

# Nocart Oy Communication on Progress Report 2017

## Statement of Continued Support

December 19, 2017

To our stakeholders:

I am pleased to confirm that Nocart Oy reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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.

Sincerely yours,



Vesa Juhani Korhonen  
Managing Director, Nocart Oy

## **Nocart Actions Related to UN Global Compact Issue Areas**

### *Human Rights*

Nocart has, in line with its Business Integrity and Corporate Social Responsibility Policy and business strategy, integrated the promotion and enforcement of human rights throughout the design and implementation of its supply chain management, project management, partner management, and quality management policies.

As stated in Nocart CSR Policy, all Nocart action shall comply with internationally recognized human rights standards, and Nocart personnel and management shall behave with honesty, integrity, and dignity. Nocart rejects and condemns all forms of bribery, corruption, discrimination, and forced or child labor. The monitoring, verification and enforcement of full compliance to these core principles is ensured by their as full an integration as possible with Nocart business processes.

Nocart aims at vigorous monitoring and evaluation as well as diligent communication and swift rectification of any human rights abuses in its operations throughout the value chain.

At the grassroots level, Nocart ensures that Nocart personnel are provided safe, suitable and sanitary work facilities. They are protected from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats for which Nocart has a zero-tolerance policy. Nocart also takes measures through quality control procedures to eliminate designs, defects or side-effects that could harm or threaten human life and health during manufacturing, usage or disposal of Nocart solutions.

### *Labour*

Nocart has established internal processes, practices, policies, and organs for securing work safety and security and gender equality at the workplace. Nocart upholds the freedom of association as well as effective recognition of the right to collective bargaining. Nocart complies with minimum wage standards and ensures that employment-related decisions are based on relevant and objective criteria.

Within Nocart, the company, and in Nocart partner and supply chain management, neither forced nor compulsory nor child labour is tolerated in any form. Nocart management aims at eliminating all forms of discrimination amongst Nocart personnel and stakeholders as well as effectively communicating about the condemnation of discriminative practices.

### *Environment*

Nocart business is all about the promotion of clean technology and sustainable, environmentally-friendly solutions such as renewable energy based water pumping, purification, desalination, and cold chain systems (**SDG 6**). These solutions are both mitigation of and adaptation to climate

change in practice. Nocart designs, manufactures, and sells renewable and hybrid energy system components, power plants, and energy. In Nocart own operations, in the usage of materials and logistics, environmentally-friendly options are always prioritized.

As part of Nocart CSR policy implementation, Nocart has in 2017 started to support the Yellow Energy Initiative (YEI: [www.yei-asia.org](http://www.yei-asia.org) and [www.yei-africa.org](http://www.yei-africa.org)). YEI is a not-for-profit association registered in Finland. It provides the international CSR community with a global project platform to fight poverty (SDG1) with sustainable development. Each CSR project contains a community electrification component realized through the utilization of clean energy, a capacity building component, and an inclusive business component. Through YEI projects, multinational companies gain access to profitable inclusive business CSR projects that are customized to match the companies' brands, core businesses, and stakeholder interests. Local communities gain access to new life-enhancing employment and business opportunities (SDG 8) and skills while becoming a part of the investors' supply chain in Joint Venture arrangements (SDG 16). The safety and security of especially women and girls is improved and in many cases the impoverished families will be able to more appropriately feed and send their children to school thanks to enhanced standard of living (SDG2; SDG3; SDG4; SDG5).

Nocart increasingly develops business that progresses from component and system sales towards the sale of sustainable and affordable energy to communities and industrial facilities (SDG 7). An example of such effort is the 200 MUSD deal that Nocart closed in Zambia in January 2017. There, Nocart designs, optimizes, and delivers a multiple-source (solar-diesel-battery-biomass gasification) hybrid power plant to supply power to a sugar cane plantation and neighboring communities, even including the transmission of sustainable power across the border to Angola to power a nearby city there (SDG 9; SDG 11). As the sale of affordable and sustainable power is more beneficiary- and off-taker -friendly in impoverished climate change impacted societies than straightforward sale of power systems, it can be claimed that all SDGs are in practice at least to some extent integrated in Nocart preferred business models, either through business focus or process design or even revenue logic and its practical implications such as sustainable development of new business opportunities and businesses.

Nocart business and project development in Asia increasingly revolves around efforts to turn different kinds of waste into energy. These projects whose planned launch is initially scheduled for the second quarter of 2018 will enable sustainable local economic development and promotion of circular economy while creating new employment opportunities, new models for sustainable waste management, and clearing the polluted sea and urban and peri-urban areas of plastic and other municipal solid waste (SDG 12; SDG 14; SDG 15). In South-East Asia, where the sea level rise and the penetration of saline sea water into the rice paddies threatens entire economies, industries and dozens of millions of people with forced relocation and extinction of their livelihoods such as rice farming, Nocart develops solutions that reduce the impact of climate change, especially erosion, through the replacement of the usage of wood for cooking and energy generation with renewable energy solutions that both adapt to and mitigate climate change (SDG 13). At the same time, Nocart negotiates with regional mechanical forest industry on increased introduction of wood gasification solutions to reduce burning of wood waste (and related CO<sub>2</sub> emissions) and increase industrial process efficiency (SDG 9; SDG 15).

Nocart business development worldwide is based on sharing Nocart best practices and values with stakeholders. Internal processes built on the conscientious effort to promote continuous learning and efficient knowledge management are scaled up in Nocart international partner management to achieve greater sustainable impact in line with Nocart core business tenets and goals (SDG 17).

#### *Anti-Corruption*

Nocart has a strict anti-bribery and anti-corruption policy that is consistently communicated to Nocart staff and partners and other stakeholders. Any deviation is enabled to be easily reported and Nocart processes require swift corrective action to be taken in case such deviations are identified.

All Nocart staff and partners are from 2017 onwards required to sign agreements in which they commit themselves to complying with Nocart Business Integrity Policy. Compliance is held as mandatory for the continuance of such employment, partnerships and other collaborative schemes in Nocart business worldwide. Nocart projects are designed to minimize the risk of corruption in any of its forms.

#### *Qualitative and/or quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met?*

Nocart is at the stage of actively expanding its project development focus and many of the projects under development are expected to come to fruition in 2018-2019. Hence, it is rather too early to fully conclude on the actual outcomes and impact of Nocart activities in 2017. However, in 2017 Nocart has managed to close and launch new sustainable energy projects worth more than 214 MUSD, or over 40 MW respectively. For these projects Nocart has recruited dozens of new employees worldwide, mainly in Africa.

To emphasize Nocart commitment to providing added value to its customers and partners and other stakeholders, Nocart has been actively developing new business modalities such as direct power sales and energy service provision through the generation of savings. Nocart business continues to focus on distributed energy generation opportunities in Africa and Asia as that is where Nocart proprietary technologies are expected to offer the greatest added value.

In 2017, Nocart also has made progress in internal process and policy development, establishing new business integrity and corporate social responsibility policies as well as designing an improved quality management system, sales and delivery processes, as well as practical tools for improved and more coherent partner and risk management. Today, Nocart is in the process of moving to new CRM, ERP, HR and financial management systems to mainstream the outlined sustainable business approach as well as improve internal process efficiency and quality control.

#### **Nocart Actions to Advance the Sustainable Development Goals (SDGs)**

While Nocart actions are planned to systematically promote the SDGs (ref. above), certain priorities remain due to the nature of Nocart business. While increased awareness of the effects of climate change and the need for more systematic approaches to sustainable business and

development within the international business community is noted by Nocart with delight, Nocart as an energy company prioritizes SDG 7 as it is the epitome of Nocart mission. Nocart monitors and evaluates the outputs and outcome and impact of its activities in relation to the promotion of SDG 7 (and SDG 16) against indicators such as the number of initiated sustainable energy projects, generated kWh or savings, new business entities, and local tax revenues.

Nocart support to and involvement in YEI activities exemplifies the effort to serve the mission of the increasingly SDG-aligned international CSR community. This is best achieved by encouraging the CSR community to shift away from charity and philanthropy towards profitable inclusive business practices. In Nocart opinion, sustainable development cannot be achieved without environmentally and socio-economically and financially sustainable profitable business.

