In relation to the impacts of CDM projects, Enecore relies on the requirements for project eligibility set out in the CDM Rules.</p>	As Enecore continues to grow, it will provide greater services offerings that aim to reduce emissions and improve energy efficiency.
% of products sold and their packaging materials that are reclaimed by category	Enecore offers services and thus does not sell any products that are packaged.	No goals are currently set in relation to this indicator for the future.
<b>Aspect: Compliance</b>		
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<p>Enecore has never been fined or sanctioned for non-compliance with environmental laws or regulations. Enecore’s Procedural Manual and commercial contracts state that it will remain in compliance with all relevant environmental laws and regulations.</p>	<p>Enecore will continue to stay abreast of environmental laws and regulations. We aim to develop systems and procedures to accurately measure and manage our most significant environmental impacts over the next 12 months, setting realistic targets for environmental performance and ensuring that these are communicated and monitored throughout the business. Environmental performance against our company policy will be reported on an annual basis to the Board</p>

		of Directors.
<b>Aspect: Transport</b>		
Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Enecore is a small, service-based organization, whose largest transportation impact is airplane business travel of employees. The majority of employees use public transportation to commute to Enecore offices and this practice is encouraged by Enecore.	Enecore will aim to record all business related travel emissions over the next year.
<b>Aspect: Overall</b>		
Total environmental protection expenditures and investments by type.	The Beijing office spent RMB 4,820 more than the cost of regular lighting for the installation of LED lighting in their new office fit out. Though not explicitly measured, by conserving energy through efficiency measures in its HQ, Enecore believes it has saved money through its environmental protection activities.	Enecore aims to undertake an energy audit and develop an energy management system (measuring expenditures and investments) within the next 3 years.

### Anti-Corruption Principles

Principle 10: Work against corruption in all its forms, including extortion and bribery.

#### Commitment:

Enecore and its Board of Management have zero tolerance for corruption, including bribery, and embezzlement as well as any other trading influence, abuse of functions, illicit enrichment, obstruction of justice, laundering or concealment of ill-gotten gains and are committed to ensure all staff and associates understand that Enecore does not tolerate corruption in any form.

#### Systems:

Enecore's Anti-Bribery policy states that the company has zero tolerance for bribery of any form. The Company has recently initiated an annual Anti-Bribery Risk Management Assessment and implements treatments and control mechanisms across all business lines. The Company's Code of Conduct, included in the Procedures Manual which will be rolled out this year, also states employees must act with professionalism, high ethical standards, integrity and honesty, and this is reiterated in all contract agreements between Enecore and outside parties. Enecore also has a Whistleblowing Policy and related procedures to ensure the highest standards of openness, probity and accountability and ensure employees understand they are expected to conduct themselves with integrity, impartiality and honesty so any inappropriate behaviour or organizational malpractice that compromise the interest of the shareholders, investors, customers and the wider public does not occur. Enecore explicitly prohibits insider trading and expects all employees and counterparties to disclose actual or potential conflicts.

#### Activities:

In the past year, Enecore developed its policies on Code of Conduct, Anti-Bribery and Whistleblower systems, included within the Procedures Manual. The Company undertook its first annual Anti-Bribery Risk Management Assessment and developed treatments and control mechanism that shall be implemented via procedures across all business lines in the coming year. We have also ensured that all contract templates have an explicit clause requiring our counterparties to guarantee that they are fully aware of and understand the provisions of the Global Compact, and will abide and adhere to the Global Compact and any related laws and regulations in the relevant jurisdiction as well as ensuring that all of its directors, managers, employees, affiliates, agents and professional advisers are fully aware, abide and adhere to the Global Compact.

#### Performance

Enecore has based its performance for this year on the GRI's Core Anti-Corruption Performance indicators, and has set future goals in relation to each as stated in **Table 4** below.

Enecore believes this year's development of a robust set of anti-corruption related policies and procedures, including Anti-Bribery, Code of Conduct and Whistleblowing, will enhance the protections from improper practices already enforced through its Insider Trading and Conflict of Interest policies. The Anti-Bribery Policy also notes the future development of a Compliance Committee that will review, inter alia, anti-bribery systems and make recommendations to the Board of Directors. Commitment of top management is also integrated into the system as it is stated the Board of Directors has ultimate responsibility for the anti-bribery system, and shall take necessary actions in relation to the system and Compliance Committee recommendations. The Company has also introduced a Corporate Gift Policy which sets restrictions on the types of gifts that can be offered or received by employees in the course of their business activities.

**Table 4. Anti-Corruption Aspects and Performance Indicators**

Aspect and Performance Indicator	Enecore's 2011 Performance	Enecore's Future Goals
<b>Aspect: Corruption</b>		
% and total number of business units analyzed for risks related to corruption	Enecore developed an Anti-Bribery Policy, Anti-Bribery Risk Management Assessment and related procedures to implement controls in August 2011. The Anti-Bribery Risk Management Assessment analyzed all business units for risks related to bribery, which is broadly defined.	Enecore will conduct annual reviews of its policy, procedures and controls related to bribery. These reviews will be undertaken by the Compliance Committee and recommendations will be made to the Board of Directors in relation to any amendments. Ultimate responsibility will lie with the Board of Directors who will review the Anti-Bribery system on an annual basis and take any necessary actions. Over time it intends to implement further controls in relation to other forms of corruption.
% of employees trained in organization's anti-corruption policies and procedures.	Enecore developed an Anti-Bribery Policy, Anti-Bribery Risk Management Assessment and related procedures to implement controls in August 2011. The procedures require annual training in bribery and other corruption.	Enecore plans on rolling out its training program on corruption in the next 12 months, in addition to the roll-out of the Procedures Manual which contains all relevant policies.
Actions taken in response to incidents of corruption.	No incidents of corruption have been identified at this time.	Enecore shall take actions if there are incidents of corruption in future.

## Enecore Contacts

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