



January 29th, 2016

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017

Dear Mr. Secretary-General,

I am pleased to confirm that MagneGas Corporation will continue its support for the ten principles of the Global Compact on human rights, labour, environment and anti-corruption and wishes to renew the company's ongoing commitment to the initiative and its principals. With this communication, I am expressing our intent to implement those principles. We, at MagneGas, are committed to making the Global Compact and its principles a continual part of the strategy, culture and day-to-day operations of our company, and will continue to engage in collaborative projects to advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

MagneGas has developed a technology that feeds liquid waste such as sewage or leachates through the Plasma-Arc Technology to sterilize any bacteria or pathogens. This process along with other MagneGas patented technology creates a biomass energy that burns hotter and cleaner than propane and acetylene. The alternative gas created has many uses that can serve as a clean alternative for cooking stoves, high temperature gas burning away residue left by less clean fuels, and processing potentially hazardous waste for sterilization.

I recognize that this expression of continual support by myself as the Chief Executive Officer of MagneGas Corporation is the first step in the requirements needed for continued participation in the United Nations Global Compact. Following this letter, the United Nations Global Compact will receive our annual submission of a Communication on Progress (COP) that outlines our efforts to implement the ten principles. We support public accountability and transparency and will include a description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken or plans to undertake to implement the Global Compact principles in each of the four issue areas, human rights, labor, environment, anti-corruption. Additionally, a measure of outcomes will be presented in this COP in order to further disclose MagneGas' degree in which it has addressed its targets, the indicators met, and any other qualitative or quantitative measurement of results.

Kind Regards,

A handwritten signature in dark ink, appearing to read "Ermanno P. Santilli", with a long horizontal flourish extending to the right.

Ermanno P. Santilli  
Chief Executive Officer, Interim President  
MagneGas Corporation



## **MagneGas Corporation's Communication on Progress**

### **Human Rights Principles**

As outlined by the Universal Declaration of Human Rights, MagneGas recognizes that human rights are basic rights and freedoms that all people are entitled to regardless of nationality, sex, national or ethnic origin, race, religion, language, or other status. Human rights include civil and political rights, such as the right to life, liberty and freedom of expression; and social, cultural and economic rights including the right to participate in culture, the right to food, and the right to work and receive an education.

### **Assessment, Policy, and Goals**

MagneGas' policies have been in place to ensure that all of our employees and business partners respect and achieve the articles of the Universal Declaration of Human Rights; ensuring that every person in the world is entitled to freedom, justice and peace. MagneGas' stance on corporate social responsibility (CSR) incorporates active compliance with the spirit of the law, ethical standards and national or international norms with active vigilance in social good. MagneGas and its affiliated organizations engage in participations with:

In each of these countries listed, there is the risk of violations of human rights, labor, environment, and corruption. To ensure that violations do not occur, MagneGas and our affiliates take a hands-on approach to the implementation, production, and development of each sector and product in each respective region. Our goal is to empower the people of these countries, employ and engage with more local people, and develop in a way that is sustainable from a business and ecological standpoint. Often times, as seen in developing countries, the other business's vision for growth is short term, and profits often times over power ethics.

All business partners, suppliers, and manufacturers are expected to adhere to the principles on Human Rights. Any violation of the articles outlined in this universal declaration would lead to MagneGas' review and disassociation with this organizations and the reporting of the violations to the proper authorities.

### **Related risks and impact in industry sector and country(ies) of operation**

In the business of sustainable technology, the major risks that are associated with this sector in the countries listed include people being subjected to cruel, inhuman, or degrading treatment; everyone has the right to equal pay for equal work; and the right to freedom of peaceful assembly and association, specifically with regards to the manufacturing of the products. Another risk associated with this sector involves the degradation of the environment, ecosystems, and surrounding communities by practicing harmful methods of energy and food production. Without safe systems in place, populations run the risk of negative health effects, reduced nutritional gains, and overall degradation of their quality of life.

Nations that MagneGas and its affiliates are active in and working with partners include, but are not exclusive to; Australia, China, Haiti, Italy, Sierra Leone, Trinidad and Tobago, the United States of America, and others. Working in many developing nations and those in transition come with risks of poor governance and fewer regulations, MagneGas addresses these concerns with a high code of ethics for all projects domestic and aboard with concentration on their social impact.

### **MagneGas' specific goals in the area of human rights for the upcoming year:**

- Maintain a supply chain for all affiliations that is in compliance with the Universal Declaration of Human Rights.



- Empower women to attain greater levels of equality across all sectors of society.
- Encourage the opportunity for sustainable farming solutions with our fertilizer byproduct to be used in small to large-scale operation in all economic environments.
- Increase the global capacity for countries and its citizens to clean water.
- Promote the advancement of research and technologies that are geared towards improving the quality of life in individuals spanning all economic, religious, ethnic, and political barriers.

#### Implementation

MagneGas has taken the following measures to prevent human rights violations at its work locations:

- A reporting structure has been implemented throughout the workplace which allows for any person to report a violation to their superior or they can communicate directly with management.
- As MagneGas expands internationally, all partners are being considered for their impact in social good and their standing in the community.

#### Measurement of Outcomes

- MagneGas has maintained 100% accountability throughout its supply chain of various offerings without any reports of human rights violations.

### **Labor Principles**

#### Assessment, Policy, and Goals

The policy held for MagneGas' Corporation on labor principals acknowledges the freedom of association and the effective recognition of the right to collective bargaining; and stands behind the principals of eliminating all forms of compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation. MagneGas has an open stance against discrimination ranging from traditional forms such as sex, race or religion, age, sexual orientation, HIV/AIDS status and disability.

#### Implementation

- Company manual highlights the assessment, policy and goals of our labor principals as well as standards on personal behavior, harassment, and discrimination.
- MagneGas has an open door policy allowing for individuals to bring forward any concern or complaint that they may have regarding their employment, or the employment of others associated with MagneGas. Any item that cannot be solved in this manner will be subject to arbitration before the executive team.

#### Measurement of Outcomes

- MagneGas has hired, brought on employees, and conducted business with companies, individuals, countries, and foundations with equal opportunity and without discrimination.
- MagneGas has had zero reports of any form of compulsory labor or child labor in any of its operations in which it has had involvement.

### **Environment**

#### Assessment, Policy and Goals



The environmental policy of MagneGas is reflective of our environmental commitment to industry and individuals alike. MagneGas will continually strive to find ways to increase efficiencies, support technologies that are better for the environment, and seek to enact change at all levels of corporate engagement. It is our policy to comply with all environmental laws of the respective region in which we are doing work, and when possible, institute changes that will have a positive impact on the community from an environmental standpoint.

MagneGas actively seeks out strategies that ensure environmental protection, mitigate inputs that negatively impact the local ecosystem, and change the fundamental approach in many instances to make production and commerce as low-impact and sustainable as possible.

MagneGas is implementing a sustainability reporting procedure for all companies with which it does business in the effort to enhance the company's public image, highlight what stewardship objectives are most accomplishable in their respective sector, and as a way to identify key opportunities in which each company can have a maximum impact for the greater good of the environment.

#### MagneGas Specific Goals for our environmental commitment:

- Promote the use of sustainable farming procedures in all countries in which we operate, reducing the amount of contaminating, synthetic chemicals currently used in operations today.
- Continue to advocate for sustainable farming practices with fertilizer in regards to having a positive impact on the ecosystem involved, while also reducing the expansion of "slash and burn" practices and reducing the rapid deforestation in developing countries.
- Provide alternative sources by making waste into energy and creating economic opportunities for local populations.
- Increase access to clean water for residential and commercial purposes through technological methods, helping to reduce disease, increase sanitation, and lessen the strain on over-stressed, traditional sources.
- Continue to involve high profile individuals in humanitarian efforts worldwide in order to increase knowledge and solutions to problems that the world is currently facing.

#### Measurement of Outcomes

- In many nations, MagneGas has specifically worked with local partners targeting deforestation.
- By providing fertilizer made from previous waste, many local farmers have access to a safer, cheaper, and natural fertilizer, leading to more productive crops and more nutritious food.
- Since the outbreak of Ebola and the fights with cholera across the globe, MagneGas has been actively working with US and UN agencies targeting affected areas to deploy MagneGas technology to turn a hazardous waste into clean water, clean cooking stoves, or safe fertilizer.

#### **Anti-Corruption**

##### Assessment, Policy, and Goals

It is the policy of the MagneGas that corruption, fraud, theft, maladministration or any other dishonest activities of a similar nature will not be tolerated. In addition, such irregular activities will be investigated and followed up by the application of all remedies available within the full extent of the law internationally and in the country of operation.



Outlined in our company handbook, employees are expected to uphold at all times, standards of integrity and behavior that will reflect positively upon themselves, their community, and MagneGas. All information and materials are regarded as confidential or proprietary. Employees should treat all business affairs, information, materials, plans and projects as confidential information unless informed otherwise.

The corporation complies with all anti-corruption regulations set by the national government where we do business and international bodies worldwide. It is MagneGas policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage, and the company does not tolerate or engage in any actions constituting corruption, fraud, theft and maladministration collectively such as: theft, misconduct while handling money or transactions, insider trading, false or misleading reporting, or the omission of any acts under similar contexts.

#### Implementation

- MagneGas has an open door policy allowing for individuals to bring forward any concern or complaint that they may have regarding their employment, employment of others associated with MagneGas, or the business actions of the company. Any item that cannot be solved in this manner will be subject to arbitration before the executive team.
- MagneGas has a system of checks and balances between its divisions, executives, and managers that intends to disclose any concerning issue as they arise.
- Proper diligence into transactions and business proposals is mandatory between advisors, managers, lawyers, and executives involved in order to ensure that infractions do not occur.
- The consequences of any corruption-based activity has been clearly outlined in the company overview that was presented to all members.

#### Measurement of Outcomes

- MagneGas has assigned specific personal to check over, and look into past transactions of the company to identify any irregularity.
- New reporting and communication procedures have been put into place to reduce the amount of redundant information and streamline the dissemination of information.