

Sindicatum Sustainable Resources

Sustainability Report 2017

From the CEO



Assaad Razzouk

Group Chief Executive Officer

To our stakeholders:

Welcome to our fourth United Nations Global Compact Communication on Progress report. In this report, we summarise the actions we took in 2017 in our effort to uphold the 10 UN Global Compact principles into our operations and company culture.

I am pleased to confirm that Sindicatum Sustainable Resources Pte. Limited reaffirms its support to the United Nations Global Compact initiative and its ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. We also pledge our on-going support to the UN-Global Compact for 2018.

We will share this information with our stakeholders using our primary channels of communication: our website and intranet.

Yours sincerely,


A handwritten signature in blue ink, appearing to read 'Assaad Razzouk', written over a light blue rectangular background.

Assaad Razzouk

Chief Executive Officer

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This report contains a full year's data from 1 January to 31 December 2017 and highlights information about our performance regarding the key aspects that have been identified as material to our operations and stakeholders. The Sindicatum 2017 Communication on Progress report builds on the report we produced in 2016. For reference, our basic policies and procedures and company structure are outlined in the 2015 COP report.

In order to help us improve, both in terms of our company performance through systems and operations and our reporting standards, feedback from our stakeholders is essential. Thus, we welcome all comments and feedback which should be directed to:

Ms. Sonia Luis: Sonia.luis@sindicatum.com

Some of Sindicatum's 2017 Highlights

Examples of our actions and achievements in 2017 that promote the UN's Global Compact Principles are summarised below:

1. Sindicatum Wind Energy: Pamplona

Q1 2017 saw Sindicatum and its local partner, Constellation Energy Corporation ("CEC"), enter into an agreement to develop a 49.5 MW wind farm in Negros Oriental, within the Visayas Region of the Philippines, followed by another 50 MW for a total of 99.5 MW. The project is covered by a Wind Energy Service Contract granted by the Philippines Department of Energy (DOE). While the service contract covers two separate parcels of land, a Northern Parcel and Southern Parcel, the initial project would utilize only the Southern Parcel (2,754 hectares), located within the municipality of Pamplona.

2. Tree Planting

During Q2 2017, National Fire Services Day was celebrated at our Indian JV sites. Also, the World Environment Day was celebrated at our Simbhaoli and Chilwaria bagasse co-generation sites as well as our Sindicatum Solar Energy sites in India, accompanied by an annual tree plantation drive. In total, we have planted approximately 488 trees in the past 3 years.

3. EHSS

Sindicatum's Corporate ESHS Management System documentation, introduced in 2014, were reviewed and updated. A total of 22 training programs were imparted across various project locations in Q3 2017. Over 135 employees (including those of JV companies) attended the training with more than 800 man-hours being utilized.

4. Sindicatum wins the Singapore Apex Corporate Sustainability Award for Sustainable Business (SME Category)

<https://www.straitstimes.com/business/minding-sustainability-in-business>

5. Our Head of India selected as one of India's 100 'Most Powerful Solar Leaders'

<http://solarquarter.com/index.php/resources/5369-https-issuu-com-solarquarter-docs-sq-mapfinal-test3>

6. Sindicatum CEO attends the Rome Roundtable

Assaad Razzouk attended the 'Rome Roundtable', convened by the Global Foundation, and had an audience with the Pope whom he thanked for what he had achieved with Laudato Si, his second encyclical, in which His Holiness lamented environmental degradation and global warming, and called on all people of the world to take "swift and unified global action".

Human Rights and Environment

This section of the report highlights Sindicatum's actions to address and monitor human rights and touches upon our environmental efforts with a focus on the following principles:

Human Rights

1. *Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *Principle 2: make sure that they are not complicit in human rights abuses.*

&

Environment

- *Principle 7: Businesses should support a precautionary approach to environmental challenges; and*
 - *Principle 8: undertake initiatives to promote greater environmental responsibility; and*
 - *Principle 9: encourage the development and diffusion of environmentally friendly technologies.*

Relevant Sindicatum Corporate Documents:

- Environmental and Social Corporate Policy Statement - EHS&S
- Code of Conduct
- Employee Handbook
- Investment Approval Process

The Health & Safety of our employees and contractors continues to be a critical focus of our business. The responsibility for all EHS&S issues rests at the highest level of management, cascading down to engage all individuals within the Company. Due to the importance we place on our environmental and social activities, responsibility ultimately lies at the highest level - with our Board – and is implemented across the Company through the Executive Committee. The Group President ensures the EHS&S function is discharged appropriately within the organization and reports on a regular basis on the Company's performance to the Board at its main Board meetings. A Group EHS&S Director ensures EHS&S coordination, training and auditing across the Company.

The EHS&S Director reports to the Group President and provides advice and support on all aspects of policy, development, implementation and monitoring of Safe Working Procedures (SWP) and any changes necessary to the documents and activities to ensure full compliance with national and international EHS&S regulations and 3rd Party standards.

Our business model aims to meet the highest standards of sustainability, governance, and ethical investing along with maintaining a strong emphasis on health and safety. We identify, design and implement profitable renewable energy, energy substitution and energy demand projects using new and innovative technologies.

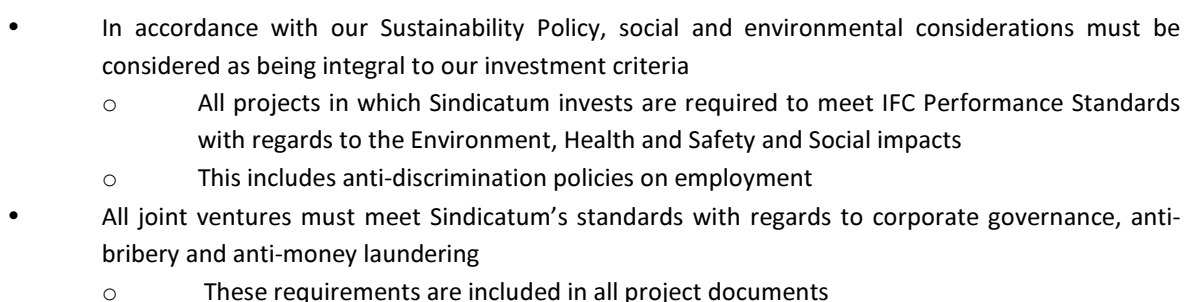
Our projects also result in Greenhouse Gas ("GHG") emission reductions which contribute to the fight against climate change, as well as provide numerous other benefits to the countries and communities in which they are located such as improved air quality for the community, technology and skills transfer to the local population, local job creation, development of human resources and improved local infrastructure.

Underpinned by our commitment to responsible corporate ethics, Sindicatum has established and maintains a robust environmental management system that supports its assessment of all investments against the IFC Performance Standards and includes environmental, health & safety, stakeholder and labour principles.

The EHS&S Director is responsible for developing specific policies, standards, work procedures and reporting requirements to ensure compliance with the IFC Performance Standards. Through its investment agreements, Sindicatum ensures that all its partners comply with its health, safety and environment policies and procedures, all environmental and social requirements, basic terms and conditions of employment and core labour standards, in all cases consistent with the IFC Performance Standards.

Our Investment Approval Process (updated as necessary) ensures that we carry out the required due diligence at the planning and approval stages of any project / potential project. Our Executive Committee composed of our Group CEO, Group President, Group CFO, Legal Director and Managing Director, Delivery / Climate Change are presented with Approval Papers / Reports identifying how the project could potentially affect the regional area in which it will operate and what factors we have to consider and tackle to ensure we are not negatively impacting the surrounding area and actually providing opportunities. Examples of some of the analysis the investment process requires are:

- Risks and Mitigants
- Background and Market Environment (competition, growth, alternative technologies, etc.), including discussion of approach to signing of power offtake agreement
- Sustainability and Climate Change – discussion of how the project reduces emissions and develops sustainability – and where applicable, analysis of issues relating to environmental commodities
- Due Diligence:
 - Legal, commercial, technical, climate change and financial due diligence
 - Environmental, Social due diligence, including Impact assessment as needed in accordance with IFC standards¹

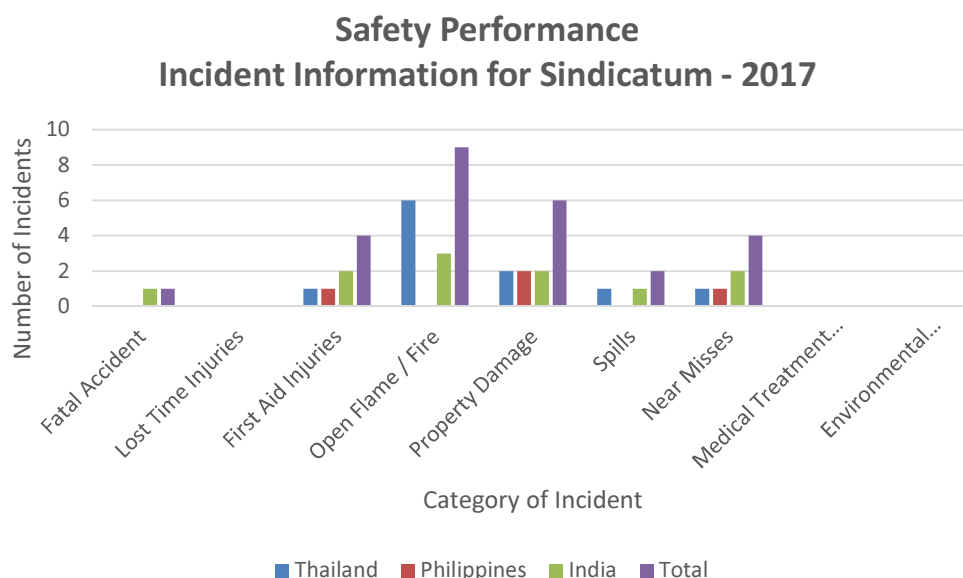
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- In accordance with our Sustainability Policy, social and environmental considerations must be considered as being integral to our investment criteria
 - All projects in which Sindicatum invests are required to meet IFC Performance Standards with regards to the Environment, Health and Safety and Social impacts
 - This includes anti-discrimination policies on employment
 - All joint ventures must meet Sindicatum's standards with regards to corporate governance, anti-bribery and anti-money laundering
 - These requirements are included in all project documents

¹ SREC Investment Process, available on the Sindicatum Intranet.

In 2017, we continued to work with our project partners to highlight the importance of a safe working environment and adherence to our EHS&S Management System to ensure issues, risks and impacts are identified and the necessary audits and checks are done.

Lost Time Incident Frequency Rate (LTI)

In 2016 we reported a cumulative LTI frequency rate of 0.36. For 2017 our cumulative LTI frequency rate has improved to a lower rate of 0.30 and our annual LTI frequency rate for the year 2017 (January to December) was 0.10.



Our goal is that every employee returns home after work without incident. Unfortunately, in December 2017, we suffered a fatal accident at our Nawanshahr bagasse cogeneration joint venture. Any serious safety incident is both unacceptable and preventable. Working with our partner, we are strengthening the health and safety practices at the plant.

All project sites incorporate an emergency response plan into their management plan to ensure that any incident is effectively managed and impacts on community and environment are mitigated. All project sites conduct an annual review of their internal emergency response program as well as of the capabilities of the community emergency response organization and develop action plans to address any areas that need improvements.

The EHS&S Director monitors EHS&S Key Performance Indicators (KPIs). A grievance management is in place at all our projects and settlement of grievances is a part of our EHS&S management system. In addition to the EHS&S standards, a Human Resources management system framework has been established at the corporate and project levels. These are based on Sindicatum's Code of Conduct policies and IFC EHS Performance Standard 2.

Reminder of our 2017 Goals and Outcomes:

In our third COP, we set out Goals & Targets for 2017 to improve on our EHS&S. Here's how we performed:

2017 Goal / Target	Update
Ensure 75%+ employees of new projects are trained on EHS&S topics.	Total 102 training programs were conducted. 100% of all employees for new projects have received training on EHS&S topics.
Conduct ESIA / ESDD of all proposed projects per IFC Performance Standards, and ensure issues raised in ESIA / ESDD of new projects are part of the final document seeking investment approval.	ESIA / ESDD studies were carried out before investment decision. Issues raised during the assessment were closed before final approval. Implemented IFC Performance Standards at all new projects including development of specific project work procedures.
Implement Corporate ESMS system at new projects in line with IFC PS, WHO and ISO 14001 & OHSAS 18001 standard requirements.	Updated EHS&S management system in line with ISO 14001 & OHSAS 18001 standard requirement. Corporate EHS&S procedures (37) were reviewed (mandatory review after three years) and updated. Successful re-certification of our Thailand projects under ISO 14001 & OHSAS 18001, and first certification of our Philippine operating project under these same standards. Introduced ESMS systems at new Gujarat and Jodhpur solar plants.
Maintain and monitor implementation of each project's Environmental and Social Action Plan (ESAP) through regular review and audits to ensure compliance is 80+% as per target.	Majority of ESAP/ESMP actions i.e. 80% were completed, remaining points are ongoing. Provided secondary containment for hazardous chemicals storage areas at India biomass plants. Monitored ESHS progress every month for Sindicatum offices and projects / JVs for continuous improvement.
Zero Fatal Accident and Lost Time Incident Frequency Rate (LTI FR) of less than 0.75.	Cumulative LTI FR per 100,000 man-hours worked (moving average since 2014) = 0.30 2017 LTI FR per 100,000 man-hours worked = 0.10
Ensure Stakeholder engagement at all projects, and address any grievances or other issues as needed.	Updated Stakeholder Engagement plan is available at respective sites including new projects. In total, 14 stakeholder engagement and community consultations were conducted with communities located around plant areas.

Ensure compliance with labour laws and IFC PS 2, across the company.	HR Policies and procedures are introduced and in practice at new projects. Ensured legal compliance via legal and compliance register mechanism at respective project sites.
Initiate process for Corporate Social Responsibility (CSR) programs.	Total of 27 CSR initiatives conducted at our operations – Thailand (16), Philippines (6), Corporate (3), and India solar (2). Examples of CSR activities conducted included but were not limited to: donations of air conditioners, winter clothes, benches and desks to schools and nearby community areas, educational visits to plant.
Ensure that dedicated EHS&S Resources are in place at all project sites.	EHS&S resources and officers are appointed for all project sites.
Ensure that standards are followed for the safe storage, handling and disposal of hazardous materials at all projects.	Procedure is in place and all sites are adhering to site specific procedures. Infrastructure requirements like bunding / containment provided.
Initiate ISO 14001 and OHSAS 18001 programs at all bagasse cogeneration projects in India.	All policies and procedures are in line with ISO 14001 and OHSAS 18001 standard requirements.

2018 Goals & Targets

- i. Conduct ESIA / ESDD of all proposed / new projects per IFC Performance Standards, and include ESHS issues as part of the final document seeking investment approval.
- ii. Implement Corporate ESMS system at new projects in line with IFC PS, WHO and ISO 14001 & OHSAS 18001 standard requirements.
- iii. Monitor implementation of each project's ESAP through regular review audits to ensure compliance is 80%+.
- iv. Ensure monthly KPI monitoring and compilation of report based on the reporting format in line with EHS&S & Sustainability Monitoring system and Green Bond Impact Assessment requirements.
- v. Zero Fatal Accident and Lost Time Accident Frequency Rate of < 0.50.
- vi. Reduction of incidents like Open Flames, Property Damage and External Grievances.
- vii. Work on Resource Efficiency parameters – reduction of water consumption at Nawanshahr plant and Auxiliary Electricity consumption at Nawanshahr, Simbhaoli and Chilwaria bagasse cogeneration plants.
- viii. Effective community consultation and engagement through Stakeholder engagement mechanism across all projects, and address any grievances or other issues as needed.
- ix. Ensure compliance with labour laws and IFC PS 2, across the company.

- x. Initiate Corporate Social Responsibility (CSR) programs at new projects.
- xi. Ensure that standards are followed for the safe storage, handling and disposal of hazardous materials at all projects.
- xii. Support appointment of dedicated EHS&S Resources for new project sites, if applicable.
- xiii. Ensure 100% employees of new projects are trained on EHS&S topics.
- xiv. Initiate ISO 14001 and OHSAS 18001 programs at all bagasse cogeneration projects in India.
- xv. Establish KPIs for social impact assessment and ESMS governance and initiate monitoring once approved.

Labour

Sustainability is integral to nurturing relationships with employees, consultants and business partners. Our ultimate goal is to minimise employee turnover, simultaneously creating a mutually conducive and productive working environment. We strive to maintain good working standards, providing our staff with safe working conditions, offering essential training and competitive employment terms. In order for this to be possible the following areas of our business are key:

- Reviewing and updating H&S procedures
- Complying with local labour laws and practices
- Supporting local communities – by engaging and expanding our business, which essentially can provide local job creations

Our Code of Conduct emphasises the importance of sustainability in relation to our employees and our associates.

Quoting from our 2016 Global Compact Report:

“Sustainability is also crucial in relation to our most important asset, our staff. In many cases our people have joined Sindicatum for the chance to play a significant role in a dynamic team in a pioneering sector. We therefore believe that in order to maintain motivation for our staff we must be able to provide an environment where individual creativity and positive styles of teamwork can flourish. We must be able to continue to empower, inspire and educate people in order to survive. To achieve this we must promote an organisation which is globally linked, with strong networks between different offices and the constant sharing of ideas in order to maintain an organisation which is permanently learning and developing its people.”²

Our Code of Conduct, Anti-corruption policy, Investment Approval process and Employee Handbook policies support the above objective and are the means through which we uphold our commitment to the following UN Global Compact principles:

- *Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
- *Principle 4: the elimination of all forms of forced and compulsory labour;*
- *Principle 5: the effective abolition of child labour; and*
- *Principle 6: the elimination of discrimination in respect of employment and occupation.*

Reviewing and updating H&S procedures

As outlined in our ‘Some of Sindicatum’s 2017 Highlights’ section above, in Q3 of 2017, we reviewed our Corporate ESHS Management System documentation and as a result, an updated training programme was arranged.

² Sindicatum Code of Conduct, available on the Sindicatum Intranet, Page 4

We also take the well-being of our staff extremely seriously. We believe that everyone has the right to work in a protected environment, we do not tolerate bullying and we aim to maintain an open culture, encouraging our staff to voice concerns and actively trying to promote feedback to new systems and procedures.

We therefore have the following policies and procedures in place:

- 'Raising a Concern' – the how to / Grievance
- Compliance with Laws and Regulations
- Confidentiality
- Zero-Tolerance to Corruption
- Avoidance of Conflicts of Interest
- Fair Dealings with Others
- Fair Employment Practices
- Environment, Health, Safety & Social Policy
- Whistle-blowing Policy

We also ensure all of our employees are provided with an individual Service Agreement along with a copy of the Employee Handbook, which stipulates their employment rights, a few of which are outlined below:

- Probation Period
- Salary
- Termination Period and arrangements
- Hours and Place of Work
- Annual Leave Entitlement etc.

Sindicatum adheres to the "Core Labour Standards" on child and forced labour, discrimination and freedom of association and collective bargaining, stemming from the ILO Declaration on Fundamental Principles and Rights at Work. We also require wage, working hours, labour contracts and occupational health & safety issues to conform to conventions 26 and 131 (on remuneration), 1 (on working hours) and 155 (on health & safety).

Conflict of Interest Questionnaires

As outlined in our previous COPs we monitor conflicts of interests and fair dealings by, in part, asking our employees / consultants and Board members to complete a Conflict of Interest Questionnaire every year.

*"This questionnaire should be used to disclose where you or your Family Members have certain affiliations, interests or connections, and/or have taken part in dealings that, with respect to your relationship to Sindicatum, may be perceived to be an actual or potential conflict of interest"*³

In the same questionnaire we also address anti-corruption / bribery by asking respondents questions related to disclosure and declaration of gifts / monetary benefits received, for example:

³ Sindicatum Related Party Transactions and Conflict of Interest Questionnaire, Page 1

“Have you or any Family Member accepted gifts or other benefits with a value of US\$200 or more from any person or organisation which may influence the performance of your duties on behalf of Sindicatum or that is concerned or seeking to do business with the Company?”⁴

We have completed all questionnaires for the period from 1 January to 31 December 2017.

Recruitment

As first highlighted in our 2016 COP we seek to recruit and develop the best talent, regardless of gender, beliefs or sexual orientation. We aim to develop the local areas in which we operate by offering job opportunities and nurture a connection with local communities. Below we outline the number of employees that are nationals within our operating regions⁵:

Office	Number of Employees	% of which are Local Employees
China	8	100
India	14	93
Philippines	5	80
Singapore	12	67
Thailand	37	97
UK	3	100
USA	2	100

Performance Review and Employee engagement

In our most recent performance review (reviewing 2017), we amended the performance review pack / documentation from the 2016 version to develop on the changes we made last year. In our ‘Performance Review – Pointers for Management!’ which clearly describes the performance review process and provides a guidance for management we introduced a mid-year update, to ensure managers meet with their teams to ensure they are happy and meeting their targets and to highlight any areas of concern where more support can be provided.

- To make the performance review system more effective, from a business perspective, and to ensure a clear communication stream between employee and line-manager, we will be asking our line-managers to conduct semi-annual mini-review meetings, this will commence on 1 October 2018. An email will be sent to all line-managers in the next few weeks with the relevant forms and information

⁴ Sindicatum Related Party Transactions and Conflict of Interest Questionnaire, Page 4

⁵ Table does not include project partners or contractor numbers. Nationals include those with permanent residence. Figures are as of 31 December 2017.

Internships and Training overview

As per our reporting last year, Sindicatum continued with our scholarship programme in India for 4 TERI students, studying for their masters at TERI University in the fields of Environment Science and Resource Management, Water Science and Governance and Climate Science and Policy.

In 2017, Sindicatum reported:

- an average of 134 hours per month of courses / training as a group (training includes in-house and external sessions and in cases project based)
- 7 internship placements

Reminder of our 2017 Goals and Outcomes:

In the following table we have set out the objectives we made for 2017 and to what extent these were achieved:

2017 Target	Update
Introduce a Diversity policy to coincide with the implementation of the new Sindicatum Group recruitment and selection policy.	We are in the process of updating our Employee Handbook, which will include a new recruitment and selection policy. This will include the introduction of our Diversity policy. We expect to complete this within 2018.
Introduce a system whereby any service contractor/provider with a minimum retainer of USD 10,000 per annum also completes a Related Party Transactions and Conflict of Interest Questionnaire for fair practice.	We already ask that contracts and consultants sign up to our anti-corruption and bribery values when we initiate a contract. A senior manager monitors all significant contracts as the work is performed, which we believe is sufficient to ensure compliance with related party and conflict of interest requirements of the contracts.
Implement the new Sindicatum Group recruitment and selection policy.	The new Sindicatum Group recruitment and selection policy has been sent to our regional offices for feedback. This will be rolled out after a training and consultation period, then incorporated into our Employee Handbook and introduced alongside our Diversity & Sexual Harassment Group policy.

2018 Goals & Targets

1. Review and revise the Employee Handbook – updating our policies, benefits and procedures.
2. Implement the Sindicatum Group recruitment and selection policy, incorporating the Diversity & Sexual Harassment Group policy.
3. Review our Data Protection terms and procedures.

Environment

The following part of the report will focus on the following principles:

- *Principle 7: Businesses should support a precautionary approach to environmental challenges;*
- *Principle 8: undertake initiatives to promote greater environmental responsibility; and*
- *Principle 9: encourage the development and diffusion of environmentally friendly.*

Environmental Performance

Sindicatum supports a precautionary approach to environmental challenges – Principle 7

Sindicatum undertakes initiatives to promote greater environmental responsibility – Principle 8

The environmental facet of sustainability encompasses Sindicatum's impact on living and non-living natural systems. Given that we are an investor, developer, owner and operator of clean energy projects and a producer of sustainable products from wind, sun and waste, this dimension is classified as a material aspect. Having a global footprint of decentralized clean energy projects, our projects have a direct impact on the environment and the living conditions of local communities. Sustainability is our business, and we believe it is crucial to work within environmental and social boundaries in order to shift from the reigning economic model to a common path of a decarbonised economy underpinned by a stabilized climate. Sindicatum's strategy and policy on environmental protection are centred on the implementation of Principles 7, 8 & 9 of the United Nations Global Compact:

Sindicatum encourages the development and diffusion of environmentally benign technologies Assessment, Policy and Goals – Principle 9

We have integrated an Environmental & Social Corporate policy into our business operations and incorporated measures to mitigate environmental impact. This policy was developed to define policy commitments, organizational roles and responsibilities, work procedures and implementation arrangements at the corporate level for managing environmental & social risks associated with our operations.

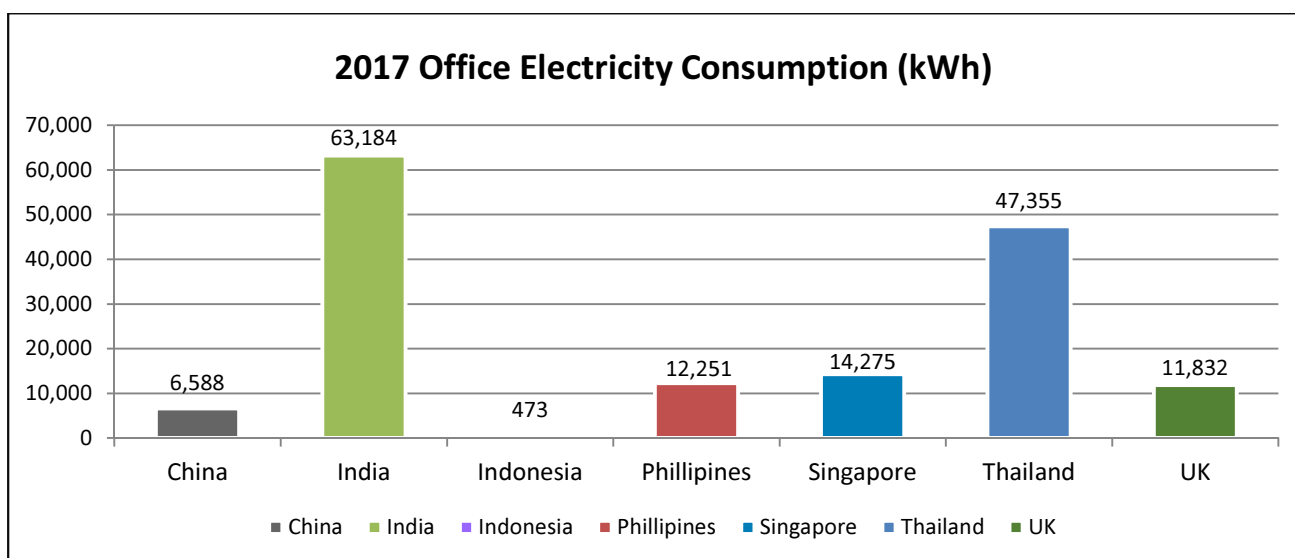
In addition, policies, procedures and protocols are benchmarked against the International Financial Corporation (IFC) Performance Standards on Environmental and Social Sustainability and associated IFC/World Bank EHS guidelines.

Energy Consumption and Management

Sindicatum's projects and operations produce clean power that is consumed by off-takers (businesses and industries) and by the local community (through the grid).

While these projects mitigate climate change overall, our operations also consume energy and as part of this indicator, we report the energy consumption only by entities owned or controlled by our organization. As part of this energy consumption inventory, we have included our power use in all of our offices and operational project sites⁶. For the remaining projects that are under development and where Sindicatum has developed projects in a consultant capacity, we have considered our environmental impact in the form of travel⁷ based emissions.

For office-based power usage, electricity is the significant form of energy consumption regardless of country of operation and was measured through metering devices and validated via electricity utility bills. The total office based energy usage for 2017 amounted to 155,959kWh (c. 1,925kWh/employee⁸) which represents a 1% increase from 2016⁹.



For the next calendar year (2018), we will target to decrease our electricity consumption by 5-10% in comparison to 2017 usage.

⁶ Taken into consideration in "Net power generation"

⁷ Land and Air

⁸ 81 employees

⁹ Thailand and Philippines offices electricity consumption data in 2016 have been adjusted to reflect actual usage.

Reduction in Energy Consumption

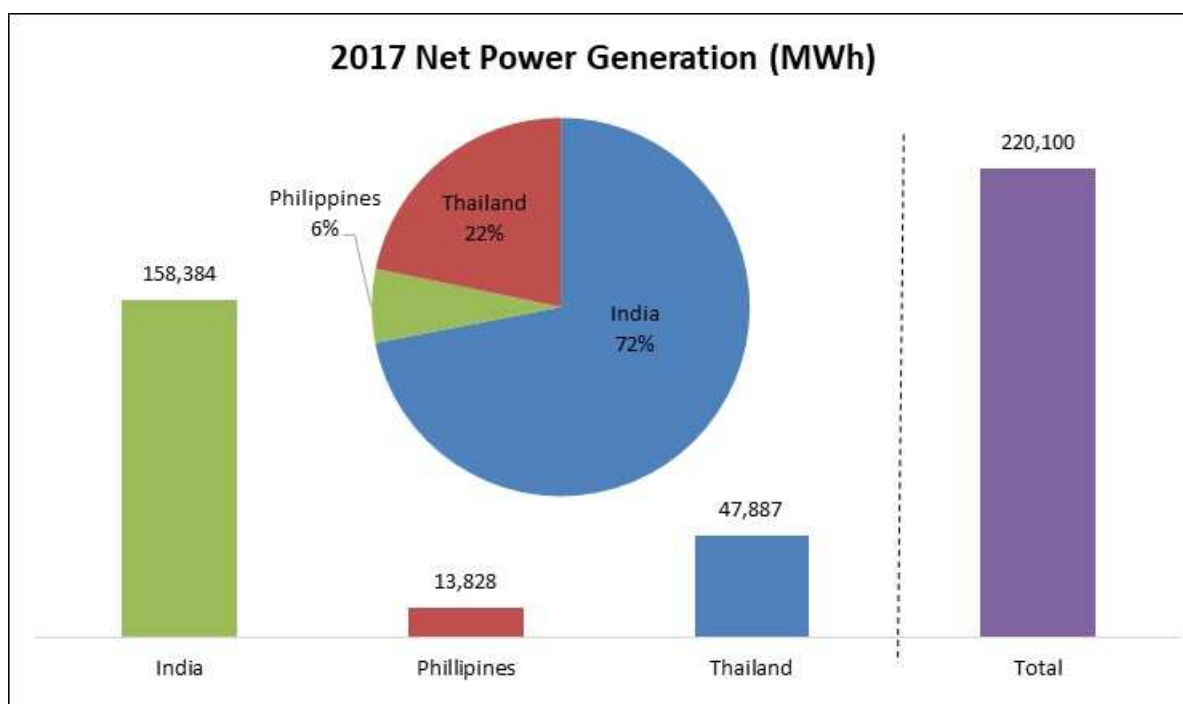
Sindicatum's raison d'être as a global green brand means that we constantly strive to reduce resource wastage and due to their very nature, our sustainability projects will continue to significantly reduce the use of non-renewable resources for many years to come.

Within each of our green projects we are constantly searching for ways to be even more efficient and effective to the environment. For example, in our Indian bagasse-based cogeneration power projects, we will constantly innovate and improve our equipment (such as boilers and steam turbine driven generators) in order to achieve higher efficiency and to enable plants to operate for longer periods on renewable energy resources.

Within our own offices, we have achieved a significant reduction. Microsoft Cloud services are replacing on-site servers, minimizing power consumption.

Net Power Generation from Sindicatum's Projects

The very nature of our business is centred on the generation of clean energy and emission reductions. In 2017, net^{10,11} generation of clean electricity totalled 220,100 MWh representing a power generation intensity of c. 2,717 MWh/employee, a 12% increase since 2016. For 2018, we will strive to improve on this by 5% via high operational performance at our existing project sites and new projects that will add to our existing operational capacity.



¹⁰ Net power generation is the total power generated and is calculated as follows: Gross generation – (auxiliary consumption + power imported from grid + power generation from diesel (if any))

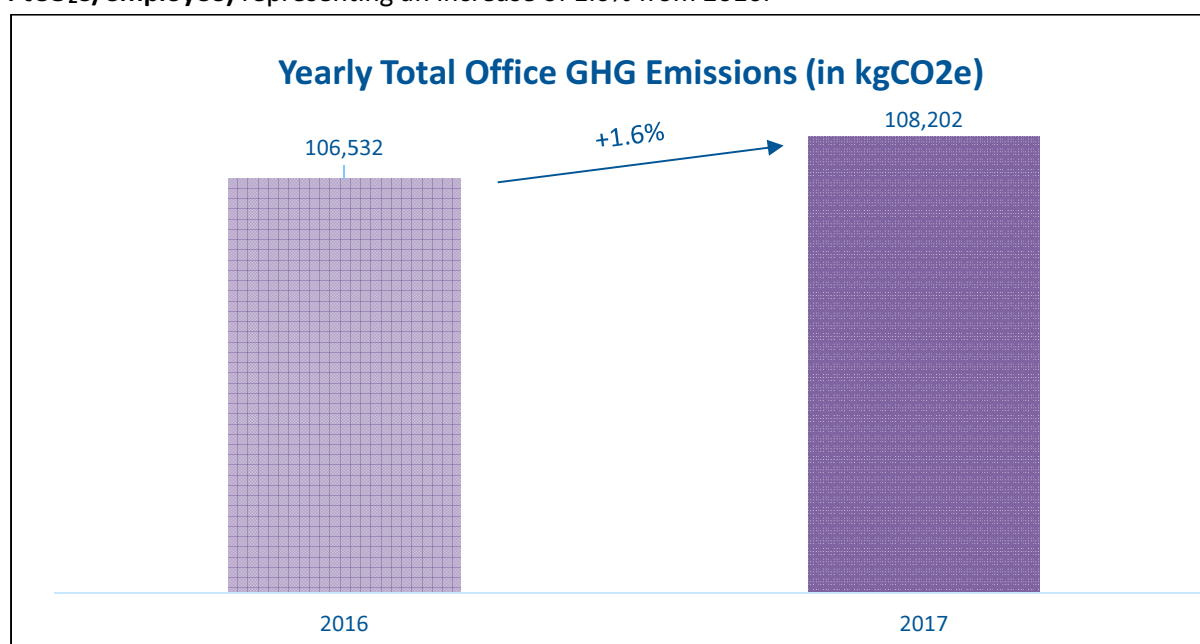
¹¹ Apportioned by Sindicatum's share of ownership in the projects

Carbon footprint – Emissions Aspect

Sindicatum reports based on the WRI¹² and WBCSD¹³ “Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard”¹⁴. This framework encompasses the classifying of GHG emissions into three scopes. A substantive portion of the GHG attributed to Sindicatum’s operations falls under Scope 2 and Scope 3 Emissions in the form of purchased electricity and travel respectively.

For this year’s sustainability report, we incorporated emissions due to land-travel in addition to air-travel to enhance our disclosure and also review operational aspects that have a significant impact. Emissions of ozone depleting substances and Nitrogen and Sulphurous oxides are indicators with negligible impact.

In 2017, the environmental footprint as a result of Sindicatum’s offices was **108,202 kgCO₂e** \approx **108 tCO₂e** (c. **1.34 tCO₂e/employee**) representing an increase of 1.6% from 2016.



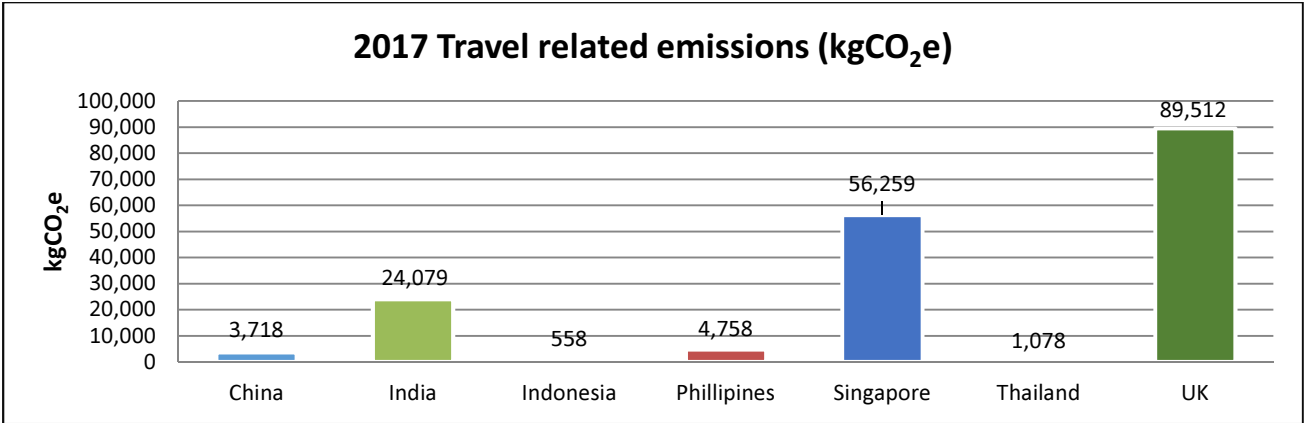
GHG emissions from outside the organization that can be attributed to activities of the organization such as land and air-travel also account for some GHG emissions. We have chosen to measure and report emissions due to air-travel of all our staff using the International Civil Aviation Organization Carbon Emissions Calculator¹⁵. Our corporate offices in UK and Singapore comprised of a substantive portion of air-travel in 2017 and this is largely due to frequent business travel as a result of Sindicatum’s Asian footprint.

¹² World Resources Institute

¹³ World Business Council for Sustainable Development

¹⁴ GHG Protocol

¹⁵ <http://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>



The total GHG emission from land and air travel for 2017 is **179,963kgCO₂e** \approx **180 tCO₂e** which marks a 25% increase from 2016.



Increase in GHG Emissions

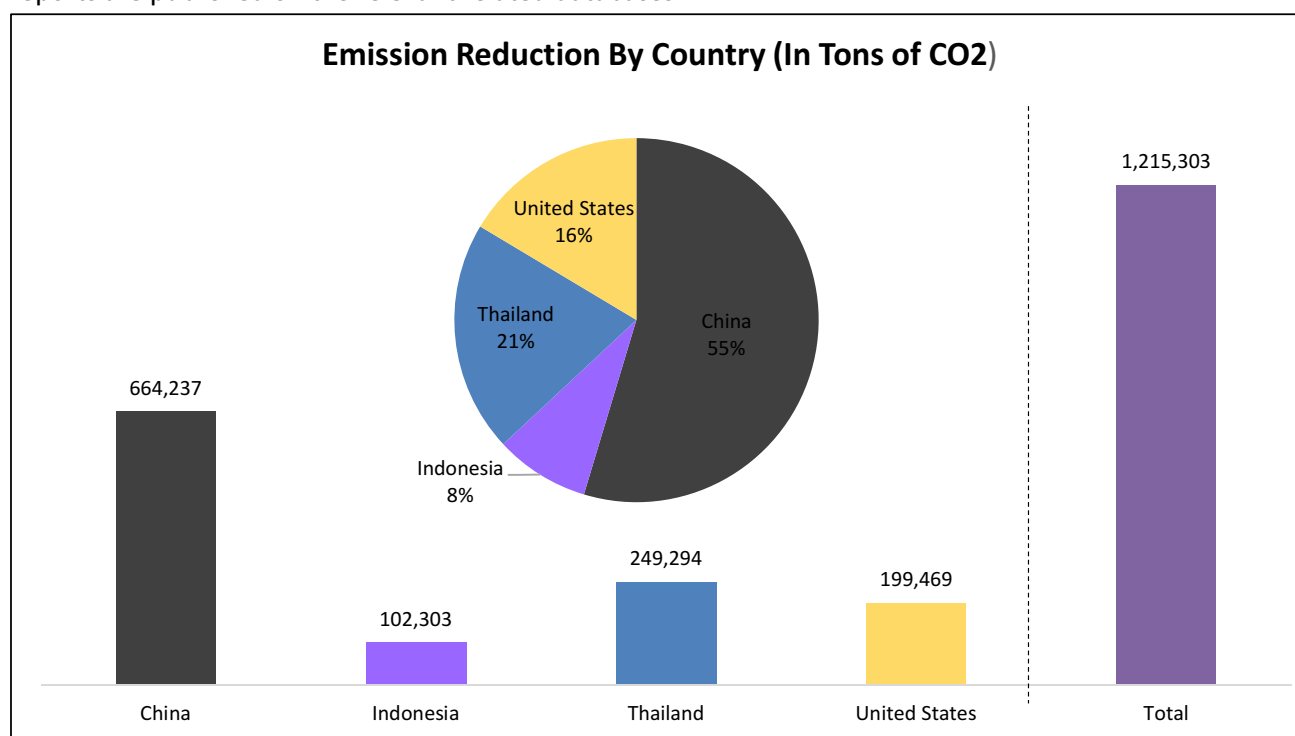
In our offices, we educate our staff about the importance of conserving electricity, resources and the importance of good consumption habits. We have advocated the use of teleconferencing and other web-based communication technology to a large extent to minimise overseas travel. This increment from 2016 to 2017 was largely a factor of our expansion. With this in mind, we will strive to cut the emissions by 5% in 2018.



Emission Reductions from our Green Projects¹⁶

Sindicatum's projects¹⁷ generated more than **1.2 million tonnes** of emission reductions in 2017. Emission reductions generated are net of any project emissions and have been verified and issued by internationally recognized standards such as the Clean Development Mechanism ("CDM") and the California Environmental Protection Agency – Air Resources Board ("ARB").

Our emission reduction projects are subject to 3rd party independent audits to verify that the emission reductions generated are accurate, real and additional. Details of the projects, verification and monitoring reports are published on the relevant related databases.



Offsetting Sindicatum's carbon footprint

Sindicatum's total carbon footprint for 2017 was 288 tCO₂e – from office based electricity consumption and emissions arising from travel. .

We have retired an equal number of carbon credits from 1 project with high Environmental, Health, Safety and Social standards and numerous sustainable development benefits to the local community. This project has been registered under the Clean Development Mechanism and have been verified by 3rd party independent auditors.

1. CDM Project 5484: BRASCARBON Methane Recovery Project BCA-BRA-04A(288 CERs)

Sindicatum's carbon footprint and our operations are therefore NET POSITIVE to the extent of some 1.2m tons of CO₂.

¹⁶ Emission reductions are calculated net of project emissions

¹⁷ Refers to Sindicatum owned projects and consulting projects and apportioned by Sindicatum's stake in the project

Anti-Corruption

- *Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.*

Zero-tolerance to corruption policy

Sindicatum applies a “zero-tolerance” approach to all forms of corruption, bribery and extortion. We provide employees with information and guidance on how to identify, address, resolve, avoid, prevent and report corruption, bribery and extortion which may occur as part of their work. In addition, any third-party that we cooperate with is required to sign anti-corruption undertakings.

It is Sindicatum’s policy to conduct its business in such a way as to be consistent with all relevant anti-bribery laws in all the jurisdictions in which the group transacts business.

Our stand on anti-corruption is further elaborated in our Code of Conduct that also serves to communicate our anti-corruption policies and procedures to our employees across all of our operations. In 2017, Sindicatum continued implementation of its anti-corruption policies and procedures across the Group, including training, monitoring and investigation of potential bribery incidents.