

CONTOURGLOBAL®



This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact.**

We welcome feedback on its contents.

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# SUMMARY

We respectfully submit ContourGlobal's first Communication on Progress (COP). Even before we became participants in the United Nations Global Compact (UNGC) in October 2010, we recognized the need for developing and implementing the UNGC principles, including adopting a Global Sustainability Policy. The Committee's main objective was to develop a policy for the Company that properly reflected ContourGlobal's commitment to improving the social, economic and environmental well-being of the communities where we operate and to foster partnerships with the local communities to build a sustainable future.

As ContourGlobal works very closely with OPIC, IFC and many development banks, it has been important for us to have a policy aligned with the IFC Performance Standards on Social & Environmental Sustainability as well as the UNGC. As part of these commitments, ContourGlobal has adopted a comprehensive set of social and environmental principles as guidelines to ensure that our projects are developed in a socially responsible manner and reflect sound environmental management practices.

These guiding principles reflect ContourGlobal's commitment to and participation in the UNGC and provide a solid basis for increasing the sustainability of our business operations by managing social and environmental risks, improving performance, and enhancing positive development outcomes.

This Communication on Progress highlights our 2010 activities, as well as current and planned activities, that demonstrate our adherence to the UNGC principles and our sustainability strategy.

# INTRODUCTION

ContourGlobal is committed to being a socially responsible company.

By this we mean several things. First, the health and safety of our people, and the people in the communities where we operate, is the highest priority of our organization. Additionally, we believe our workforce is our most valuable asset and a constructive relationship between employees and senior management is a key component to the success of our enterprise. Thus, we promote fair hiring, employee rights, training, development and retention, and a positive corporate culture.

We also believe in fostering positive relationships with our stakeholders and local communities through promoting social responsibility activities that demonstrate our commitment to these communities. Our stakeholder engagement is both formal and informal, and our activities range from education and training to economic empowerment and environmental programs.

We are committed to upholding the ten principles outlined in the UNGC. Our *Social Responsibility and Environmental Sustainability Policy* (Appendix A), approved by our Board of Directors on September 30th, 2010, as well as our Code of Conduct and Business Ethics and other internal policies, set out the specific ways we operate our business in accordance with these principles. Joseph Brandt, President and Chief Executive Officer, has also publicly committed his personal support to upholding the principles as a signatory of the UNGC. Click this link to read his message – [UNGC Message from CEO](#).

The Communication on Progress (COP) identifies our activities in upholding the Ten Principles of the UNGC. You will find additional information in our 2010 Sustainability Report, *The Power of Many*, published in the Sustainability section of our website — [ContourGlobal Website Sustainability Section](#).



Togo, Africa, 2011



# FROM THE CEO



## WELCOME TO OUR INAUGURAL 2010 SUSTAINABILITY REPORT.

Our rapid growth over the past five years has occurred hand-in-hand with a commitment to sustainable development. From the very beginning of the Company we recognized that we were a development company with a development ethos. We realized the responsibility that comes with developing basic infrastructure in some of the world's poorest countries and have always been aware of the impact, both positive and negative, that is made by very large investments in challenging places. We have built ContourGlobal on the commitment to doing things right. We want our customers, our suppliers, our lenders and the countries in which we invest to say that we are a "good" company in every sense of that word and that they are glad to do business with us—that we are professional, that we integrate into and become part of the local community and that we care.

Our approach to sustainability and our business strategy is focused upon four key principles that are critical for an energy development and operating company with a primary emphasis on the emerging world—our environmental footprint, our tailored energy solutions, our people and our stakeholder engagement.

As an energy development company that uses multiple fuels including fossil fuels, we recognize that at some level the nature of what we do will have an adverse impact upon the environment.

We strive to minimize these impacts through careful planning and compliance with global environmental norms that codify best

environmental practice. We also work hard to help our clients achieve their sustainability objectives by using our technology and know-how to substantially reduce the carbon footprint of their products by employing innovative technology such as high-efficiency power generation and the capture of carbon dioxide emissions. Even when we develop and operate facilities with carbon intensive fuels, we do so with an eye towards reducing the environmental impact by designing our operations so that they emit less carbon than if we were not the owners. Our combined heat and power plant in Kramatorsk, Ukraine is a good example of this. Even though we are burning coal in the station's boilers, our capital investment in the project ensured that we are burning it far more efficiently than previously—and because we have upgraded other parts of the plant we are producing more energy per unit of fuel burned than before.

We are committed to reducing the negative impact of our operations upon people—ours and those around us. The electric power generation business is inherently dangerous. We invest significant resources to produce our product safely and are dedicated to maintaining a safe workplace. We do so while striving to bring good employment opportunities to people in countries where stable employment is frequently scarce and the overall level of skills is low. This means we invest significantly in training to bring the skill level of our employees to that consistent with best practices globally. In Togo, for example, where we have installed one of the most modern tri-fuel power plants anywhere in the world, 89% of our workforce is Togolese.

When large investments come into poor countries with weakly institutionalized legal systems, the risk of corruption is high. We are fully committed to acting in accordance with the highest anti-corruption standards and have worked with outside experts and organizations to ensure that our policies, our training and—most importantly—our

practices in the field distinguish us as best in class. From the Company's beginning we have been willing to lose business rather than engage in corrupt practices and we believe that by doing so we help improve the countries where we operate.

We are extremely mindful that we become part of the local communities where we operate. As important as it is, we do not just want to improve the local community by providing reliable and affordable energy and a good source of employment, we also want to become an integral part of the local community, learn its needs and help provide resources to improve the daily lives of people. These community development and investment initiatives are led by the community—we are just the facilitators—and begin with our asking locally about the community's greatest needs and working with local stakeholders to provide capital and know-how to make immediate and direct impacts. This is why we are the very proud sponsor of two schools in Togo, an ice rink in Kramatorsk and a library in São Domingos—among other initiatives.

In addition to this report, 2010 is also our first year as a signatory to the UNGC. Our accession to the Global Compact demonstrates our commitment to a shared set of global norms of good citizenship and provides us with the challenge and opportunity of consistently reporting our progress and failures against our commitment.

Going forward, we will report according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and the feedback we receive from you and ContourGlobal people. We actively solicit and welcome your feedback to improve our performance and this report.

Please send to:  
[SustainabilityFeedback@ContourGlobal.com](mailto:SustainabilityFeedback@ContourGlobal.com)

A handwritten signature in black ink that reads "Joseph C. Brundt".

# OUR COMMITMENT TO THE TEN PRINCIPLES

## 1. BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

From the Company's inception in 2005, we grew from three employees to over 1,000 employees in 2010, including 150 employees in eight offices and 750 people in our operating companies. Fair hiring starts with the recruiting and hiring process where we make hiring decisions based on suitability for the role, not on the basis of personal characteristics.

Through constructive and respectful employment relationships, and by treating our employees fairly and providing them with safe and healthy working conditions, we create tangible benefits, such as enhancement of the efficiency and productivity of our operations.

At all of our sites and offices we promote fair treatment of all our people and insist upon non-discrimination and equal opportunity. We also comply with local labor and employment laws. Our *Global Human Resources Policy Statement* (Appendix B) ensures that in each legal jurisdiction the following Human Resources practices are followed:

- Where appropriate skills exist at a local level, ContourGlobal will work with recruitment providers to source workers locally.
- All terms and conditions of employment will be documented and will at a minimum comply with the law of the country where the power plant or business is located. These terms and conditions of employment will be communicated to employees on joining the organization as part of the induction process.
- Remuneration will be benchmarked against local market and industry sector norms and reviewed regularly to ensure workers are compensated on a competitive and equitable basis.
- ContourGlobal will respect any rights that workers may have under national law to form and join workers' organizations of their choice and to bargain collectively.
- An appropriate grievance procedure will be put into place to ensure workers have a means to express their grievances and protect their employment rights. Workers will be informed of this procedure on joining the organization as part of the induction process.
- We will assign appropriate resources to manage Human Resources issues on a local level while also providing support where necessary from ContourGlobal's Global Human Resources Team.

## 2. BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

We are committed to providing our workers with a safe and healthy work environment, taking into account inherent risks associated with an industrial workplace, and take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards.

In a manner consistent with good international industry practice, we address areas such as: (i) the identification of potential hazards to workers, particularly those that may be life-threatening; (ii) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) training of workers; (iv) documentation and reporting of occupational accidents, diseases, and incidents; (iv) emergency prevention, preparedness and response arrangements.

Our Health and Safety Policy Statement (Appendix B) and our Health and Safety Standards are adopted globally and every ContourGlobal business reports on health and safety. In 2010 we configured and implemented a third-party web-based tool (Intalex) to support improved tracking and reporting of all Health and Safety, Environmental and Social Responsibility incidents. Detailed Health and Safety Statistics are found in our Sustainability Report referenced above.

### 3. BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

We uphold the right to collective bargaining. A significant number of our employees work under a collective bargaining agreements as well as material employment, consulting and termination and severance contracts. We follow local laws in all countries where we do business and encourage positive dialogue among all employees.

### 4. THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR

ContourGlobal's Human Resources policies provide employees with information regarding rights under local labor and employment law, including rights related to wages and benefits. These policies are explained or made accessible to each employee upon hiring and we provide a grievance mechanism for workers to raise workplace concerns during employment. We will not employ forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements.

### 5. THE EFFECTIVE ABOLITION OF CHILD LABOR

We will not employ children below the age of 18 years or permit children to work on our sites through contractors. We do support educational work and vocation for children between 16 and 18 and in countries where it is legally required. In such cases, we provide office based training opportunities for such youth. In these limited cases, we comply with all laws regarding working hours, health and safety, and the work is carried out as required by the relevant authority. We also inquire about and address any child labor and forced labor issues to the third parties with whom we do business.

### 6. THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

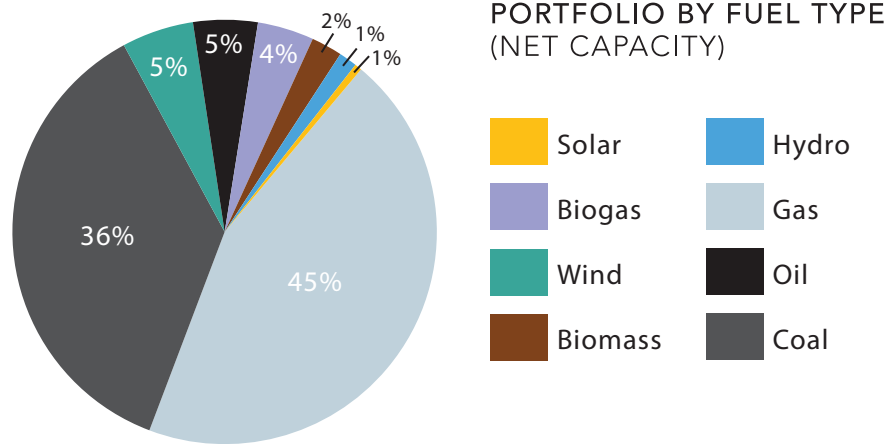
Our workforce is our most valuable asset, and a sound worker-management relationship is a key ingredient to the sustainability of our enterprise. Through a constructive worker-management relationship and treating the workers fairly and providing them with safe and healthy working conditions, we create tangible benefits, such as enhancement of the efficiency and productivity of our operations. ContourGlobal will establish, maintain and improve the worker-management relationship and promote the fair treatment, non-discrimination and equal opportunity of our workers. ContourGlobal does not discriminate on the basis of race, color, religion, gender, sexual orientation, national origin, ancestry, age, medical condition, disability, worker's compensation status, veteran status, citizenship status, or any other legally protected status. This policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, and conditions of employment.

### 7. BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

All energy businesses face difficult environmental challenges because although they provide a fundamental service, they do so in a way that impacts the environment. At ContourGlobal we believe we have a well-balanced environmental footprint with a sustainable focus. A well-balanced environmental footprint means, in part, operating our power plants efficiently and lowering the carbon emissions of our facilities and those of our clients. By sustainable focus we mean developing and operating our businesses with the aim of meeting human needs, often in poor and underserved markets, while preserving the environment so that these needs can be met not only now, but also for generations to come.

While renewables form a growing component of our portfolio, we are flexible with respect to fuel types and technologies and believe that the ContourGlobal portfolio of businesses makes an important contribution to environmental sustainability by improving energy, waste and water efficiencies and reducing carbon emissions. We set environmental targets for businesses and monitor our compliance against these targets, always with the intent of limiting our impact on the environment.

## EXHIBIT A: NET INSTALLED CAPACITY BY PRIMARY FUEL



The key driver to ensure environmental protection is our Social Responsibility and Environmental Sustainability Policy which outlines our precautionary approach to environmental challenges. The policy sets in place systems to prevent, rather than cure, environmental impacts by ensuring we have a system in place to reduce our environmental footprint during the development of projects. The policy broadly follows the social and environmental requirements of the IFC which provide best practice environmental guidelines for many of our activities.

In addition, we actively undertake stakeholder engagement programs during the development of projects, and carry this consultation through to the operational phases of our projects. We have held town hall meetings, workshop discussions and distributed printed media to our stakeholders to keep them informed. These activities, undertaken in a transparent manner, ensures that ContourGlobal provides effective communication and information about uncertainties and potential risks of our projects.

Increased industrial activity and urbanization often generate increased levels of pollution to air, water, and land that may threaten people and the environment at the local, regional, and global level. In the markets where we are active, it is ContourGlobal's policy to maintain or substantially improve the environmental profile (including CO<sub>2</sub> emissions) of the local country's energy use. Where possible, we aim to increase reliability and efficiency, use local resources and/or utilize innovative clean technologies and, in mature markets, it is our aim to use existing technologies in innovative ways with a focus on pollution prevention or abatement.

One example of our commitment and approach to environmental challenges is the rehabilitation of our Kramatorsk plant in the Ukraine. We invested USD 20 million in the plant to increase the efficiency of the output from 56% of gross efficiency (combined heat and electric capacity with the use of natural gas) to approximately 78% efficiency when burning natural gas and 65% efficiency – when burning coal. The increase in efficiency also leads to reduction of the level of fuel consumption. The reduction of our own electric power consumption allows increasing supply of electricity into the grid therefore contributing to additional emission reductions.

## 8. UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Environmental responsibility is ingrained in the company and is achieved in many ways. We are in the process of developing environmental indicators specific to our diverse range of businesses. The indicators are based on the globally recognized GRI Indicators Protocol Set for the Environment that is widely used in the energy sector. We have also developed a range of metrics to report our performance based on the GRI requirements. The metrics enable us to measure waste, water use, emissions, energy and impacts to biodiversity. Although the implementation of the GRI is at an early stage, the following provides a summary of our environmental performance in some of the GRI areas:

**WASTE & WATER CONSUMPTION** – At our Quad-Gen plants, we monitor our water discharge and have created some innovative water treatment solutions. For example, rather than discharging our water to a drain, we pass it through an effluent treatment plant, polishing it again through reverse osmosis equipment and filters. This enables us to reuse the water in our cooling processes and allows water to be evaporated, resulting in a reduction in overall use of our natural resources. Further, we are able to take the client's wastewater and process it in the same way, reducing discharge quantity. Exhibit B below indicates the water usage of some of our businesses during 2010.



We also monitor our waste generated at each business, including non-hazardous and hazardous waste streams. We ensure that all of our waste streams stored on site are properly contained until they can be disposed of by licensed contractors. We recycle our waste materials (where markets exist), including plastics, metals and other items of economic value. Waste volumes vary across the Company depending on type of business and size but we take a proactive approach to waste management, seeking to offset increased waste volumes at a new facility through recycling.

## EXHIBIT B: WASTE GENERATION AND WATER USE, 2010

	Kramatorsk, Ukraine, 150MW, CHP	Fibrominn, USA, 55MW, Biomass	Termoemcali, Colombia, 242MW, Combined Cycle Gas	Nogara, Italy, 21MW, CHP	Knockmore Hill, N. Ireland, 35MW, CHP	Sao Domingos II, Brazil, 24.6MW, Hydro	Lome, Togo, 100MW, Tri-fuel**	Guadeloupe, 20MW, HFO	St Martin, 14MW, LFO
Total Waste Volumes (tonnes)	36,000	126,284	539 (est.)	49.6	48 (est.)	NM	NM	44.2	209
Waste Recycled (tonnes)	NM*	NM	1.1	NM	None	NM	NM	None	Yes, volume not known
Hazardous Waste (tonnes)	NM	1 tonne (est.)	1.2	42.2	44.7	NM	NM	44.2	124.5
Water Use (m <sup>3</sup> )	836,500	207,062	1191	54,998	NM	NM	NM	4800 (est.)	2113

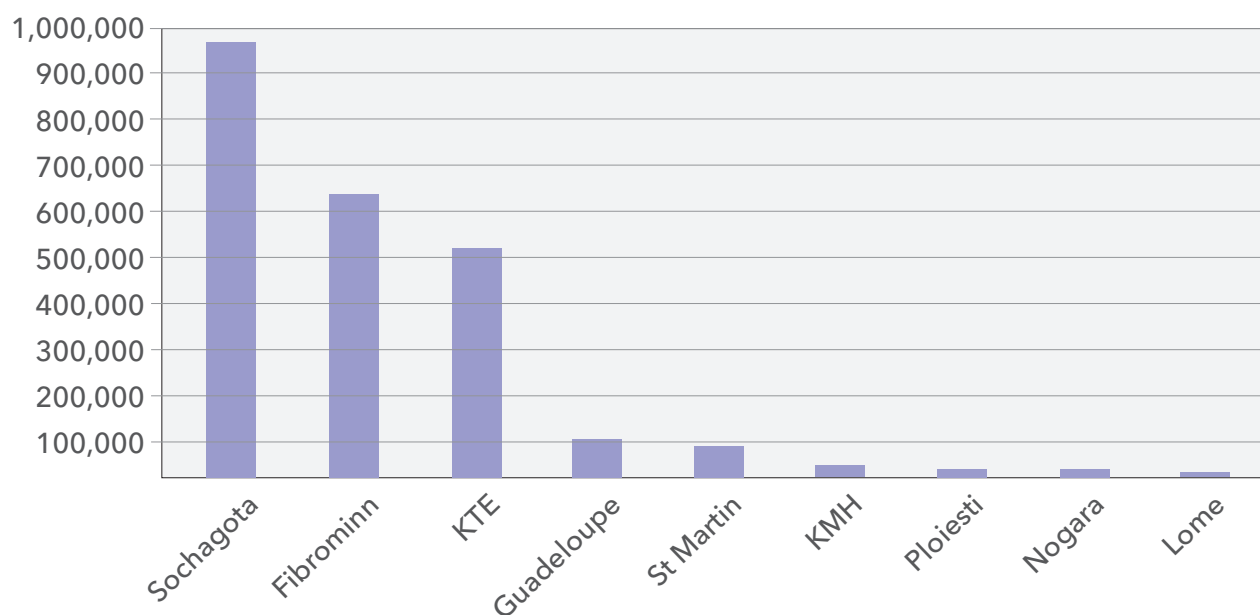
\*NM = Not Monitored.

\*\*Only operational for two months of 2010.

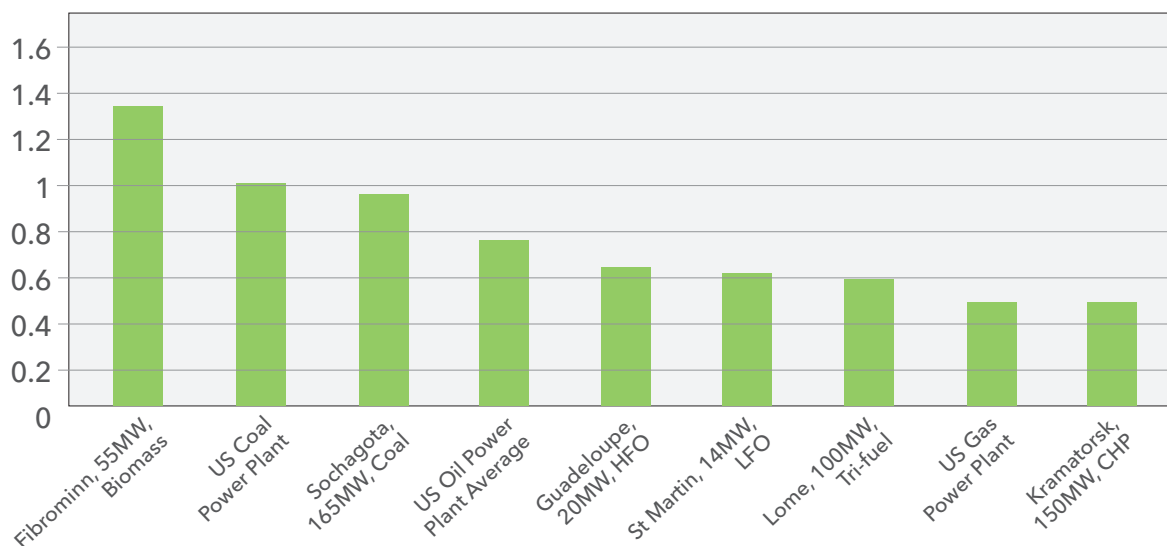
**EMISSIONS** – Emissions across the fleet vary enormously given the wide range of facilities we operate. However, it is an overarching aim of ContourGlobal to limit our emissions wherever possible. This objective has been achieved at Kramatorsk where improvements have led to an emissions reduction of 101,000 tonnes of CO<sub>2</sub> over a three year period. Similarly, at our Solutions businesses, we have developed a unique solution to capture and clean CO<sub>2</sub> from exhaust gas and reuse it commercially. The process also derives heat, chilled water and steam thereby significantly reducing the amount of emissions that would have otherwise been required to produce the same output.

Exhibit C indicates total emissions of CO<sub>2</sub> in tonnes for all of our businesses operational in 2010 and Exhibit D reflects these emissions against energy produced, or Megawatt hours (MWh). In addition to CO<sub>2</sub> we also monitor a wide range of emissions including CO, NOx, SOx and Particulate Matter.

### EXHIBIT C: TOTAL CO<sub>2</sub> EMISSIONS (METRIC TONNES)



### EXHIBIT D: CO<sub>2</sub> PER MWh (METRIC TONNES)



\*US Averages taken from USEPA.

Air emissions, wastewater and noise are also monitored and measured against specific requirements set by regulatory bodies. Monitoring of water quality is undertaken at 90% of our sites, with an average of fifteen different parameters analyzed for compliance at each location. We complied with wastewater requirements at 80% of our businesses during 2010 and have targeted 100% in 2011. Noise monitoring was only monitored at only two locations in 2010, per our legal requirements, and both complied fully with the required standards. Exhibit E below provides further details relating to monitoring of air, water and noise.

## EXHIBIT E: AIR, WATER AND NOISE MONITORING

Kramatorsk, Ukraine, 150MW, CHP Fibrominn, USA, 55MW, Biomass Termoemcali, Colombia, 242MW, Combined Cycle Gas Nogara, Italy, 21MW, CHP Knockmore Hill, N. Ireland, 35MW, CHP Sao Domingos II, Brazil, 24.6MW, Hydro Lome, Togo, 100MW, Tri-fuel Guadeloupe, 20MW, HFO St Martin, 14MW, LFO Ploiesti, Romania, 14MW, CHP										
WATER QUALITY										
Monitored?	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES
Number of Parameters	22 three times per month	N/A	25 at 11 locations periodically	27 at two locations annually	7	5, quarterly	35	5 twice annually	5, monthly	
Breaches of Guidelines	19	None	None	None	None	None	None	One	One, no fine	
AIR QUALITY										
Monitored?	YES	NO	YES	YES	YES	N/A	YES	YES	YES	YES
Number of Parameters	4	N/A	4 from 4 stations	2	8	N/A	8 at six locations	7, continuous and annually	7	
Breaches of Guidelines	One Fine	None	None	None	None	N/A	None	One	None	
NOISE										
Monitored?	YES	Not required	Not required	Not required in 2010	YES	N/A	YES	Required every 3 years	Required every 3 years	
Breaches of Guidelines	None	None	None	None	None	N/A	None	None	None	

**BIODIVERSITY** – Protection of biodiversity is a key objective of ContourGlobal. We strive to ensure that our projects do not impact biodiversity negatively. Where we have developed renewable projects in highly sensitive areas, we have developed programs for protection of these areas, using Environmental Impact Assessments (EIA) and Environmental Management Plans (EMPs). Our São Domingos operation, a hydroelectric facility in Brazil, implemented quarterly environmental monitoring programs to ensure its impact on fauna, insects and sediments was not significant. The business participated in an ichthyofauna conservation program monitoring 89 species of fish and during construction the program observed, rescued and saved 25 species of amphibians and reptiles, 4 species of small mammals, 4 species of medium-large mammals, 13 species of birds and 12 species of bats.

Environmental Impact Assessments, Environmental Monitoring Plans and Environmental Management Systems play a key role in ensuring responsible environmental behavior. Exhibit F below reflects our progress in conducting assessments and implementing management programs in 2010. Our Termoemcali business, a 242MW combined cycle gas power plant in Colombia, is certified to ISO 14001 standards, and we aim to gradually roll out ISO 14001 management systems across the Company over the next three years.

## EXHIBIT F: EIA, EMP AND EMS

	<div><div>Kramatorsk, Ukraine, 150MW, CHP</div><div>Fibrominn, USA, 55MW, Biomass</div><div>Termoemcali, Colombia, 242MW, Combined Cycle Gas</div><div>Nogara, Italy, 21MW, CHP</div><div>Knockmore Hill, N. Ireland, 35MW, CHP</div><div>Sao Domingos II, Brazil, 24.6MW, Hydro</div><div>Lome, Togo, 100MW, Tri-fuel</div><div>Guadeloupe, 20MW, HFO</div><div>St Martin, 14MW, LFO</div><div>Ploiesti, Romania, 14MW, CHP</div></div>										
EIA			YES	YES	YES	YES	YES	YES	YES	YES	N/A
EMP	YES				YES	YES	YES				
EMS-ISO14001			YES								
Environmental Due Diligence		YES									YES
Annual Environmental Reports							YES				

### 9. ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

We strive to integrate pollution prevention and control technologies in our business practices, if technically and financially feasible. Where possible, we undertake environmental remediation of existing sites rather than develop new projects on “greenfield sites”. More specifically, we seek to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities and promoting the reduction of emissions that contribute to climate change.

The project-specific pollution prevention and control techniques applied during the project life-cycle are tailored to the hazards and risks associated with project emissions and are consistent with good international industry practice. We avoid, minimize or control the intensity or volume of pollutants due to routine, non-routine or accidental circumstances and consider the potential for local, regional, and trans-boundary impacts. In addition, we examine and incorporate in our operations resource conservation and energy efficiency measures, consistent with the principles of cleaner production.

ContourGlobal is flexible in its development efforts with respect to fuel type and technology, but we ambitiously develop renewable facilities where markets exist. This can be seen with our growing portfolio of renewable businesses. The following provides a summary of these businesses.

**WIND POWER** - Asa Branca is a 150 MW capacity wind project currently under construction in Rio Grande do Norte state in Brazil and began construction in 2011. When operational, it will capture the power of wind and convert it to electrical energy. The wind farm, with 100 individual turbines, will feed electricity into the distribution grid of a region without using fossil fuel resources.

**HYDRO POWER** - ContourGlobal São Domingos II is a 24 MW hydroelectric project located in Brazil. Hydroelectric projects by definition are energy efficient and produce no carbon - but our plant has the added benefit of being a run-of-river hydro project that also efficiently uses the water supply and does not rely on a large reservoir and hence does not require substantial and destructive flooding of the land around the upper part of the river. This reduces the potential impact on people living at or near the river and on natural habitats and productive farmlands. The facility not only complies with all Brazilian environmental laws and regulations but also complies with the requirements of the Kyoto Protocol as a Clean Development Mechanism (“CDM”) project.

**SOLAR** - ContourGlobal’s solar business in Italy will comprise 11 MW of capacity when fully installed in 2011 and is another example of our commitment to environmental sustainability. The projects include both roof-top and ground-mounted solar activities producing emission-free energy. The photovoltaic panels, installed on large industrial roofs, use flexible thin-film solar modules and high-efficiency inverters to optimize energy yield and area usage.

**BIOMASS** – Our Fibrominn business is a 55 MW poultry waste-fired power plant in Minnesota. Turkey farmers in Minnesota are faced with the need to dispose of more than 2 million tons of poultry litter annually but lacked a large-scale process to accomplish this. The Fibrominn business provides a sustainable solution for the excess waste and the need for capacity utilizing 700,000 tons of biomass annually. The result is an environmentally friendly power station with inexpensive fuel and the ability to sell more than 125,000 tonnes of ash residue as high-quality fertilizer.

In addition to our renewables portfolio, ContourGlobal has also developed our unique “quad-gen” technology that provides innovative and environmentally friendly produced electricity, hot and chilled water, steam and food-grade CO<sub>2</sub> to consumer clients. Our Quad-Gen solution employs reciprocating gas engines to provide electricity and then captures what would otherwise be wasted heat from the engines to create steam and hot water (co-gen). From there, the hot water is further employed in absorption chillers to create chilled water (tri-gen) and from the engine exhaust gas normally emitted to the atmosphere, we capture and clean 95% of the CO<sub>2</sub> for use in the bottling process (quad-gen). Quad-Gen facilities are located at the point of use, making reliability much higher and eliminating the waste and losses that could occur during the transmission and distribution of electricity. For the system as a whole, efficiency is improved because losses are eliminated and more efficient generation on site replaces the need to build more inefficient generation away from the point of use. We have three sites in operation and five more under construction where we have demonstrated efficiencies of over 80% (as compared to a standard power plant with an efficiency of 40-50%), resulting in a significant reduction in the CO<sub>2</sub> produced and this is in addition to the benefits of using that CO<sub>2</sub> in the bottling process.

**BIOGAS** – In Rwanda, where electrification is very low and the economy only has access to very expensive liquid fuels, our KivuWatt project is tapping an indigenous fuel, sub-lake methane. ContourGlobal is developing the methane resources contained in Lake Kivu, a deep water lake on the border between the Republic of Rwanda and the Democratic Republic of Congo, while at the same time reducing the risk of a potentially serious environmental incident. Based on numerous studies of lake phenomena, the scientific community has predicted that, without a reduction of methane and carbon dioxide in the lake, there is a real risk of an explosive release of large quantities of these gases within the next 100-200 years. Such a release could have a catastrophic effect on the many hundreds of thousands of people living around the lake, most of whom would be asphyxiated.

Rather than just vent the 55-60 km<sup>3</sup> of methane, the KivuWatt project will extract and process it for power generation. The methane gas produced will initially be used to power three gas engine generator sets (“gensets”) which will produce approximately 25 MW of electricity for the local grid in Phase 1. Phase 2 is expected to add an additional 75 MW of power, employing nine additional gensets to expand KivuWatt to just over 100 MW of power for the people of Rwanda.

## 10. BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Our values are important to us and form the basis for how we work as an organization. Whether generating electricity in under-served markets or developing sophisticated production technologies in Europe, we believe that the way in which we operate our businesses matters just as much as the number of megawatts produced or the money we earn. We believe that “responsible business operations” means playing by the rules and we expect that everyone at ContourGlobal will be a good business partner and a good individual.

We are thoroughly committed to operating our businesses responsibly and in accordance with all laws and regulations. Given that many of the countries where we operate score poorly on transparency scores and other indexes of corruption, we pay particular attention to anti-corruption activities and training. We believe that it is better to do business well in “tough” places and thereby improve the overall business climate than to avoid such places and in doing so perpetuate the absence of critically needed infrastructure in underdeveloped parts of the world. Our Board of Directors has adopted a comprehensive compliance program to ensure we carry out this commitment. Our Anti-Corrupt Practices Policy is designed to meet the needs of a fast-growing organization operating globally. We are proud of this Policy. It is succinct, easy to read and applies to all members of the organization. We translate our Policy into nine of the languages spoken at ContourGlobal and require our employees to read and acknowledge their commitment to the Policy annually.

To support the development, monitoring and enforcement of ContourGlobal’s Anti-Corruption Policy, a Compliance Committee has been formed and is composed of the Chief Executive Officer, the General Counsel, the Chief Administrative Officer, and the Executive Vice President for Human Resources. The Compliance Committee oversees our Policy and is responsible for communication, and reports to the Board of Directors on Policy compliance.



Additionally, employees are trained on the key elements of our policy in partnership with TRACE International, a non-profit membership association. We review our policy regularly and are always seeking to improve our efforts in this critical initiative. In 2010, we trained 144 ContourGlobal employees in Anti-Corruption TRACE training.

We have also adopted a Code of Conduct and Business Ethics that sets out guidelines for the way we work and how we behave. Our Code of Conduct is incorporated into our employee handbooks that are adopted in each country where we operate and complies with the laws of those jurisdictions. Our Code contains guidance in a number of areas, including:

- Conflicts of Interest,
- Corporate Opportunities,
- Competition and Fair Dealing,
- Protection and Use of Company Assets,
- Gifts and Entertainment,
- Interactions with Government Representatives,
- Political Contributions and Activities,
- Company Records,
- Compliance with Laws and Regulations,
- Equal Employment Opportunity and Unlawful Harassment.

All employees are required to complete a certification to confirm their compliance with our Code and we have established easily accessible channels for our employees to voice ethics concerns. Any concerns are raised with our Compliance Committee, a subset of the Senior Management Committee, established to investigate compliance matters and take required action to ensure our compliance with our policies.

# LOOKING AHEAD

During 2011 and beyond, ContourGlobal will strive to continue to ensure that the Ten Principles are embedded in our strategy, culture and daily operations. Any new policies, processes and continuous improvement goals will consider impacts to the Principles.

Our Sustainability Committee is committed to reviewing all sustainability activities within ContourGlobal, including coordinating the auditing and reporting on Health, Safety and Environmental matters. We are in the process of defining sustainability Key Performance Indicators (KPIs) and targets, reporting monthly on specific targets, completing annual assessments of sustainability risks and opportunities, adopting a global policy on Human rights, and auditing labor performance of the companies in the supply chain.

At all time, we will frequently advocate our UNGC participation to our key stakeholders, investors and vendors. We are enthusiastic about our participation in the UNGC because it provides us with a forum to share our ideas and actions with a broader community, and will also allow us to learn from other leaders and companies about the actions they are taking and learn about the results they are able to achieve.



# APPENDIX A

## Policy on Social Responsibility and Environmental Sustainability

### CONTOURGLOBAL POLICY ON SOCIAL RESPONSIBILITY & ENVIRONMENTAL SUSTAINABILITY

#### *Policy Objectives & Introduction to Guiding Principles*

ContourGlobal's mission is to develop, acquire and operate electric power and district heating businesses around the globe, focusing on high-growth, under-served markets and innovative niches within developed markets such as renewable energy and combined heat and power or "cogeneration" projects. Working closely with governments, development banks and multinational clients, we take a "client first" approach to power project development, utilizing our internal technical and commercial capabilities to rapidly evaluate and implement new development, repowering of older energy assets and the acquisition of existing operations. We bring new sources of electricity to historically under-served markets, and improve people's lives by offering reliable, affordable energy that promotes economic growth and social well-being. In more developed markets, we provide cleaner, more efficient energy using new applications of existing solutions and employing innovative technology. Whether generating cost-effective energy in new markets, providing reliable energy in high-growth, under-served markets, or innovating in developed markets, we have the knowledge, capabilities, and resources to develop, build, own and operate businesses that improve the quality of life for clients, partners, and communities.

An important component of improving the quality of life for end-users is the social and environmental sustainability of our projects. ContourGlobal has adopted a comprehensive set of social and environmental principles (the "Principles") as guidelines to ensure that our projects are developed in a socially responsible manner and reflect sound environmental management practices. In everything we do, ContourGlobal is committed to avoiding adverse impacts on workers, communities, and the environment, or if avoidance is not possible, to reducing, mitigating, or compensating for the impacts, as appropriate. We believe that adoption of, and adherence to, these Principles offers significant benefits to our clients, our partners and the communities where we work.

ContourGlobal's guiding Principles for social and environmental sustainability, detailed below, reflect Contour's commitment to, and membership in, the UNGC and provide a solid base for increasing the sustainability of our business operations by managing social and environmental risks, and improving performance, and enhancing positive development outcomes. In particular, we are committed to ensuring that the costs of economic development do not fall disproportionately on those who are poor or vulnerable, that the environment is not degraded in the process, and that natural resources are managed efficiently and sustainably. Regular engagement with local communities about matters that directly affect them plays an important role in avoiding or reducing harm to people and the environment; respect for human rights are also an important aspect of our corporate social responsibility.

#### *Labor and Working Conditions*

ContourGlobal recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protecting the basic rights of workers including their health and safety<sup>1</sup>. Our workforce is our most valuable asset, and a sound worker-management relationship is a key ingredient to the sustainability of our enterprise. Through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe

1 The term "workers" is used to refer to employees of ContourGlobal, as well as to certain types of non-employee workers. "Non-employee workers" refers to workers who are: (i) directly contracted by us, or contracted through contractors or other intermediaries; and (ii) performing work directly related to core functions essential to our products or services for a substantial duration. When we contract non-employee workers directly, we will use commercially reasonable efforts to apply the requirements of these Principles. With respect to contractors or other intermediaries procuring nonemployee workers, we will use commercially reasonable efforts to: (i) ascertain that these contractors or intermediaries are reputable and legitimate enterprises; and (ii) require that these contractors or intermediaries apply the requirements of these Principles.

and healthy working conditions, we create tangible benefits, such as enhancement of the efficiency and productivity of our operations. ContourGlobal strives in all its operations to: (i) establish, maintain and improve the worker-management relationship; (ii) promote the fair treatment, non-discrimination and equal opportunity of workers, and compliance with local labor and employment laws; (iii) protect the workforce by forbidding child labor and forced labor; (iv) promote safe and healthy working conditions, and protect and promote the health of workers.

ContourGlobal's human resources policies provide employees with information regarding their rights under local labor and employment law, including their rights related to wages and benefits. This policy is explained or made accessible to each employee upon taking employment and we provide a grievance mechanism for workers to raise reasonable workplace concerns. ContourGlobal does not make employment decisions on the basis of personal characteristics unrelated to job requirements.

We are committed to providing our workers with a safe and healthy work environment, taking into account inherent risks associated with an industrial workplace, and take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice<sup>2</sup>, we address areas, including: (i) the identification of potential hazards to workers, particularly those that may be life-threatening; (ii) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) training of workers; (iv) documentation and reporting of occupational accidents, diseases, and incidents; (iv) emergency prevention, preparedness and response arrangements.

We will not employ children below the age of 18 years and we do not employ forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements. We also inquire about and address any child labor and forced labor issues to the third parties with whom we do business.

## *Pollution Prevention and Abatement*

Increased industrial activity and urbanization often generate increased levels of pollution to air, water, and land that may threaten people and the environment at the local, regional, and global level<sup>3</sup>. In the markets where we are active, it is ContourGlobal's policy to maintain or substantially improve the environmental profile (including CO<sub>2</sub> emissions) of the local country's energy use. Where possible, we aim to increase reliability and efficiency, use local resources and/or utilize innovative clean technologies and, in mature markets, it is our aim to use existing technologies in innovative ways with a focus on pollution prevention or abatement.

We strive to integrate pollution prevention and control technologies and practices as far as their use is technically and financially feasible and cost-effective. We also will undertake environmental remediation of existing sites rather than develop new projects on "greenfield sites", where possible. More specifically, we seek to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities and promoting the reduction of emissions that contribute to climate change. The project-specific pollution prevention and control techniques applied during the project life-cycle are tailored to the hazards and risks associated with project emissions and consistent with good international industry practice. We avoid, minimize or control the intensity or load of the release of pollutants due to routine, non-routine or accidental circumstances with the potential for local, regional, and transboundary impacts. In addition, we examine and incorporate in our operations resource conservation and energy efficiency measures, consistent with the principles of cleaner production.

We are prepared to respond to process upset, accidental, and emergency situations in a manner appropriate to the operational risks and the need to prevent their potential negative consequences. We have in place a plan that addresses the training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with any project hazards.

<sup>2</sup> Defined as the exercise of professional skill, diligence, prudence and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally.

<sup>3</sup> The term "pollution" is used to refer to both hazardous and nonhazardous pollutants in the solid, liquid, or gaseous forms, and is intended to include other forms such as nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light.

## *Community Health, Safety and Security*

While project activities, equipment, and infrastructure often bring benefits to communities including employment, services, and opportunities for economic development, projects can also increase the potential for community exposure to risks and impacts arising from equipment accidents, structural failures, and releases of hazardous materials. Communities may also be affected by impacts on their natural resources and exposure to diseases. While acknowledging the public authorities' role in promoting the health, safety and security of the public, ContourGlobal believes it also has a responsibility to avoid or minimize risks to and impacts on the health and safety of the local community during the project life cycle from both routine and non-routine circumstances.

ContourGlobal evaluates the risks and impacts to the health and safety of the affected community during the lifecycle of a project and has established preventive measures to address them in a manner commensurate with the identified risks and impacts. Where the project poses risks to, or adverse impacts on, the health and safety of affected communities, we will identify and communicate these risks and any other relevant project-related information to enable the affected communities and relevant government agencies to understand these risks and impacts and work cooperatively with ContourGlobal to mitigate or eliminate the risks.

ContourGlobal is committed to designing, constructing and operating the structural elements or components of a project in accordance with good international industry practice, paying particular consideration to potential exposure to natural hazards, especially where the structural elements are accessible to members of the affected community or where their failure could result in injury to the community. Where there is a potential for the community (including workers and their families) to be exposed to hazards, we exercise special care to avoid or minimize their exposure by modifying, substituting or eliminating the condition or substance causing the hazards. To do so, we use commercially reasonable efforts to control the safe deliveries of raw materials, transportation and disposal of wastes, and implement measures to avoid or control community exposure to any chemical substances that could affect human health. We avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could arise from land use changes due to project activities. We also avoid or minimize adverse impacts due to project activities on soil, water, and other natural resources in use by the affected communities.

We assess any potential risks and impacts from project activities and inform affected communities of significant potential hazards in a culturally appropriate manner. We also assist and collaborate with the community and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary. If local government agencies have little or no capacity to respond effectively, we will play an active role in preparing for and responding to emergencies associated with the project. We will document emergency preparedness and response activities, resources, and responsibilities, and disclose appropriate information to affected communities and relevant government agencies.

## *Land Acquisition and Involuntary Resettlement*

ContourGlobal's presence in a community may result in new land acquisition or involuntary resettlement. Involuntary resettlement refers both to physical displacement<sup>4</sup> and to economic displacement<sup>5</sup> as a result of project-related land acquisition<sup>6</sup>. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Unless properly managed, land acquisition or involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and social stress in areas to which they have been displaced. For these reasons, ContourGlobal's policy is to avoid or minimize the impact of any involuntary resettlement. However, where it is unavoidable, and the host government supports the development project, appropriate measures to mitigate adverse impacts on displaced persons and host communities<sup>7</sup> will be carefully planned and implemented.

<sup>4</sup> Relocation or loss of shelter.

<sup>5</sup> Loss of assets or access to assets that leads to loss of income sources or means of livelihood.

<sup>6</sup> Land acquisition includes both outright purchases of property and purchases of access rights, such as rights-of-way.

<sup>7</sup> A host community is any community receiving displaced persons.



When displacement cannot be avoided, we will offer compensation for loss of assets at full replacement cost and other assistance to displaced persons and communities to help them improve or at least restore their standards of living or livelihoods. Where livelihoods of displaced persons are land-based, or where land is collectively owned, we will offer land-based compensation, where feasible. We will consult with and facilitate the informed participation of affected persons and communities, including host communities, in decision-making processes related to resettlement and establish a grievance mechanism to receive and address specific concerns about compensation and relocation that are raised by displaced persons or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner.

Where land acquisition and resettlement are the responsibility of the host government, we will collaborate with the responsible government agency, to achieve outcomes that are consistent with the objectives of these Principles. In addition, where government capacity is limited, we will play an active role and work in collaboration with such agency to implement its plan or procedures established and monitor resettlement activity that is undertaken by the government agency until such activity has been completed.

## *Biodiversity Conservation and Sustainable Natural Resource Management*

ContourGlobal recognizes that protecting and conserving biodiversity—the variety of life in all its forms, including genetic, species and ecosystem diversity—and its ability to change and evolve, is fundamental to sustainable development. The components of biodiversity include ecosystems and habitats, species and communities, and genes and genomes, all of which have social, economic, cultural and scientific importance. We strive to avoid or mitigate threats to biodiversity arising from our operations and to sustainably manage renewable natural resources in order to protect and conserve biodiversity and promote the sustainable management and use of natural resources through the adoption of practices that integrate conservation needs and development priorities.

In order to avoid or minimize adverse impacts to biodiversity in a project's area of influence, we assess the significance of project impacts on all levels of biodiversity as an integral part of the assessment process, including analyzing differing values attached to biodiversity by specific stakeholders, as well as identify impacts on ecosystems. This process focuses on the major threats to biodiversity, which include habitat destruction and invasive alien species.

We recognize habitat destruction as the major threat to the maintenance of biodiversity and our policy is to design mitigation measures so that our projects' impact to habitats will have no "net loss". To achieve this, we will consider a variety of mitigating measures, including: (i) post-operation restoration of habitats; (ii) offset of losses through the creation of ecologically comparable area(s) that is managed for biodiversity; (iii) compensation to direct users of biodiversity. In areas with critical habitats<sup>8</sup>, we will not implement any project activities unless: (i) there are no measurable adverse impacts on the ability of the critical habitat to support the established population of species or the functions of the critical habitat; (ii) there is no reduction in the population of any recognized critically endangered or endangered species; (iii) any lesser impacts are mitigated in accordance with the mitigation. In circumstances where a proposed project is located within a legally protected area<sup>9</sup>, we will: (i) act in a manner consistent with defined protected area management plans; (ii) consult protected area sponsors and managers, local communities, and other key stakeholders on the proposed project; (iii) implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

Intentional or accidental introduction of alien species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species. We do not deliberately introduce any alien species with a high risk of invasive behavior or any known invasive species, and will exercise diligence to prevent accidental or unintended introductions. We will also take measures to protect the native flora and fauna of a region.

We believe in sustainable resource management, which means that we manage the use, development and protection of renewable natural resources in a way, or at a rate, which enables people and communities, including indigenous peoples (see also next section), to provide for their present social, economic and cultural well-being while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations and safeguarding the life-supporting capacity of air, water and soil ecosystems. Where possible, we employ an appropriate system of independent certification to document our sustainable management of resources. Such a system will include objective and measurable principles developed through consultation with relevant stakeholders, such as local people and communities, indigenous peoples, civil society organizations representing consumer, producer, and conservation interests. Such a system has fair, transparent, and independent decision-making procedures that avoid or minimize conflicts of interest.

<sup>8</sup> Critical habitat includes areas with high biodiversity value, including: (i) habitat required for the survival of critically endangered or endangered species; (ii) areas having special significance for endemic or restricted-range species; (iii) sites that are critical for the survival of migratory species; (iv) areas supporting globally significant concentrations or numbers of individuals of congregatory species; (v) areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; (vi) areas having biodiversity of significant social, economic or cultural importance to local communities.

<sup>9</sup> An area may be designated as legally protected for different purposes, including the protection or conservation of biodiversity, including areas proposed by governments for such designation.

## *Indigenous People*

Indigenous peoples<sup>10</sup> are often among the most marginalized and vulnerable segments of the local population and their economic, social and legal status may limit their ability: (i) to defend their interests in, and rights to, lands and natural and cultural resources; (ii) to protect against loss of identity, culture, and natural resource-based livelihoods; (iii) to participate in and benefit from development.

ContourGlobal strives to create opportunities for indigenous peoples to participate in our projects and benefit from project-related activities that may help them fulfill their aspiration for economic and social development. The nature of our business is such that we bring new sources of electricity to historically under-served markets, and improve people's lives by offering reliable, affordable energy that promotes economic growth and social well-being. We recognize that indigenous peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development.

It is our policy to identify all communities of indigenous peoples who may be affected by the project within the project's area of influence, as well as the nature and degree of the expected social, cultural (including cultural heritage), and environmental impacts on these communities. We will establish a consultation process with affected indigenous peoples from as early as possible in the project planning and throughout the life of the project. We will ensure their free, prior, and informed consultation and facilitate their informed participation on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. We will also seek to identify opportunities for culturally appropriate development benefits.

When indigenous peoples are particularly vulnerable to the special circumstances of a project, we will retain qualified and experienced external experts to assess impacts. Where there are adverse impacts on the livelihoods, or cultural, ceremonial, or spiritual use of land used by indigenous peoples, we will respect their use by following the requirements of the Land Acquisition and Involuntary Resettlement Principle and will consider feasible alternative project designs to avoid the relocation of indigenous peoples from their communally held traditional or customary lands under use.

## *Cultural Heritage*

Cultural heritage refers to both tangible and intangible forms of cultural heritage. Tangible forms of cultural heritage may include property and sites having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values, as well as unique natural environmental features that embody cultural values, such as sacred groves. Intangible forms of culture might include cultural knowledge, innovations and practices of communities embodying traditional lifestyles. Cultural heritage is important for both current and future generations and it is our policy to protect irreplaceable cultural heritage in the course of our business operations. In particular, we aim to protect cultural heritage from the adverse impacts of project activities and support its preservation, and to promote the equitable sharing of benefits from the use of cultural heritage in business activities.

We seek to protect and support cultural heritage by undertaking internationally recognized practices for the protection, field-based study, and documentation of cultural heritage. This might include retention of qualified and experienced experts to assist in the assessment. Where a project may affect cultural heritage, we consult with affected communities within the host country who use, or have used within living memory, the cultural heritage for longstanding cultural purposes to identify cultural heritage of importance, and to incorporate into our decision-making process the views of the affected communities on such cultural heritage. Consultation also involves the relevant national or local regulatory agencies that are entrusted with the protection of cultural heritage. We do not significantly alter, damage, or remove any critical cultural heritage.<sup>11</sup>

<sup>10</sup> The term "Indigenous Peoples" is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees: self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; customary cultural, economic, social, or political institutions that are separate from those of the dominant society or culture; or an indigenous language, often different from the official language of the country or region.

<sup>11</sup> Critical cultural heritage consists of (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for longstanding cultural purposes; and (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.

## *Implementation of ContourGlobal's Social and Environmental Policy*

### ASSESSMENT

ContourGlobal conducts a Social and Environmental Evaluation process (the "Evaluation") for each project that we pursue. The Evaluation identifies the relevant social and environmental impacts and risks of the proposed project as well as possible mitigation and management measures. The nature and scale of the proposed project is taken into account and the Evaluation is an accurate and objective evaluation and presentation of the issues and is prepared by qualified and experienced experts. The Evaluation is informed by relevant national and international norms and regulations, generally those promulgated by the World Bank group or the United Nations. Where there is a difference between National and World Bank standards, we will develop projects in accordance with the more restrictive of the two sets of regulations.

The Evaluation process includes three phases: the initial review, the detailed review and disclosure. In the initial review, we will undertake a thorough social and environmental review that is appropriate to the nature and scale of the project, and commensurate with the level of social and environmental risks and impacts. The existence of significant historical social or environmental impacts associated with the project, including those caused by others, and the availability of possible remediation measures is an integral factor in determining the project's feasibility. This initial review consists of three key components: (i) a general assessment of the social and environmental risks and impacts of the project; (ii) our capacity to manage these expected impacts through our social and environmental management system; and (iii) the role of third parties in the project's compliance with the Principles. Each of these components helps us to ascertain whether the project can be expected to meet the Principles.

Once a project's feasibility is ascertained and approved by management, we will conduct a more in-depth social and environmental review, either internally or by external experts. The detailed review will consider the potential social and environmental (including labor, health, and safety) risks and impacts of the project in an integrated manner. The detailed review is based on current information, including an accurate project description, and appropriate social and environmental baseline data and considers all relevant social and environmental risks and impacts of the project, including the issues identified in Principles, and those who will be affected by such risks and impacts. Applicable laws and regulations of the jurisdictions in which the project operates that pertain to social and environmental matters, including those laws implementing host country obligations under international law, should also be taken into account.

In the detailed review, we will analyze risks and impacts of the project in the context of the project's direct and indirect areas of influence. This area of influence encompasses, as appropriate: (i) the primary project site(s) and related facilities that ContourGlobal (including our contractors) develops or controls; (ii) associated facilities that are not funded as part of the project (funding may be provided separately by us or by third parties including the government), and whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project; (iii) areas potentially impacted by cumulative impacts from further planned development of the project, any existing project or condition, and other project-related developments that are realistically defined at the time the detailed review is undertaken; and (iv) areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location. The area of influence does not include potential impacts that would occur without the project or independently of the project.

We will analyze risks and impacts for all key stages of the project life cycle, including preconstruction, construction, operations, and decommissioning or closure. Where relevant, the detailed review will also consider the role and capacity of third parties (such as local and national governments, contractors and suppliers), to the extent that they pose a risk to the project, recognizing that we should address these risks and impacts commensurate to our control and influence over the third party actions. The impacts associated with supply chains are considered where the resource utilized by the project is ecologically sensitive, or in cases where low labor cost is a factor in the competitiveness of the item supplied. The detailed review will also consider potential transboundary effects, such as pollution of air, or use or pollution of international waterways, as well as global impacts, such as the emission of greenhouse gases.

Depending on the type of project and the nature and magnitude of its risks and impacts, the types of issues, risks and impacts to be assessed, and the scope of the community engagement can vary considerably. Where projects might have potential significant adverse impacts that are diverse, irreversible, or unprecedented, we will undertake a comprehensive social and environmental impact assessment. This assessment will include an examination of technically and financially feasible alternatives<sup>12</sup> to the source of such impacts, and documentation of the rationale for selecting the particular course of action proposed. In exceptional circumstances, a regional, sectoral or strategic assessment may be required.

12 "Technical feasibility" is based on whether the proposed measures and actions can be implemented with commercially available skills, equipment and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity and operational reliability. "Financial feasibility" is based on commercial considerations, including the relative magnitude of the incremental cost of adopting such measures and actions compared to the project's investment, operating and maintenance costs and whether this incremental cost could make the project nonviable to the client.

As part of the detailed review, we will identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where groups are identified as disadvantaged or vulnerable, we will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.

It is our policy to disclose relevant project information and information identified through the initial and detailed review phases of the Evaluation where such disclosure might help affected communities understand the risks, impacts and opportunities of the project. If communities may be affected by risks or adverse impacts from the project, we provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any risks to and potential impacts on such communities. For projects with adverse social or environmental impacts, disclosure will occur before the project construction commences, and on an ongoing basis.

## MANAGEMENT PROGRAM

Once we have properly completed the Social and Environmental Evaluation, it is our policy to establish and manage a program of mitigation and performance improvement measures and actions that address the identified social and environmental risks and impacts (the “Management Program”). The level of detail and complexity of the Management Program and the priority of the identified measures and actions are commensurate with the project’s risks and impacts. The Management Program defines desired outcomes as measurable events to the extent possible, with elements such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods, and with estimates of the resources and responsibilities for implementation. Recognizing the dynamic nature of the project development and implementation process, the Management Program will be responsive to changes in project circumstances, unforeseen events, and the results of monitoring.

## ACTION PLAN

Where the Management Programs identifies specific mitigation measures and actions necessary for the project to comply with applicable laws and regulations and to meet the requirements of the policy, we will prepare a plan (the “Action Plan”) to ensure the measures and actions required will be successfully implemented. The Action Plan may range from a brief description of routine mitigation measures to a series of specific plans. The Action Plan: (i) describes the actions necessary to implement the various sets of mitigation measures or corrective actions to be undertaken; (ii) prioritizes these actions; (iii) includes the timeline for their implementation; (iv) is disclosed to the affected communities; and (v) describes the schedule and mechanism for external reporting on our implementation of the Action Plan.

## ORGANIZATIONAL CAPACITY

It is our policy to establish and maintain an organizational structure that defines roles, responsibilities, and authority to implement the Management Program, including the Action Plan. Specific personnel, including management representative(s), with clear lines of responsibility and authority are designated and key social and environmental responsibilities are well-defined and communicated to the relevant personnel and to the rest of the organization. Sufficient management sponsorship and human and financial resources are provided on an ongoing basis to achieve effective and continuous social and environmental performance.

## TRAINING

ContourGlobal trains employees and contractors with direct responsibility for activities relevant to a project’s social and environmental performance so that they have the knowledge and skills necessary to perform their work, including current knowledge of the host country’s regulatory requirements and the applicable requirements of the Principles. Training also addresses the specific measures and actions required under the Management Program, including the Action Plan, and the methods required to perform the action items in a competent and efficient manner.

## COMMUNITY ENGAGEMENT

Effective community engagement is central to the successful management of risks and impacts to the affected communities. In the case of projects with significant adverse impacts on affected communities, we strive to obtain broad community support for the project within the affected communities. We engage with affected communities through disclosure of information via the Assessment process, consultation, and informed participation, in a manner commensurate with the risks to and impacts on the affected communities. The purpose of community engagement is to build and maintain over time a constructive relationship with these communities. The nature and frequency of community engagement will reflect the project’s risks to and adverse impacts on the affected communities. It is our policy that all community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information.

We will document our community engagement efforts to ensure informed participation of the community and to identify whether a project has broad community support for the project. Broad community support is a collection of expressions by the affected communities, through individuals or their recognized representatives, in support of the project. There may be broad community support even if some individuals or groups object to the project.

Where communities may be subject to risks or adverse impacts from a project, we will undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows us to consider and respond to them. Effective consultation: (i) should be based on the prior disclosure of relevant and adequate information, including draft documents and plans; (ii) should begin early in the Assessment process; (iii) focuses on the social and environmental risks and adverse impacts, and the proposed measures and actions to address these; and (iv) is carried out on an ongoing basis as risks and impacts arise. The consultation process is undertaken in a manner that is inclusive and culturally appropriate. We will tailor the consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.

For projects with significant adverse impacts on affected communities, ContourGlobal will ensure (i) that the consultation process is free of external manipulation, interference or coercion, and intimidation; (ii) that information is disclosed to participants in a timely manner; and (iii) that information is relevant, understandable and accessible. We will also strive for informed participation that involves organized and iterative consultation, leading to the incorporation into our decision-making process the views of the affected communities on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. We will document the process, in particular, the measures taken to avoid or minimize risks to and adverse impacts on the affected communities.

It is our policy to respond to communities' concerns related to the project. If we anticipate ongoing risks to or adverse impacts on affected communities, we establish a grievance mechanism to facilitate and reach resolution of the affected communities' concerns and grievances about our environmental and social performance. The grievance mechanism: (i) will be scaled to the risks and adverse impacts of the project; (ii) will address concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and at no cost and without retribution; and (iii) will not impede access to judicial or administrative remedies. We will inform the affected communities about the mechanism in the course of its community engagement process.

## MONITORING

ContourGlobal's policy is to establish clearly defined procedures to monitor and measure the effectiveness of the Management Program, including the implementation of the Action Plan. In addition to recording information to track performance and establishing relevant operational controls, we use dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes. For projects with significant impacts that are diverse, irreversible, or unprecedented, we retain qualified and experienced external experts to verify our monitoring information. The extent of monitoring should be commensurate with the project's risks and impacts and with the project's compliance requirements. Monitoring should be adjusted according to performance experience and feedback. We will document monitoring results, and identify and reflect the necessary corrective and preventive actions in amendments to the Management Program. We will implement these corrective and preventive actions, and follow up on these actions to ensure their effectiveness.

## REPORTING

ContourGlobal's policy is to produce periodic assessments of the effectiveness of the Management Program, based on systematic data collection and analysis. The scope and frequency of such reporting will depend upon the nature and scope of the activities identified and undertaken in accordance with our Management Program and other applicable project requirements.

We will also disclose the Action Plan to the affected communities. We will provide periodic reports that describe progress with implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities, and on issues that the consultation process or grievance mechanism have identified as of concern to those communities. If the Management Program results in material changes in, or additions to, the mitigation measures or actions described in the Action Plan on issues of concern to the affected communities, the updated mitigation measures or actions will also be disclosed. These reports will be in a format accessible to the affected communities. The frequency of these reports will be proportionate to the concerns of affected communities but not less than annually.



As part of our project monitoring efforts, we continuously monitor our investments by:

- submitting periodic monitoring reports on our social and environmental performance as agreed with various financing partners and investors;
- reviewing project performance on the basis of our commitments in the Action Plan, as reported by our monitoring reports, and, where relevant, reviewing any performance improvement opportunities;
- working to address any changed project circumstances that would result in adverse social or environmental impacts;
- reporting publicly on our social, environmental and other nonfinancial aspects of performance.

## SUMMARY

ContourGlobal is committed to promoting responsible environmental stewardship and socially responsible development. Our policy reflects our commitment to the UNGC and to apply best practices in the areas of: (i) labor and working conditions (ii) pollutions prevention and abatement; (iii) community health, safety and security; (iv) land acquisition and involuntary resettlement; (v) biodiversity conservation and sustainable natural resource management; and (vi) indigenous people and cultural heritage. To ensure we meet or exceed all standards set forth in our policy, we do not partner on projects with third parties where such party is not willing or is unable to comply with our social and environmental policies and procedures that implement these Principles. We seek business partners who share our vision and commitment to sustainable development, who wish to raise their capacity to manage their social and environmental risks, and who seek to improve their performance in this area. We actively manage our social and environmental risks to improve performance and enhance positive development outcomes while ensuring the costs of economic development do not fall disproportionately on the poor or vulnerable, the environment is not degraded, natural resources are managed efficiently and sustainably, and human rights are respected. We communicate transparently with the communities where we do business and with our stakeholders. It is our mission to be socially responsible and increase the sustainability of our business.

# APPENDIX B

## ContourGlobal Human Resources Policy Statement

ContourGlobal will ensure in each legal jurisdiction that the following Human Resource practices are established:

- Where appropriate skills exist at a local level, ContourGlobal will work with recruitment providers to source workers locally.
- All terms and conditions of employment will be documented and will at a minimum comply with the law of the country where the power plant or business is located. These terms and conditions of employment will be communicated to employees on joining the organisation as part of the induction process.
- Remuneration will be benchmarked against local market and industry sector norms and reviewed regularly to ensure workers are compensated on a competitive and equitable basis.
- ContourGlobal will respect any rights that workers may have under national law to form and join workers' organisations of their choice and to bargain collectively.
- An appropriate grievance procedure will be put into place to ensure workers have a means to express their grievances and protect their employment rights. Workers will be informed of this procedure on joining the organisation as part of the induction process.
- We will assign appropriate resources to manage Human Resources issues on a local level while also providing support where necessary from ContourGlobal's Global Human Resources Team.

### *ContourGlobal Human Resource Policy Statement*

When establishing country-specific ContourGlobal Human Resource practices we will ensure the requirements of ContourGlobal, IFC Performance Standards (if required) and the laws and regulations of each local country are incorporated, this will include:

- 1 Recruitment Process
- 2 Wages
- 3 Promotions
- 4 Freedom of Association
- 5 Grievance Mechanisms
- 6 Conditions of Employment

The compilation of the above practices and policy will be the Employee Handbook applicable to all employees of ContourGlobal. The contents of the Employee Handbook will include as a minimum the following:

- 1 Employee Welcoming Statement
- 2 Employee Handbook
  - a. Introduction
  - b. Equality Policy
  - c. Hiring
  - d. Sections
    - i. Code of Conduct
    - ii. Corruption Practices Policy
    - iii. Hours of Work
    - iv. Travel Policy
    - v. Compensation and Benefits
    - vi. Holidays

- vii. Sick Leave
- viii. Maternity Leave
- ix. Paternity LeaveTime off for Dependents
- x. and other Leave
- xi. Employee Benefits
- xii. Expatriate
- xiii. Business Expenses
- xiv. The Work Environment
- xv. Performance Evaluations
- xvi. Disciplinary Reviews
- xvii. Grievance Procedures

- e. Termination of Employment
- f. Exit Interview
- g. Accrued Vacation
- e. Termination of Employment
- f. Exit Interview
- g. Accrued Vacation

# APPENDIX C

## Global Health and Safety Policy Statement



### HEALTH AND SAFETY POLICY

ContourGlobal is committed to providing and maintaining a safe and healthy working environment for all employees, contractors, visitors and other stakeholders. Our Occupational Health and Safety (OH&S) goals will receive the same priority as operational and economic goals through the structured implementation of the ContourGlobal Occupational Safety Management System enhanced by internal standards and procedures based on the International Finance Corporation guidance.

ContourGlobal will communicate openly with our employees, customers, contractors, visitors and other stakeholders in order to build relationships based on confidence and mutual trust to facilitate the involvement of all who are impacted by our operations.

ContourGlobal aspires to the goal of zero-harm in all our activities and commits to continual improvement by monitoring our health and safety performance and implementing actions that will deliver enhanced results, which we will report in our annual corporate social responsibility report.

These commitments are supported by the following health and safety principles:

- Commit to comply with all national government and regulatory OH&S requirements in all countries where we operate and/or to conform to ContourGlobal internal OH&S standards whichever has the higher threshold.
- Embed the OH&S management system within the day to day business activities, which will:
  - o Identify, assess and control risks from known causes of occupational injuries and ill health associated with our workplace processes and working environments.
  - o Investigate the root cause of any work-related incidents and take action to prevent recurrence and share learnings with the wider business.
  - o Develop employee OH&S competency through targeted and effective training to ensure all can fulfill their role responsibilities in a safe manner.
- Set annual specific and measurable OH&S objectives for all operations that are linked to annual bonus attainment.
- Audit OH&S systems, procedures and performance to assure compliance with applicable standards and manage actions to close any gaps that are identified.
- The ContourGlobal CEO will review the policy statement annually in conjunction with the ContourGlobal Health and Safety Director to ensure it is still fit for purpose.

Every employee is an ambassador for safety and the successful achievement of our safety goals belongs to everyone. It is the responsibility of every employee to highlight any acts, conditions or behaviors that are inconsistent with achieving our Zero Harm ambition.

Signed:

A handwritten signature in black ink that reads "Joseph C. Brandt".

Joseph Brandt, CEO ContourGlobal Limited  
Date: 26/01/2011