



Statement from the Chief Operating Officer

London, May 2012

Africa Renewables remains committed to the UN Global Compact, stringently adhering to the 10 principles of the charter. As a company seeking to displace the use of fossil fuels in the European energy market with sustainably sourced biomass, we pride ourselves on our ethical foundations and seek to propagate these values in everything we do. We are therefore delighted with the way the UN Global Compact complements these values and we readily look to marry the two ideals into one cohesive companywide policy.

Through the past year, Africa Renewables has grown into a company that is making a real difference to the way Europe is meeting its energy requirements. We are proud at having achieved this through an entirely ethical set of processes that highlight our commitment to the UN Global Compact. Not only have we promoted greater environmental responsibility in the wider market place, but we have married this with a state of the art logistics chain that is both lean and green. Each tree we fell has three more planted in its stead, resulting in a net positive carbon cycle.

Our choice of local partners depicts further evidence of the esteem in which we hold the UN Global Compact. SIFCA, that largest agro-industrial group in West Africa has a sustainable development strategy that gives priority to human beings, while maintaining the Group's commitment to environmental protection. Ghana Rubber Estates Limited (GREL), itself a subsidiary of the SIFCA group, has amongst other promises, committed to assisting its communities develop social amenities to benefit the entire region. Such actions are confirmation of Africa Renewables wanting to ensure both our own actions, and those of our partners adhere to the UN Global Compact.

Whilst looking ahead, we believe that the UN Global Compact will underpin our development across West Africa. We firmly adhere to the compact's ten principles and will take these with us wherever our work may lead us. We take great pride in bearing this standard, and hope that our actions educate other people working in our localities, to do the same.

Through our evolution as a business, the UN Global Compact has continuously served as a reminder for us to account for the things that ultimately matter more than the economics of a project. We focus on the imprint we leave on the landscape in which we work and the communities whom we work with. Our whole team is dedicated to this mantra, and we make active attempts to substantiate this philosophy with business practices that work for the betterment of the world we live in.

Sonia Medina
Chief Operating Officer



Practical actions taken to implement the UN Global Compact

- **Labour**

Africa Renewables, through its subsidiary in Ghana, Takoradi Renewable Energy Ltd (TREL), has ensured that all staff have contracts of employment that lay out their rights as employees of the company. Staff are given relevant protective equipment to ensure safety and paid extra for any overtime hours they work.

TREL has created a system wherein all potential employees submit applications that are then reviewed by the human resources team. Applicants are short listed based upon qualifications and experience, thereby removing any possibility for discriminatory policies.

All employees are free to join trade unions if they so wish. Under no circumstances does TREL engage labour from persons that are not employed through an official contract of employment.

- **Human Rights**

TREL's operations are on a commercial plantation rather than forest land. This means there is neither any danger of displacing indigenous people from their homes nor violating any human right. As part of the agreement for the purchase of biomass, Africa Renewables has ensured that finances are directed towards the Corporate Social Responsibility programmes that seek to aid the local communities through effective schooling and health care. As a result of this agreement, a sizeable portion of our payments go directly to the communities we work in.

We believe whole heartedly in the propagation of human rights and ensure that all new staff are given an induction which makes them aware of all relevant company policies. Staff are also given basic health and safety training, and educated about our controlled wood policy and our subscription to the UN Global Compact.

- **Environment**

Through TREL, Africa Renewables has committed itself to the following

- Forests are not illegally harvested
- Harvests are not obtained through an abuse of civil rights
- High Conservation values are not threatened
- Forests have not been genetically modified

Our Controlled Wood status can be found here -

<http://info.fsc.org/PublicCertificateDetails?id=a0240000009Cbq5AAC>



Prior to any work being carried out on the plantation, a felling plan is made wherein officials from both Ghana Rubber Estates Ltd (GREL) and TREL assess the proposed blocs for anything that may impact negatively on the environment. These areas are either cordoned off, or plans are made to negate such an impact.

- Anti-Corruption

Africa Renewables has taken several steps to ensure anti-corruption measures –

- All accounts are audited by PriceWaterhouseCooper (PWC)
- All transactions are documented and stored to a central company database
- All payments are approved by both the Director of Finance and the Managing Director



Measurement of the Outcomes

We are pleased to say that the measures we have adopted to champion the UN Global Compact have had very favourable outcomes.

- Staff inductions have proved to be an excellent way to make sure new employees are well versed in their rights and privileges. The occasion also provides time to explain our company stance on Controlled Wood, as well as our subscription to the UN Global Compact. Although no incidents have been reported, all staff are encouraged to report any instances of conflicts between company processes and the commitments we have made.
- Our Controlled wood policy has meant that we are able to provide ethical credence to the source of our biomass. The procedures we have in place to ensure the enforcement of this policy are explained to all new staff. As such, we are able to ensure there is no negative externality towards the environment from our operations.
- The specialised logistics chain we have employed has meant that we are able to operate without causing soil disturbance in the plantation so as to help with the replanting programme. Our brand new equipment also enjoys significantly better emission ratings than older machines that are widely employed by other companies.
- Externally audited accounts from a globally renowned firm have meant that we are sure there are no irregularities in the handling of the company's finances. Furthermore, budgets that are submitted by TREL to Africa Renewables are reconciled to check for any irregularities.

These are just a few of the positive effects our policies have had and highlight Africa Renewables commitment to the UN Global Compact. As our operations expand, we will continuously review our policies and practices to ensure that we are able to meet our commitments as a subscriber to the ten principles of the Global Compact.