

UN Global Compact Communication on Progress: May 2012 – May 2013

Statement from the Managing Director

London, 20th May 2013

Membership to the UN Global Compact has continued to underpin Africa Renewable's work throughout our operations in 2012 and into 2013. We have found that our business; that of providing sustainably sourced, renewable energy to Europe intertwines perfectly with the ethics based mantra of the Global Compact. Each year we endeavour to better our own working practices to ensure we are supporting our staff, our partners and the local communities we work with, in the best possible way. In turn, these efforts maintain our commitment to the UN Global Compact and the ten guiding principles that encompass human rights, labour, the environment and anti-corruption.

In developing a green biomass extraction chain and providing our European off-takers with a source of energy that could reduce carbon emissions by up to 92% as compared to traditional coal fired power plants. We feel that this links closely with Principles 7, 8 and 9 relating to environmental well-being, in that we actively promote greater environmental responsibility and encourage the development of environmentally friendly technologies. Our controlled wood policy ensures that our biomass is tracked from its source, right through to the point of export, thus evidencing all wood comes from sustainably managed plantations wherein each tree felled results in three new trees planted.

Each member of staff, from our chainsaw operators, through to our machine operators and logistics team must follow a process laid out by our human resources department. We take applications, conduct interviews and tests where applicable, and then give successful candidates contracts of employment. In doing so we remove the danger of a work force that is unaware of its rights and freedoms to join unions as well as ensure that there is neither any discrimination nor nepotism in our employment policy. A pre-requisite of all applications is that the individual is over the age of 18, thereby allaying any fears of child labour being used in any of our operations. All employees are paid a monthly salary along with any overtime hours they may have worked or bonuses they may have earned during this period.

We firmly stand by our commitment to the UN Global Compact and are proud to have our name associated with morals that tie so closely with our own.

Jean Francois Guillon
Managing Director

Summary of operations

London, May 20th 2013

Through the year we have worked hard to make sure that the ethical foundations of Africa Renewables are transmitted across the entire business – We can break these into the four main areas covered by the UN Global Compact:

- **Human Rights** – We fully adhere to the Universal Declaration of Human Rights and identify strongly with the inherent dignity and of the equal and inalienable rights of all members of the human family. No part of our work threatens these principles in the slightest part, thus our human resources policies meet all 30 articles of the Universal Declaration.
- **Labour** – Through the course of the year we have strengthened our recruitment and dismissal procedure. All new staff are accepted following an equal application process and relevant tests having been carried out. Prospective staff are talked through their freedoms, their rights and their entitlements as an employee. Any staff responsible for misconduct are given warnings rather than dismissed straight away, unless the nature of the misconduct causes management to lose faith in an employee's ability to carry out their delegated tasks in an honest and professional manner. Typical examples of such incidents are in cases of theft, though here in management will provide absolute proof to the subject if this is the case. Through the year we have installed electronic monitoring probes on all our equipment that allow for real time data capture and evidencing of any irregularities. This has meant we are able to provide undeniable proof of any misdemeanours resulting in a protection of both the employee and the establishment. To this effect our newly introduced measures serve to allay any cases of mistreatment.
Moreover, through the year we have increased the provision of safety equipment to staff that work in hazardous environments. All workers are given safety boots and protective clothing upon joining the company. This has allowed for safer working environments for all our employees and resulted in 0 work related casualties throughout the year. Were there to be any health related problems, we have enlisted all our workers under a universal healthcare insurance that covers them entirely for any medical expenses. In doing so we have been able to sustain a motivated work force that are aware of their rights as employees.
- **Environment** – The essence of Africa Renewables is to provide the global energy market with an alternative, renewable source of fuel that can alleviate the reliance on fossil fuels. In constructing and adding to our supply chain, we have been careful to select equipment provides a trade-off between production, carbon emissions and weight per square centimetre to prevent soil erosion on the plantations we work on. During the course of the

year we commissioned a study on our carbon footprint and found that our biomass can reduce a power plants carbon emissions by up to 92% in instances of coal fired facilities, and 82% as compared to the overall European energy grid. As such, our policies to protect the environment and promote global well-being are worth it.

- **Anti-Corruption** – As the company has grown, our finance teams have implemented methods of capturing information to monitor any corrupt practices in the group. Everything from new stationary through to diesel requests are conducted through requisition requests that are handed out to each department. All in flows within the company are checked against invoices presented, and all out flows of money is against invoices received. Any cash handling is accepted against vouchers issued against an individual and signed for. We feel that such practices ensure that there is a vivid account of all money movement amongst our subsidiaries that guard against any corrupt activities.

We strongly feel that the processes we have in place along with the ethical underpinnings we hold as an organisation place us in good stead to be part of the UN Global Compact. We feel that entry to the Compact is just recognition for all the work we do to maintain our morals and subsequently our staff and clients at a level that is beyond just social acceptance, to a phase where we are thought leaders.

Mohammed Safdar
Shipping & Operations Manager