

UN Global Compact Communication on Progress May 2013 – May 2014

Statement from the Managing Director

London, May 2014

Through the past year, Africa Renewables has stayed strongly committed to the ten UN Global Compact principles and has put these principles at the heart of its operations. Our business; that of seeking to displace the use of fossil fuels in the European and African energy market with sustainably sourced and renewable biomass intertwines perfectly with the ethic based mantra of the Global Compact. In addition to the Environmental standards, we fully share all UN Global Compact values in the areas of Human Rights, Labour and Anti-Corruption and are therefore delighted to be a part of this network.

We pride ourselves to be an active actor of the global green revolution. Our biomass extraction chain was carefully studied to have the lowest possible impact on the environment, especially regarding greenhouse gases emissions and local sustainability. Our continuous work and attention on these issues allow our biomass to have a very low carbon footprint and to reduce carbon emissions by up to 92% as compared to traditional coal fired power plants. Our controlled wood policy is also an evidence that our biomass comes from a sustainable process from sustainably managed plantations to the point of export and thus respects local biodiversity and ecosystems. We therefore actively promote greater environmental responsibility in Europe and Africa and encourage a greener global energy market.

By working with local African communities, we are also proud to foster West African development. In those countries where about 20% of the population doesn't have direct access to electricity, exploiting local biomass potential to produce a renewable source of energy is a platform which promotes the development of green electricity generation technologies that those countries desperately need to develop their economy. We also help local plantations to reach sustainability by fostering replanting programs and by providing them additional income from biomass business.

By implementing fair employment processes and contracts with all our employees, we ensure a high level of standard for labour management. The well-being and health of our staff is one of our priority and we actively promote them by health and safety programmes and by a human approach of staff management.

Through our evolution as a business, we have remained committed to the ten UN Global Compact principles that we actively share and implement in all our operations. We therefore renew our proud to have our name associated with your values that tie so closely with our own.

Jean Francois Guillon
Managing Director



Summary of practical actions taken to implement the UN Global Compact

London, May 2014

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, Labour, Environment and Anti-Corruption.

Human Rights

We strongly support and believe in all principles in the Universal Declaration of Human Rights and are fully committed to respect and promote them across the entire business. We exclusively operate with residues from commercial plantations. This ensures the full respect of indigenous people habitats, local food supply and all other human rights. Staff are educated about human rights issues and our commitment to the ten UN Global Compact principles.

Africa Renewables promotes human rights and especially equality between human beings by promoting local socio-economic development in the West African countries where we are settled. Selling a proportion of our products locally supports the local energy market whose expansion will largely influence the whole economy. Our presence in those countries also boosts the local economy thanks to other factors like additional job offers, technology transfer and input of hard currency.

We also ensure that all our stakeholders respect our values and particularly the Human Rights principles. As a part of the agreement for the purchase of biomass, plantations have to direct our finances toward their Corporate Social Responsibility programmes. For example, Ghana Estate Rubber Limited (GREL), one of the plantations we work with, contributes to Ghana's education system with schools construction and scholarships. Its mother company, SIFCA, adopted and supports a plan to fight HIV and AIDS.

Labour

We ensure that our recruitment and dismissal procedures are fair and cannot imply any discrimination. In a case of a worker misconduct, we give warnings rather than firing the offending straight away. A case of theft can however be a reason not to respect this rule, but absolute proof of the fault must be provided before any dismissal. Electronic monitoring probes have been installed on all our equipment and are able to provide evidences of irregularities. They protect all employees from an abusive dismissal and can also be used to avoid mistreatment.

All staff have contracts of employment that lay out their freedoms, rights and entitlements as employees of the company. Their rights include the right to join trade unions and extra payment for overtime hours. Health and safety training is also organised to educate our staff about possible risks and hazards in their work and procedures to mitigate it. We ensure the provision of adapted safety equipment to all our employees that work in hazardous environments. Our health and safety policy allows for safer working environments and has resulted in zero work related casualties these past two years. All our employees are also entitled to a universal healthcare insurance that covers them entirely for any medical expenses.

With regards to labour issues, we ensure that our stakeholders have the same level of standards. SIFCA and its subsidiary GREL have implemented a standardized health and work safety policy. They also have a programme that foster access to accommodation for their workers.



Environment

Africa Renewables provides global industry with an alternative, renewable source of energy. By providing biomass that can alleviate the reliance of fossil fuels we are proud to be part of the global green revolution. To ensure our product has a real impact on energy carbon emission, we commit to respect strong sustainability principles for our supply chain. All these principles can be found on the Africa Renewables website.

The equipment we use to harvest wood and produce biomass is carefully selected to provide a trade-off between production rate, carbon emissions and weight per square centimetre to prevent soil erosion. We commit not to illegally harvest forest and to only use wood residues that were previously left to decay or burn on site. The surplus of income we give to plantation managers and our logistics chain of extraction that prepares the ground for replanting, helps plantations to reach sustainability. By promoting sustainable replanting programmes, we fight against primary forest deforestation. We also commit not to threaten biodiversity.

All these sustainability commitments and their concrete applications in our supply chain make our product fulfil all requirements of standardized wood policies, thus we have a Controlled Wood Standard that adheres to international regulatory bodies and the European Union Biomass Sustainability Guidelines. A study we commissioned to assess our carbon footprint found that our biomass can reduce a power plant carbon emissions by up to 92% in instances of coal fired facilities, and 82% as compared to the overall European energy grid.

In terms of environmental standards, we also demand strong sustainability commitments from our stakeholders. SIFCA and GREL both commit to respect their environment charter including waste management and biodiversity policies.

Anti-Corruption

Africa Renewables fully commits to fight against any corrupt practices in the group. Several actions and procedures are taken to ensure this is respected. All our accounts are audited every year. All transactions from new stationary purchase to diesel requests are conducted through requisition requests that are handed out to each department. All inflows within the company are checked against invoices presented, and all outflows of money is against invoices received. Any cash handling is accepted against vouchers issued against an individual and signed for.

Our stakeholders also implement policies to prevent corruption in their companies and we ensure that all of them are audited.

We strongly think that all our ethical policies and procedures show our commitment to the ten principles of the UN Global Compact. We feel that the work we do to maintain a high level of social responsibility for human rights, labour, environment and corruption issues and the concrete outcomes it has for our business, our staff and our stakeholders place us in good stead to continue to be part of the UN Global Compact.