



UN Global Compact

Communication on Progress



- Evolving a sustainable future -

December 2016

Table of Contents

Letter of Continued Support from CEO, Anthony J. Archer 3

Company Summary 4

We Support the UN Global Compact 5

Our Focus on Sustainable Agriculture 7

Human Rights Principles 12

Labor Principles 14

Environmental Principles 16

Anti-Corruption Principles 18

Social Development Goals (SDGs) 20



Letter of Continued Support from CEO Anthony J. Archer:



I am pleased to reaffirm Primal Group's commitment to the United Nations Global Compact and all its principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We believe in doing good for the world, by doing good business.

The most impactful force on earth: Man has and continues to influence the planet more than any other factor. Over the past century we have developed innovative technologies that have provided sustenance, shelter and knowledge for billions of people around the world. The human race has become such a social and physical force that we are pushing ourselves into a new geological age, one that is now being referred to as the Anthropocene.

Man's impact upon the earth has created both opportunity and threat. Each year the shift in climate, alongside the continued depletion of the Earth's natural resources, leads to the loss of 12 million hectares of arable land, 46,000 square miles of forests and at least 10,000 different species. Understanding the consequences of Man is key to both survival and fulfillment in every aspect of our lives. Only through sustainability can we satisfy the most fundamental requirements for life and secure a safe and prosperous future for us all.

For the first time in history, social responsibility and sustainability are being demanded from the ground up, rather than from the top down. This is a huge adjustment in human behavior and represents a great opportunity to make the world a better place, secure our survival and build wealth; all of which are essential ingredients to continued success. The appetite for sustainable solutions is higher than it has ever been, with society no longer prepared to allow damaging and unsustainable practices that ruin our earth. In a world deserving and demanding of higher social responsibility, sustainable business will ensure a more sustainable future for us all.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours Sincerely,

Anthony J. Archer
Chief Executive Officer



Company Summary

Vision:

We live in an environment beset with new challenges that require innovative thinking. Even in our most primal of needs, the cultivation of food, we have struggled in fulfilling the requirements of feeding a rapidly expanding population. Despite The Green Revolution of the 1960s transforming global agriculture and saving one billion people from starvation, existing farming techniques now rely on unsustainable amounts of chemicals, water and energy.

Our vision is to create real, tangible value by challenging the status quo while contributing to a new era of sustainability that has far-reaching benefits for all. We aim to be not only successful and non-destructive, but also inherently restorative to the world. By helping to repair damage of the excessive overuse of synthetics and chemicals across the agricultural and beauty & personal care industries, we will ensure ourselves a new, ecologically sustainable and viable future.

Mission:

At Primal Group, we are proud to offer socially responsible investment opportunities in neem. Investing in neem is about investing in mankind's future, understanding the cultural and social movement and being part of the solution. We aim to create the world's first fully integrated neem business from agricultural projects to retail businesses for multiple end-user markets.

Employees:

43



We Support the UN Global Compact

The United Nations Global Compact (UNGC) is the world’s largest voluntary corporate citizenship initiative. The UNGC issues Ten Principles on Human Rights, Labor Standards, the Environment and Corruption. Membership of the UNGC requires companies to issue a ‘Communication on Progress’ report annually. This report is our first COP and it outlines Primal Group’s activities in support of these Ten Principles:



Human Rights

- 1: Support and respect the protection of internationally proclaimed human rights.
- 2: Ensure no aspect of the business is complicit of human rights abuses.



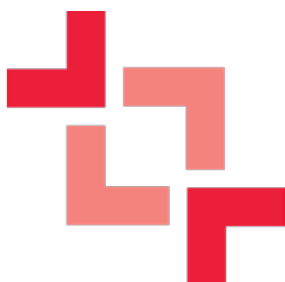
Labor

- 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4: Eliminate all forms of forced and compulsory labor.
- 5: Abolish child labor.
- 6: Eliminate discrimination in respect to employment and occupation.



Environment

- 7: Support a precautionary approach to environmental challenges.
- 8: Undertake initiatives to promote greater environmental responsibility.
- 9: Encourage the development and diffusion of environmentally friendly technologies.

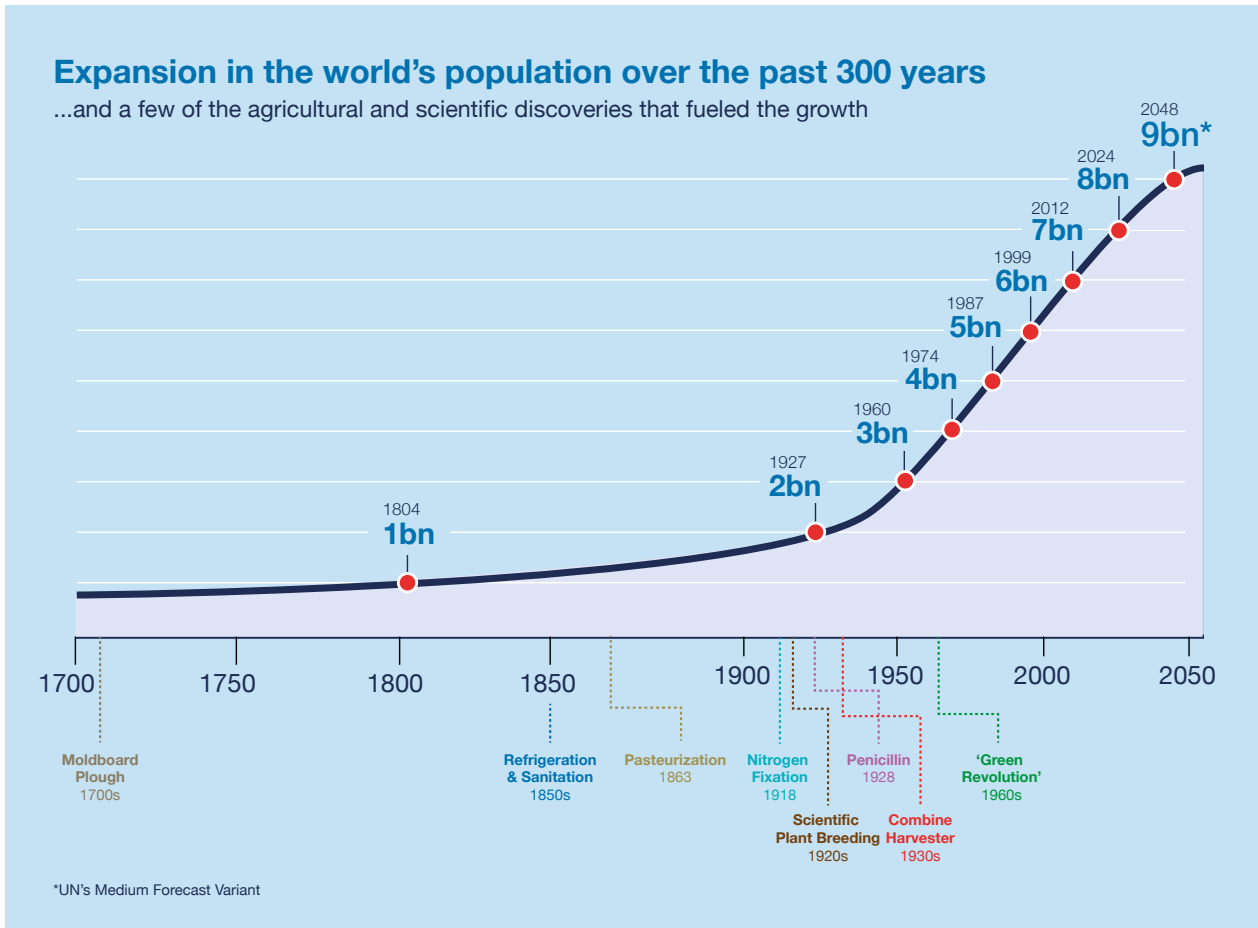


Anti-corruption

- 10: Work against all forms of corruption, including extortion and bribery.



Our Focus on Sustainable Agriculture

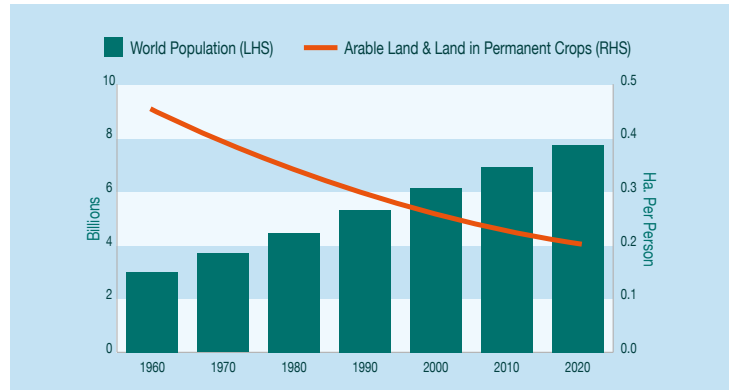


Ours is a time of rapid global change where the demands of a rising population are shifting human priorities towards the fundamental requirements for safeguarding life. The socioeconomic system of the past, geared towards productivity at any cost, has caused unstable consumption patterns, environmental harm and the unprecedented depletion of the planet's strategic resources. Despite this increasingly challenging scenario we face, there is a solution: aligning the needs of man and nature to catalyze a revolutionary transformation in our industrial process.

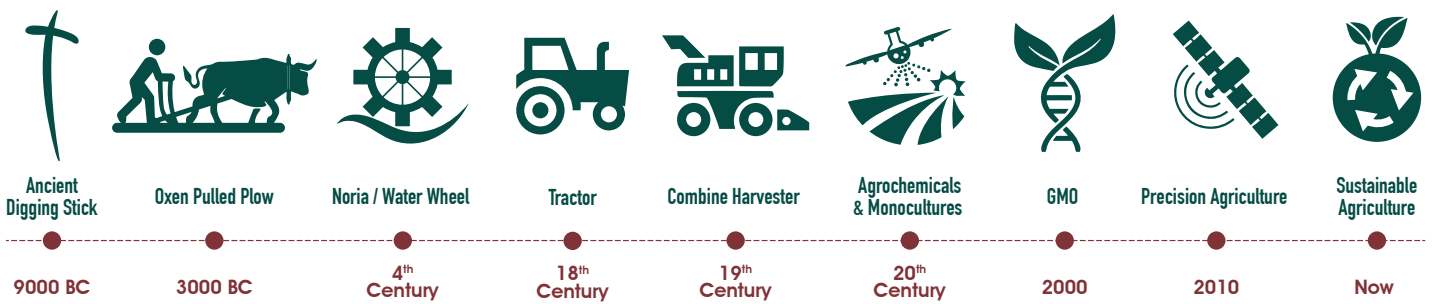
The theme holds especially true for agriculture, which is famed for saving a billion people from starvation during the Green Revolution of the 1960s. Although industrialized agriculture and the rise of artificial crop care enabled our increasing population to thrive well into a new millennium, farming techniques now rely on an unsustainable amount of water, energy and synthetic agrochemicals often with little regard to any adverse and long-term effects to our environment and health. Responsible for consuming 70% of the planet's available freshwater annually, eroding nearly 33% of the world's high-quality arable land and causing 30% of global greenhouse gas emissions, these archaic solutions have become outdated in the face of modern challenges.



Determined to build a legacy fit for all future generations, we have arrived at the forefront of a new agricultural revolution. Increasing food pressure, diminishing arable land and aggressive climate change are the compounding reasons to evolve this new system for agriculture.



The Evolution of Agriculture



We have utilized safe and sustainable strategies on our projects since inception, in order to establish ourselves as a major part of the solution for the challenges facing the agricultural sector. Why? Not only for the sake of sustainability and global health, but also to ensure the long-term prosperity of the planet. We are driving change to create a more tenable future for our planet by ensuring environmental protection, social responsibility and value creation for generations to come.



Understanding the major principles for safe, effective and sustainable crop care is essential for developing an evolved agricultural system that focuses on productivity in the long term.

Leading the Way for Sustainable Crop Care

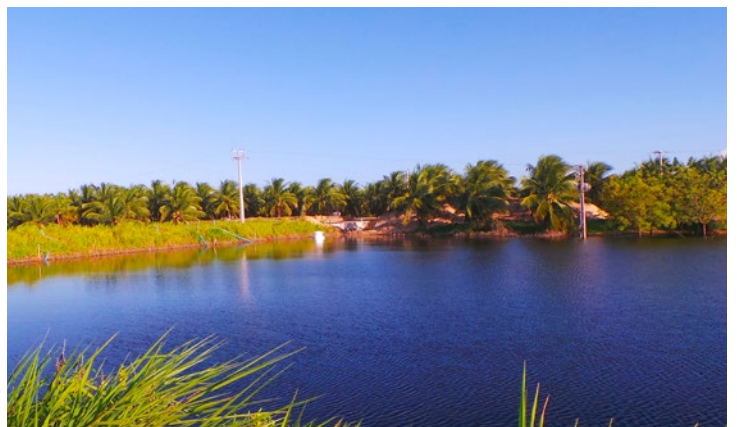


In order to secure the optimal fertility of the soil and the protection of crops on our plantations for generations, we own cultures and systems of organic crop care and irrigation. These are derived from some of the most innovative ecological practices of plant nutrition and environmental conservation. By applying technical knowledge specific to each pest and disease, an expert understanding of the nutrients necessary for optimal crop development and specialist irrigation infrastructure across their projects, we protect the degradation of land, soil and water while maintaining the natural ecosystems and biodiversity necessary for a more sustainable future.

Safeguarding the Global Water Supply by Example

By investing significantly in water management, ranging from on-site eco dams, irrigation systems and pump house infrastructure, we strengthen our on-site water reserves in order to fulfill the entire plantation's water demand at the lowest maintenance and environmental cost possible.

Our water dam is equipped with over 75,000 ft² of coconut fiber matting as a protective measure to prevent waves from eroding the banks and allowing vegetation to bind to the sand. A capacity of 286,000 gallons collected through natural means ensures optimal water retention, supply and management across our plantations.



A before and after shot of our eco-dam for effective water management



Hydration and fertilization are two primary considerations for effective plantation management. Our on-site pump house serves as the focal point, supporting both automated and manual systems in delivering crops the requisite amounts of water and organic fertilizer across the plantations.

With state of the art equipment and sustainable crop care practices, we are able to conserve the highest amount of water while ensuring the appropriate levels of hydration for the trees are available for the projects come rain or shine.

Utilizing the World's Most Powerful Energy Resource – the Sun

Energy for growing and harvesting crops is one of the most expensive and environmentally damaging factors of managing agricultural projects. Rather than proliferating the global use of fossil fuels, we are developing the capacity to harness the lasting and clean power of the sun across all of our projects where possible. Ensuring that all infrastructures have been designed to receive a photovoltaic supply of solar power, the ultimate objective is to meet the demands of the on-site facilities and irrigation systems in an entirely sustainable and environmentally friendly manner.



First phase of our switch towards renewable resources

The first phase of Primal Group's Zero Carbon Footprint Plan will involve a 26.5-kilowatt peak system generating 42.3-megawatt hours per year (24% of the expected energy consumption across the same period). This first phase Solar PV system will generate 1,772 MWh of electricity over the course of its life, equivalent to 1,2452 metric tonnes of Carbon Dioxide equivalent.



The Environmental Value of Neem as a Commercial Crop

“The best time to plant a tree was 20 years ago. The next best time is now”

Chinese Proverb

The neem tree (*Azadirachta Indica*) is an evergreen and part of the Meliaceae (Mahogany) family, celebrated for its remarkable healing properties as far back as 5,000BC by the Harappa and Monejo civilizations. Described in ancient Indian Ayurvedic texts as ‘sarva roga nivarini’ (the universal healer of all ailments) and ‘nimba’ (giver of good health), neem’s name in Sanskrit is ‘Arista’ - meaning ‘perfect, complete and imperishable’. Fast-forward to the present day and neem is becoming renowned around the world for its impact in sustainable agriculture, as well as for its many applications across the medicinal and beauty and personal care sectors.

The very nature of neem even makes the tree ideal for reforestation and carbon sequestration efforts. Fast growing, with a large surface biomass and thick foliage, neem has an impressive capacity to capture carbon in the atmosphere with a sequestration capacity of 12.27 tons per tree per year. One of the most resilient, hard wearing and durable timbers on the planet, with a lifespan of up to 200 years, neem is an obvious choice for protecting and restoring the environment through long term carbon entrapment.



A neem tree at full maturity



The Life of Neem

Named 'Arista' in Sanskrit - meaning 'perfect, complete and imperishable'

Leaves
Containing most active ingredients found in the seeds but in a much lower concentration, the leaves are considered the most versatile part of the tree. Now used as a pesticide, fertilizer and animal feed, the leaves were originally used as a medicinal tea in Indonesia

Flowers
The flowers are the part of the tree with fewer uses, however, given the flowers' sweet, honey-like smell, the flowers are used in aromatherapy for a calming and restorative effect

Twigs
Whilst used in commercial toothpastes and mouthwashes, twigs have most widely been used as brushes for generations in India







Oil
Extracted from the kernels inside the seeds, where a single seed may contain up to 50% oil by weight, the oil is recognized and valued as a safe and effective bio-pesticide for organic farming. The oil has also been widely studied due to its medicinal properties and is also used in a variety of cosmetic products such as creams, soaps and shampoos

Fruit, Seed, Kernel
Diagram showing the internal structure of a neem fruit with labels for Fruit, Seed, and Kernel.

Bark
Neem bark contains spermicidal properties and research is undergoing to approve its potential use as a sexual contraceptive for both women and men

Cake
After the seeds have been pressed for oil, the resulting by-product is the neem cake. Neem cake is used across the agriculture sector as an effective pesticide, fertilizer and anti-bacterial, anti-fungal organic alternative to antibiotics in livestock

Roots
The roots of a neem tree also have different medicinal properties due to being antiseptic, antibacterial, anti fungal and germicidal. They are also used as a pesticide and to control fleas and ticks on pets

 <p>Neem-based organic pesticides are effective against 500 insect species. As a fertilizer, neem also reduces soil alkalinity and ensures optimum fertility</p> <p>Pesticide</p>	 <p>All parts of the neem tree can be used for the treatment of inflammation, infection, fever and skin diseases</p> <p>Medicine</p>	 <p>Containing a high level of antioxidants, neem is used in organic soaps, shampoos and hydrating creams</p> <p>Cosmetics</p>
 <p>Neem is used as an organic and nutritional supplement that is effective against internal nematodes</p> <p>Cattle feed</p>	 <p>Neem improves the nutritional value of the soil while protecting plant roots from pests and diseases</p> <p>Fertilizer</p>	 <p>Derived from the mahogany family, Neem is an extremely durable wood ideal as a construction material</p> <p>Timber</p>



Human Rights Principles

“To deny people their human rights is to challenge their very humanity.”

Nelson Mandela

As a main driver for corporate social responsibility across emerging markets, Primal Group recognizes its responsibility to uphold human rights both in the workplace and across all our spheres of influence. We proudly support and respect the protection of internationally proclaimed human rights as stated in the UN Universal Declaration of Human Rights. This dedication is made clear through the implementation of Human Rights, Code of Conduct and Code of Business Ethics policies that address all of our partners, suppliers and employees.



During the last 12 months, Primal Group have maintained a commitment to the United Nations Global Compact Principles relating to human rights via in-house management that have ensured the following policies:

- A code of ethical conduct for all of our employees, suppliers, consultants and partners.
- Responsible and transparent activities across all levels of our business operations, demonstrating respect and support for all employees and business partners.
- Stakeholder engagement with local communities that involves outreach, educational programs and voluntary initiatives.
- Regular monitoring and reporting on activities and progress in upholding Human Rights in all parts of the business and across all of our spheres of influence.



With a focus on developing sustainable agricultural projects in emerging markets, we provide the essential components necessary for economic development in all the regions in which we operate. We are proud to announce that we have had no issue with human rights thus far since inception and we fully intend to continue upholding our exemplary record in this regard across all aspects of the business and throughout all our spheres of influence.

Sustainable agriculture's ability to produce safe and abundant food is fundamental to reducing poverty and ensuring the human right of fair access to fundamental resources. Next year, we will further expand our outreach program to engage in more projects to educate the local community with programs dedicated to raising awareness of the dangers surrounding agro toxics and disseminating sustainable agro ecological practices.

The first step of our Educational Programme will provide the necessary tools to teach the concept of permaculture in agro ecology through a practice known as Mandala Agriculture. The Mandala Agriculture System is designed as a sustenance farming technique that relies on organic inputs and practices that are efficient and cost-effective.

Benefits include:

- Teaching the local community about agriculture, the impacts and sustainable alternatives to chemicals.
- Practical experience in developing healthy food supplies autonomously.
- Utilizing the produce to provide meals at the local schools.



One of our implementation teams



Labor Principles

“Labor is prior to, and independent of, capital. Capital is only the fruit of labor and could never have existed if labor had not first existed. “

Abraham Lincoln

Primal Group is committed to building a value-driven high performance culture throughout the business, whereby all employees are trusted and respected. We foster and celebrate an inclusive and equal workspace including diversity ranging across three continents, which upholds the freedom of association and collective bargaining, alongside fundamental core labor rights and principles across the Group.



The rights, compensation and responsibilities of our employees, partners and suppliers all follow the United Nations Principles on Labor, with the management team having ensured the following policies:

- A Code of Business Ethics and Labor Standards that ensure a safe and healthy work environment as well as a zero tolerance for harassment, discrimination, child labor, forced labor, dangerous working conditions, access to denied property, bribery or corruption.
- Remuneration is at least of minimum wage in all local jurisdictions, with regular performance reviews and opportunities for advancement and career progression. Manual labor resources required in less urbanized areas undertake a stringent pre-employment screening process and receive additional benefits such as access to nutritious meals and a clean water supply, alongside requisite training and equipment required for their roles.
- A diverse team of individuals from varying backgrounds, cultures and thinking styles to aid us solving complex challenges in an increasingly globalized world and enabling our people to become better professionals and our business become more efficient.
- The implementation of sustainable, responsible business practices that ensures the highest level of integrity, respect and diversity across all levels of our business hierarchy.



Our ultimate goal is to be regarded as a leader and positive influence across all our spheres of influence, not only for our employees and stakeholders but wider communities in which we operate in. With an ever-growing head count as the business expands, we treat all of our employees, across all levels of business, with the highest levels of respect, compassion and fairness to ensure the very best working environment.



Environmental Principles

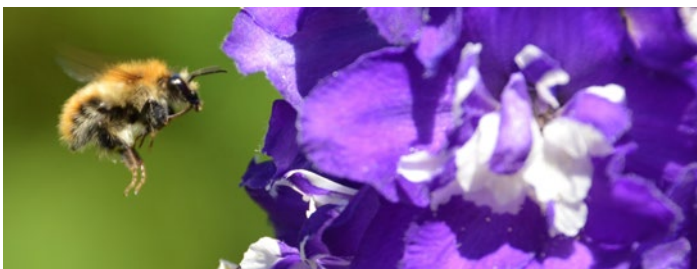
“Saving our planet, lifting people out of poverty, advancing economic growth – these are one and the same fight.”

Ban Ki-Moon, Secretary General of the United Nations

With an absolute dedication to protecting and restoring the environment, we strive to implement sustainable technologies, practices and systems that have a positive environmental impact across all of our operations. A fundamental part of our missions is to drive the New Green Revolution in modern agriculture that will see a shift towards practices that can meet the demands of our rising populations in a safe, healthy and sustainable way.



As part of our long-term objectives for social and environmental responsibility, we have created a specialized Environmental and Social Responsibility management role, responsible for implementing our newly developed Social Responsibility Plan which involves an annual process of reviewing the most significant needs in the communities in which we operate and how to address them in our daily operations. They will also be responsible for reviewing the environmental impact of our projects and reducing them wherever possible through the use of sustainable techniques for agricultural management.



Our future bee project will empower our ecosystem.



Healthy, young neem trees on our plantation



Precision irrigation for our neem saplings



Wildlife in our legal reserve





Our in-house management team and environmental impact and social responsibility specialists ensure all operations of the business are implemented with sustainability at its core through the following policies:

- The utilization of organic and environmentally friendly inputs and agricultural practices to nourish, protect and sustain our agricultural projects in the healthiest and most productive way possible.
- The constant review of fauna and wildlife on our projects to ensure that they are transferred and maintained to the highest environmental standard on our dedicated on-site reserve.
- The development of our Zero Carbon Footprint Plan, which will ensure the power demands of our on-site agricultural facilities are met through renewable means such as solar power.
- Intercropping across our plantations with the purpose of preventing monoculture, which can lead to quicker buildup of pests and diseases within areas. The neem plantations will benefit from legumes planted as secondary crops in order to prevent detrimental pathogens and maintain the quality of the surrounding environment as the projects expand.
- Carbon sequestration through the planting of neem trees. Possessing the ability to sequester 12.27 tons of CO₂ per year, the neem tree is one of the most effective tree species for restoring the environment through carbon entrapment. Each hectare of neem on our plantations will sequester 5,104 tons of carbon every year.
- Integrating environmental considerations into due diligence of suppliers and third parties across the Group.
- The implementation of a bee colony on site at our plantations. Critical to the ecosystem and environment due to their pollinating ability, these hives will offer a substantive positive environmental impact across the plantations and local areas.



Anti-Corruption

“Fighting corruption is not just good governance. It’s self-defense.”

Joe Biden, Vice-President of the United States



We at Primal Group have a zero tolerance for corruption in all of its forms. As a global company that operates in several jurisdictions, we remain vigilant and proactive in detecting, preventing and abolishing any example of corruption across our operations and all our spheres of influence. This is achieved through the implementation of the following policies:

- The constant review of compliance and anti-corruption laws and regulations.
- The strict adherence to local, regional and national anti-money laundering (AML) guidelines in the geographies in which we operate.
- The regular evaluation of our operating jurisdictions for risk factors including corruption and bribery, while requiring employees in key roles doing business in these areas to complete additional training where necessary.

Moving forward we will be implementing a whistleblowing channel to ensure that employees, business partners and other third party interests follow anti-corruption guidelines. This channel will serve as a tool to report evidence of corruption or other irregularities such as noncompliance with the law or ethical breaches.

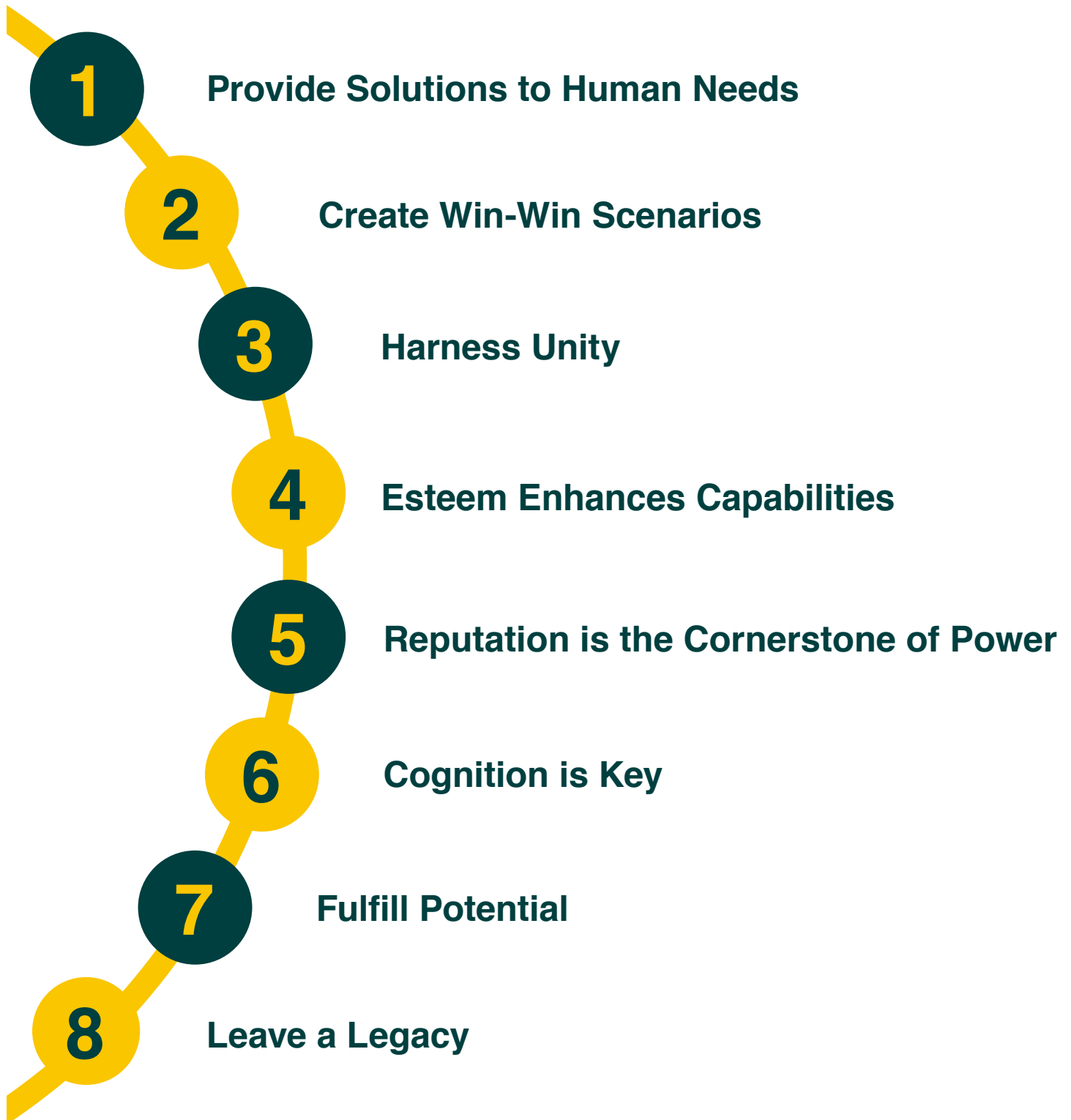
**UNITED
AGAINST
CORRUPTION**



FOR DEVELOPMENT, PEACE AND SECURITY



8 Primal Laws of Success



Social Development Goals (SDGs)

Since inception, we have prioritized the following social development goals as an integral part of our mission and corporate philosophy. We have and continue to uphold the standards, of the United Nations SDGs due to our philosophy of doing good by doing good business.

Through the development of a fully integrated, sustainable neem business, we engage in society and community development projects and actively participate in several Sustainable Development Goals:

Goals 1 and 2: End Poverty and Hunger



Our greatest challenge is to transform the archaic system of modern agriculture into one that guarantees the nutritional needs of all are met in a safe, healthy and sustainable way. In order to achieve this objective, we continuously preserve and restore critical habitats, carefully manage our resource supply and naturally improve the condition of our soil and crops. This ensures high yields, protects soil productivity and maintains environmental quality in the long term through our expert understanding and practice of sustainable agriculture in all of our projects.











By building a more sustainable food system that protects and restores the environment, while increasing productivity to feed the growing global population over the long term. Neem-based agricultural products offer a viable and efficient alternative to synthetic and damaging chemicals use in agriculture, making climate smart and organic farming accessible to new markets and consumers around the world.



Goal 3: Health and Well Being

Synthetic vs Organic Crop Care

The Reported Dangers of Synthetics and Benefits of Organics

The Synthetic Option	The Neem Way
 <p>HAZARDOUS Travels outside the intended area of use and contaminates the air, soil and water</p>	 <p>SAFER Entirely biodegradable, no hazardous residue is left on land or water</p>
 <p>STALLS LONG TERM GROWTH Synthetic fertilizers acidify the soil over time and deplete its nutrients</p>	 <p>MORE NUTRITIOUS Organically grown food contains up to 40% higher levels of nutrients</p>
 <p>REDUCES BIODIVERSITY Synthetic pesticides damage the nervous systems of animals and compromise their ability to survive and reproduce</p>	 <p>COST EFFECTIVE Comparable pricing to their synthetic alternatives</p>
 <p>HARMS PUBLIC HEALTH In extreme cases, the nitrates in synthetic fertilizers have prevented oxygen use in infants</p>	 <p>HIGHLY EFFECTIVE Neem-based pesticides provide multiple protective layers against insects</p>
 <p>DAMAGES SOIL Reduces the amount of vegetative cover on the ground, promoting soil erosion</p>	 <p>IMPROVES SOIL Neem cake enriches the soil by increasing airflow and water retention while reducing the growth of pests and bacteria</p>

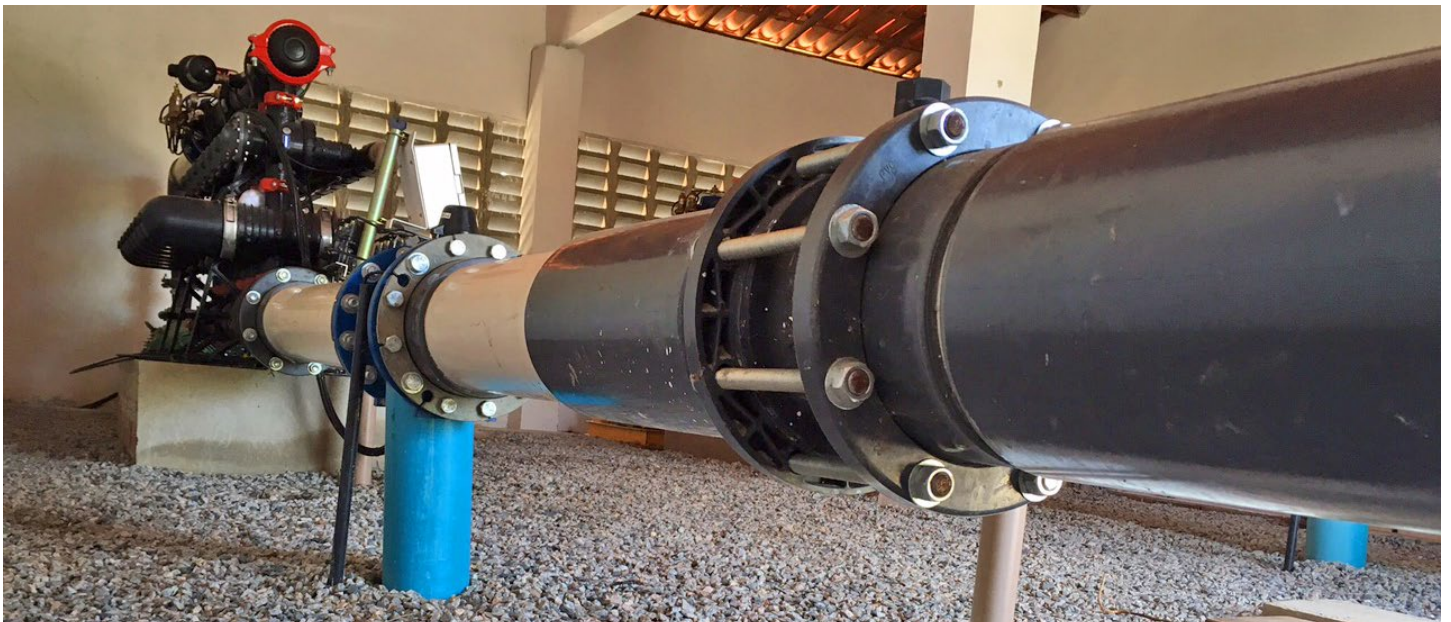
We aim to promote health and well-being by eliminating the use of synthetic chemicals in agriculture and cosmetics through one of the world's most beneficial resources at the center of our business model – neem. Modern day society and corporate behemoths have utilized synthetics and chemicals in an attempt to decrease costs and increase margins, yet as society demands greater responsibility, we will drive global awareness for natural, sustainable and healing solutions incorporating neem.



With 98% of sprayed pesticides, 95% of herbicides and 65% of fertilizers reaching a destination other than their target, synthetic agrochemicals are causing chronic impacts to human health, livestock, wildlife, pollinators and beneficial insects. The organic origin and non-toxic nature of neem offers a viable option to dramatically alter global food production and ensure a more nutritious and healthier supply for the globe.

Neem's effectiveness as a natural animal feed offers a solution to growing antibiotic resistance in agriculture. The use of antibiotics has proliferated in agriculture to stave off infection and increase growth, even across healthy animals. There is no existing synthetic solution in the pipeline, and continued misuse of antibiotics will have serious consequences on the global food supply unless natural alternatives are adopted.

Goal 6 and 14: Clean Water and Life Below Water



Our pumphouse with Netafim equipment for the distribution of water and fertilizers

With our agricultural projects based in the country with the highest freshwater reserves globally, our focus on neem offers a viable route of eliminating chemical use in agriculture and protecting water-related ecosystems. By offering biodegradable alternatives to fertilization as well as utilizing advanced infrastructure including Netafim fertigation and on-site pump house facilities, we conserve the highest amount of water while managing our requirements for hydration across our projects. Neem's natural degradation in the environment ensures no damage to water resources and ensures zero discharge of pollution and sediments into vital water.



Goal 12: Responsible Consumption



We are constantly searching for small opportunities across our value chain to ensure congruency in all our choices. Our research team is constantly providing information on multiple channels about the consequences of non-sustainable practices across agriculture and the beauty & personal care industry, thus raising consumer awareness and driving greater responsibility.

Water: Neem's natural degradation in sunlight ensures a viable alternative to agrochemical counterparts that are polluting water faster than nature can recycle and purify.

Energy: The utilization of renewable energy sources including solar panels to fulfil energy requirements on our agricultural projects.

Food: Neem offers a natural solution to the substantive environmental impacts the existing food production industry creates through environment degradation and wastage.

This also involves the incorporation of sustainable practices across offices around the world. We are constantly searching for all opportunities, big or small, to implement across our value chain and ensure congruency in all our choices, including recycling, energy management and other green practices.



Goal 13: Climate Action



Our choice in commercial crop, the neem tree is even an ideal choice for global reforestation efforts as it releases more oxygen and sequesters more carbon than most other tree species. Each hectare of neem on our plantations will sequester 5,104 tons of carbon every year, an amount matched by few other tree species. Our newly formed Environmental and Social Responsibility management role will be responsible for implementing the Zero Carbon Footprint plan in order to contribute further to this critical social development goal.

Goal 15: Life on Land



The world relies on agriculture as both an important economic resource and as a means for development. Planting of neem ensures that we are contributing to reforestation in Brazil while creating resources to create sustainable alternatives to synthetic crop care. We uphold sustainable practices across our business in order to reduce chemical pollution, ensuring protection restoration of biodiversity and critical ecosystems.



In a world **DESPERATELY** needing **SUSTAINABLE** solutions, the **ONUS** is upon **US** to **MAKE HISTORY**, or we will be **VILIFIED** by it.

