

Sindicatum Sustainable Resources Sustainability Report 2018

From the CEO



Assaad Razzouk

Group Chief Executive Officer

To our stakeholders:

At its inception in 2008, the Sindicatum Group primarily operated in generating carbon credits. To date, it has generated over 30m emission reduction credits (VERs, CERs, etc.) this roughly equates to London's annual CO₂ emissions and has generated over 14,000 GWh of clean energy. Our focus however, now centers upon developing renewable energy projects, which is pivotal in building a sustainable future and simultaneously addresses the UN Global Compact's mission "By committing to sustainability, business can take shared responsibility for achieving a better world."¹

Sindicatum is pleased to submit its 2018 Communication on Progress (COP) report reviewing our development with regards integrating the UN Global Compact Ten Principles on human rights, labour, environment and anti-corruption into our organisation, both from a strategic and operational perspective.

Furthermore, 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 and looking forward to the remainder of 2019 and 2020 pledges to continue our effort in enhancing our business to reflect workplace best practices.

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 circular stamp.

Assaad Razzouk


Chief Executive Officer

¹ United Nations Global Compact Website, <https://www.unglobalcompact.org/what-is-gc/mission>



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This report contains a full year's data from 1 January to 31 December 2018 and highlights information about our performance regarding the key aspects that have been identified as material to our operations and stakeholders. The Sindicatum 2018 Communication on Progress report builds on the report we produced in 2017, where we also include our basic policies and procedures and company structure.

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 2018 Highlights

In some respects, 2018 was a year of 'firsts' and 'launches' for Sindicatum. We have highlighted a few of our accomplishments below, many of which support the UN's Global Compact Human Rights and Environment Principles:



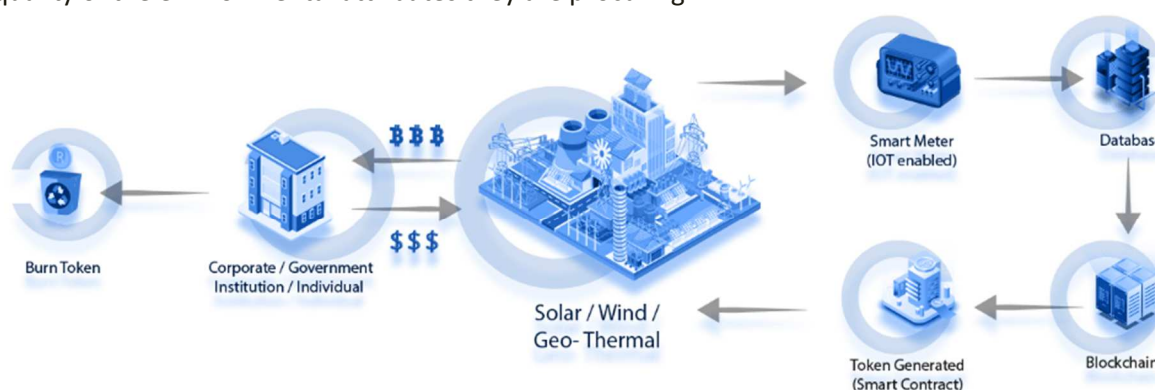
1. November 2018: Launch of the Reneum Institute.

Why did we create Reneum?

The Reneum Institute was conceived as a solution to the challenge of renewable energy development in emerging markets. With declining government subsidies, the scaling back of feed-in-tariffs, and waning (or non-existent) political support, the financing hurdles faced by project developers pose existential threats. As developers ourselves, we recognized the potential value of a reliable revenue stream like unbundled Environmental Attribute Certificates (EACs), and wanted to develop a tool to facilitate the transactions of these instruments. Incorporated as a not-for-profit, the Reneum Institute was designed to address the market failures of the traditional paper EAC market, and to better respond to the growing demand for renewables in emerging markets. Reneum also aims to increase the action of corporate energy consumers by mobilizing demand for renewables, opening up market segments that are currently not supported by domestic EAC systems.

The technology behind Reneum

Reneum is a digital EAC platform leveraging the decentralized ledger technology of the blockchain to facilitate certification, issuance, and transactions. Though they satisfy the core certification requirements of existing EACs in paper-based markets, blockchain-powered Reneum Tokens differ in that there is no central issuing authority such as a government, regulatory regime, or private organization. Reneums, therefore, maintain the independence and transparency that enables the global market scope for environmental attributes. In addition, Reneum's technical architecture enables blockchain connection directly into the meters of renewable energy projects, verifying authenticity of the energy source before it enters the market. Through the use of digitally stamped and secured contracts called 'smart contracts', the issuance of EACs will be executed automatically once the data has been validated. This minimizes transaction costs in executing trades, and decentralizes the market to allow for global trading in a fully transparent and secure manner. Through the Reneum registry, progressive companies can reach their sustainability targets faster, with confidence in the quality of the environmental attributes they are procuring.



Relationship to the UN Global Compact principles

The Reneum Institute contributes to Global Compact Principles 7 and 9 through its proprietary technology that helps drive renewable energy development in markets where renewable energy is still not available to buy directly. By providing a reliable revenue stream that enables project bankability, Reneum's not-for-profit platform aims to attract additional climate finance to renewable energy projects. At the same time, Reneum empowers businesses to drive the transformation of the electricity grid in geographies where their energy footprint lies by demonstrating the increasing demand for clean power.

2. January 2018: Sindicatum Issues Innovative INR 2.5 Billion International Green Bond.

In January 2018, we successfully priced our innovative and ground-breaking guaranteed Green Bond denominated in Indian Rupees for an aggregate amount of INR 2.5 billion (approximately USD 40m) in two tranches of 5-year and 7-year maturities.

The bonds were rated A1 by Moody's and AA- by Fitch respectively. The bonds were guaranteed by GuarantCo, an international development finance institution headquartered in London and part of the Private Infrastructure Development Group (PIDG). ING Bank NV was the lead arranger.

Sindicatum is the first Singaporean company to issue green bonds in Indian Rupees. In addition, Sindicatum's green bond was the first offshore green bond issued in Asia with a maturity of 7 years issued by a renewable energy developer; the longest dated offshore INR-denominated bond in Asia by a corporate; the first international green bond issued in accordance with both ASEAN Green Bond Standards and International Capital Market Association's (ICMA) Green Bond Principles; and the first bond guaranteed by GuarantCo issued in Asia.

3. August 2018: Sindicatum Issues International Green Bond of PHP 1.06 Billion, its Second Landmark Bond

A little over six months from our first INR Green Bond we then went on to price our second round of capital raising via an innovative ten-year green bond ("Green Bond") denominated in Philippine Pesos (and payable in U.S. Dollars) for an amount of PHP 1,060,200,000 (approximately USD 20 million).

Our objective: to use the proceeds to finance renewable energy projects in the Philippines.

The Philippine Pesos Green Bond was rated A1 by Moody's. The guarantor, similar to the INR Green Bond, was GuarantCo.

4. March 2018, participating in India's celebrated National Safety Week

Our solar plants and bagasse cogeneration plants in India celebrated National Safety Week from 4 – 10 March 2018. The objective was to increase awareness among the plant staff, and encourage greater workforce involvement to nurture a better safety culture. The events spread over a week included a slogan and poster-making competition, quizzes, firefighting training and safety equipment awareness sessions.



5. June 2018, World Environment Day in India

In the first week of June 2018, the World Environment Day was celebrated at our Simbhaoli, Chilwaria and Nawanshahr project sites in India accompanied by annual tree plantation drive, and staff awareness sessions.



Tree Plantation at Chilwaria



Tree plantation at Nawanshahr

6. July 2018, Sindicatum wins the Sustainable Business Awards Singapore in the SME Category, with a Special Recognition for Land Use and Biodiversity

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

- *Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and*
- *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.

The 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 CEO, President, CFO, Legal Director and Country Managers 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 the approach to the signing of a 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 standards²

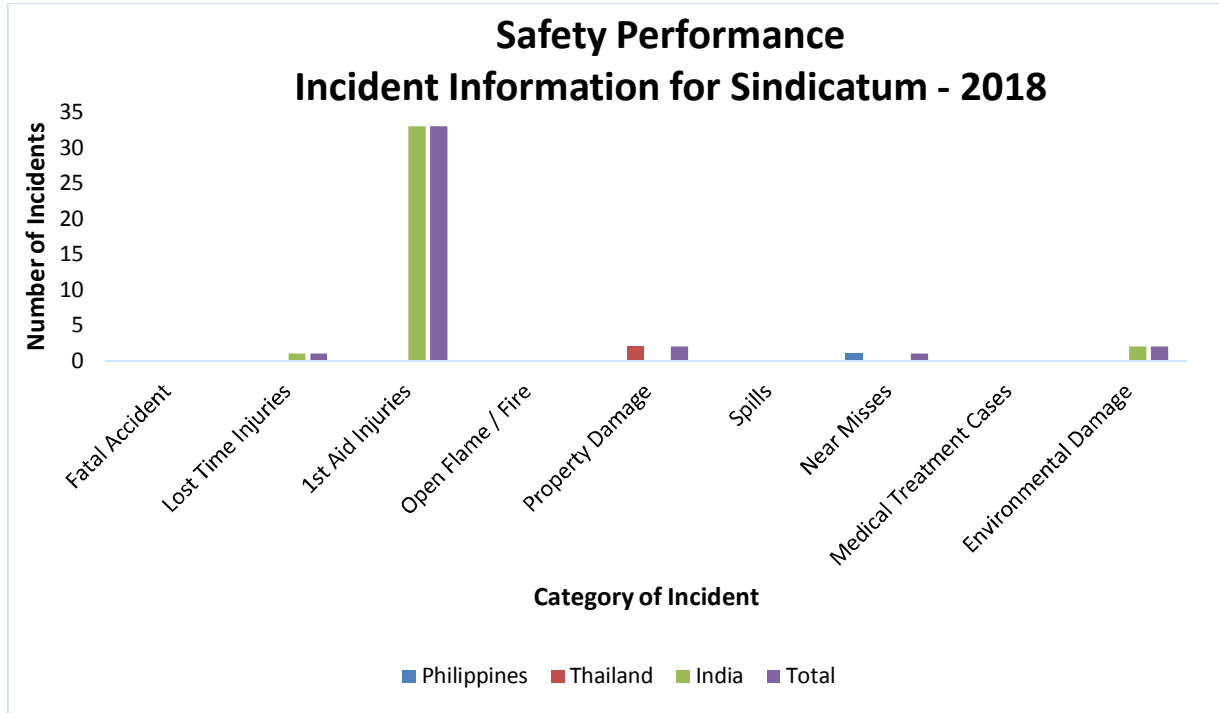
- In accordance with our Sustainability Policy, social and environmental considerations must be considered as being integral to our investment criteria
 - All projects in which Sindicatum invests are required to meet IFC Performance Standards with regards to the Environment, Health and Safety and Social 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

² SREC Investment Process, available on the Sindicatum Intranet.

In 2018, 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 2017 we reported a cumulative LTI frequency rate of 0.30. For 2018 our cumulative LTI frequency rate decreased to 0.21. Our annual LTI frequency rate for the year 2018 (January to December) was 0.10.



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). 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.

A reminder of our 2018 Goals and Outcomes:

In our fourth COP, we set out Goals & Targets for 2018 to improve on our EHS&S. Here's how we performed:

2018 Goal / Target	Update
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.	Successfully conducted ESIA / ESDD and completed external ESHS audits by lender's technical and ESHS advisor for all new acquisitions. Issues raised during the assessment were closed before final approval.
Implement Corporate ESMS system at new projects in line with IFC PS, WHO and ISO 14001 & OHSAS 18001 standard requirements.	Implemented ESMS systems at all new projects in line with IFC PS, ISO 14001 & OHSAS 18001 standard requirements.
Monitor implementation of each project's ESAP through regular review audits to ensure compliance is 80%+.	Environmental and Social Action Plans are in place at all projects and are monitored on a monthly basis. Compliance with the plans is at 90% + at the project level.
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.	Implemented a New ESHS and sustainability monthly reporting format in line with EHS&S & Sustainability Monitoring system and Green Bond Impact Assessment requirements.
Zero Fatal Accident and Lost Time Accident Frequency Rate of < 0.50.	Achieved FR (frequency Rate) of 0.10 against a goal of 0.50 in 2018. LTA FR per 100,000 man-hours worked (moving average since 2014)= 0.21
Reduction of incidents like Open Flames, Property Damage and External Grievances.	Reduction of incidents like Open Flames (from 9 in 2017 to 0 in 2018) and Property Damage (from 6 in 2017 to 2 in 2018)

Work on Resource Efficiency parameters – a reduction of water consumption at Nawanshahr plant and Auxiliary Electricity consumption at Nawanshahr, Simbhaoli and Chilwaria bagasse cogeneration plants.	We have adopted the highest professional standards, including the IFC Performance Standards, ISO 14001 and OHSAS 128001, to put procedures in place to achieve our commitment to sustainability. We have also introduced site specific procedures to cater to the different aspects of all the plants.
Effective community consultation and engagement through Stakeholder engagement mechanism across all projects, and address any grievances or other issues as needed.	We have developed procedures for community outreach and consultation with the communities surrounding our project, and mechanisms for concerned citizens to raise grievances to management. Through our grievance mechanisms, a total of 14 Internal and External Grievances were received and successfully resolved.
Ensure compliance with labour laws and IFC PS 2, across the company.	Implemented IFC Performance Standards at all new projects including the development of specific project work procedures.
Initiate Corporate Social Responsibility (CSR) programs at new projects.	A total of 21 CSR initiatives were conducted at our operations in Thailand, the Philippines, and India. CSR activities included the donation of air conditioners, winter clothes, benches and desks, water coolers to schools & nearby communities, educational visits to plants.
Ensure that standards are followed for the safe storage, handling and disposal of hazardous materials at all projects.	<p>Provided secondary containment for hazardous chemicals storage areas and SS / FRP storage for chemicals at India Biomass plants.</p> <p>Monitored ESHS progress every month for SSR Offices and Projects / JVs for continuous improvement.</p>
Support appointment of dedicated EHS&S Resources for new project sites, if applicable.	Corporate ESHS procedures were reviewed, updated and implemented at our new projects.
Ensure 100% of employees of new projects are trained on EHS&S topics.	Provided 71 training and awareness programs, with 704 employees including contractor employees attending for a total 1036.55 person-hours of training.
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.

Establish KPIs for social impact assessment and ESMS governance and initiate monitoring once approved.

We reviewed our Corporate ESHS Work Procedures, which include social impact assessment and ESMS governance. This has been reviewed by a third party in order to ensure that they fully comply with the IFC Performance standards.

Goal & Targets for 2019

- a. 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.
- b. Implement ESAP/ESMP - Corporate ESMS system at new projects in line with IFC PS, WHO and ISO 14001 & OHSAS 18001 standard requirements.
- c. Monitor implementation of each project's ESAP through regular review audits to ensure compliance is 90%+
- d. Ensure monthly KPI monitoring and compilation of reports based on the reporting format in line with the ESHS & Sustainability Monitoring system and Green Bond Impact Assessment requirements.
- e. Zero Fatal Accident and Lost Time Accident Frequency Rate of < 0.75.
- f. Reduction of incidents like First aid injury and External Grievances
- g. Focus on the increase in reporting of near-miss incidents
- h. Work on Resource Efficiency parameters – a reduction of water consumption at all projects
- i. Effective community consultation and engagement through Stakeholder engagement mechanism across all projects, and address any grievances or other issues as needed
- j. Ensure compliance with labour laws and IFC PS 2.
- k. Initiate Corporate Social Responsibility (CSR) programs at new projects and continuously monitor SCR activities across the company
- l. Ensure that standards are followed for the safe storage, handling and disposal of hazardous materials at all projects.
- m. Support appointment of dedicated ESHS Resources for new project sites, if applicable
- n. Ensure 100% of employees of new projects are trained on EHSS topics.
- o. Initiate ISO 14001 and OSHAS 18001 programs at Solar projects in India
- p. Establish KPIs for GHG Inventory monitoring & CSR Impacts and ensure monitoring.

Labour

'You can take the employee out of Sindicatum but you can't take the Sindicatum out of the employee.' Most former Sindicatum employees will probably vouch to this!

At the heart of Sindicatum is our employees and their talent, without which we would have never been able to achieve our 2018 goals. Therefore one of our main objectives is to nurture a workplace culture where our employees feel they have fair access to work, a voice and an opportunity to fulfill their potential, regardless of one's identity, seniority or other circumstances.

This past year in particular, we have strived to make our HR department more open and accessible, so that employees feel they have other avenues for seeking answers and guidance, should they not find solutions with their direct line managers. Based on one of our last exit interviews / messages, we seem to slowly be achieving this:

"Working with you has been effortless. In spite of being in different geographies, your presence has made so much of a difference.

*It has always been comforting to know that you are around and just a call away."*³

The following Principles of the United Nations Compact:

- *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.*

are addressed in our corporate policies and procedures found in the following corporate documentation:

1. Code of Conduct
2. Employee Guide
3. Group Delegated Authorities
4. Anti-Corruption Principles and Procedures
5. Corporate Responsibility Manual
6. Investment Approval Process

and with regards the employee's individual rights the:

7. Service Agreement.

As identified in our previous COPs, 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 to feedback on new systems and procedures. The above mentioned Principles are supported by the following policies and procedures:

- Sexual Harassment
- Whistleblowing Policy
- 'Reporting a concern'

³ Anonymous, Former Sindicatum Employee, Email to the HR Coordinator, 2019

- Zero-Tolerance to Corruption
- Avoidance of Conflicts of Interest
- Fair Employment Practices – by following local laws and legislations
- Fair Dealings with Others
- Maternity Leave
- Employment Rights – probationary period, salary, termination period and arrangements, hours and place of work (mobility policy), annual leave entitlement.

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).

“At Sindicatum, we comply with all relevant and applicable local and international labor regulations, treaties, conventions and principles relating to the protection, welfare and health and safety of children, including forced labor.

We do not employ any person deemed by local or international laws, conventions or regulations to be a child in any capacity in any industrial operation under our control. As a good corporate citizen, Sindicatum is committed to the principles of protecting children from child labor exploitation. (...)

We do not engage in or support the use of forced or compulsory labor.”⁴

⁴ Sindicatum Employee Guide, Page Sindicatum Intranet

Recruitment & Selection

“While the primary goal of Sindicatum’s investments is to produce environmental benefits, we must ensure that such investments are undertaken so that their by-products are carefully managed. We must recognise that all of our investments depend on our relationships with a wide range of stakeholders and in particular the local communities where our projects are undertaken. Without the acceptance of such communities our work cannot succeed. We therefore view health, safety and environmental management as critical to our ability to operate. We aim to bring benefit to local communities through the creation of employment in sustainable sectors, which we believe helps keep communities together.”⁵

Supporting local communities ‘through the creation of employment’ is still an important factor for us. Towards the end of 2018 however, with the objective of making our business sustainable for the future, we took the decision to sell three of our Thailand projects and thus lost a substantial number of our workforce. The driver for the sale was the fact that these were landfill-gas-to-energy projects at the end of their useful lives. Our decision safeguarded our standing in Thailand whilst simultaneously ensuring the future of our former employees by securing a new project owner and therefore a new employer for them.

Below we outline the number of employees that are nationals within our operating regions:

Country	Total Number of Employees	% of Employee Nationals to the Region
China	8	100
India	15	93
Philippines	7	86
Singapore	12	42
Thailand	3	67
UK	3	100
USA	1	100

Data as at 31 December 2018

Given our industry’s relative novelty it is not always straightforward for us to recruit for specific roles within certain regions. The Reneum Institute for example tried to recruit nationally by advertising the positions on jobsites and using word of mouth, however the best placed talent at the time of recruitment to fill the vacancies were in fact non-nationals.

Internships & Training Overview

In 2018, Sindicatum reported:

- approximately 346.9 hours for the year of courses / training as a group (training includes in-house and external sessions and in cases project based)
- 4 internship placements

⁵ Sindicatum Code of Conduct, Page 4, Sindicatum Intranet

Reminder of our 2018 Goals and Outcomes:

In the following table we have set out the objectives we made for 2018 and to what extent these were achieved:

2018 Target	Update
Review and revise the Employee Handbook – updating our policies, benefits and procedures.	This is a continuing process. For example, our Group benefits structure has changed and the next revision of the Handbook will reflect this.
Implement the Sindicatum Group recruitment and selection policy, incorporating the Diversity & Sexual Harassment Group policy.	<p>An updated recruitment process was communicated to the Management team. We updated the:</p> <ol style="list-style-type: none"> 1. Job Application Form to address confidentiality concerns, delete mention of age and to cater for any disabilities at the recruitment stage. 2. Job Description Template (used at the recruitment stage) to include the following: 3. <p style="text-align: center;"><u>“DIVERSITY AND EQUALITY STATEMENT</u></p> <p style="text-align: center;"><i>Sindicatum is an equal opportunity employer. This means that we will extend equal opportunity to all individuals without regard for their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation. We believe people should be measured on their merit and potential.”</i></p>
Review our Data Protection terms and procedures.	Sindicatum created a GDPR Policy, Privacy Notice for our UK office as well as a global privacy policy and set up standard contractual clauses with our international offices. Prior to finalizing the policy we conducted an information audit of all the personal data held and processed.

2019 Goals & Targets

1. Finalise a 2019 copy of the Employee Handbook and Code of Conduct.
2. Standardise the Sindicatum Induction / Orientation Process.
3. Review our ‘Group’ Data Protection terms and procedures.

Environment

Environmental Performance

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 the United Nations Global Compact:

- *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 technologies*

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).

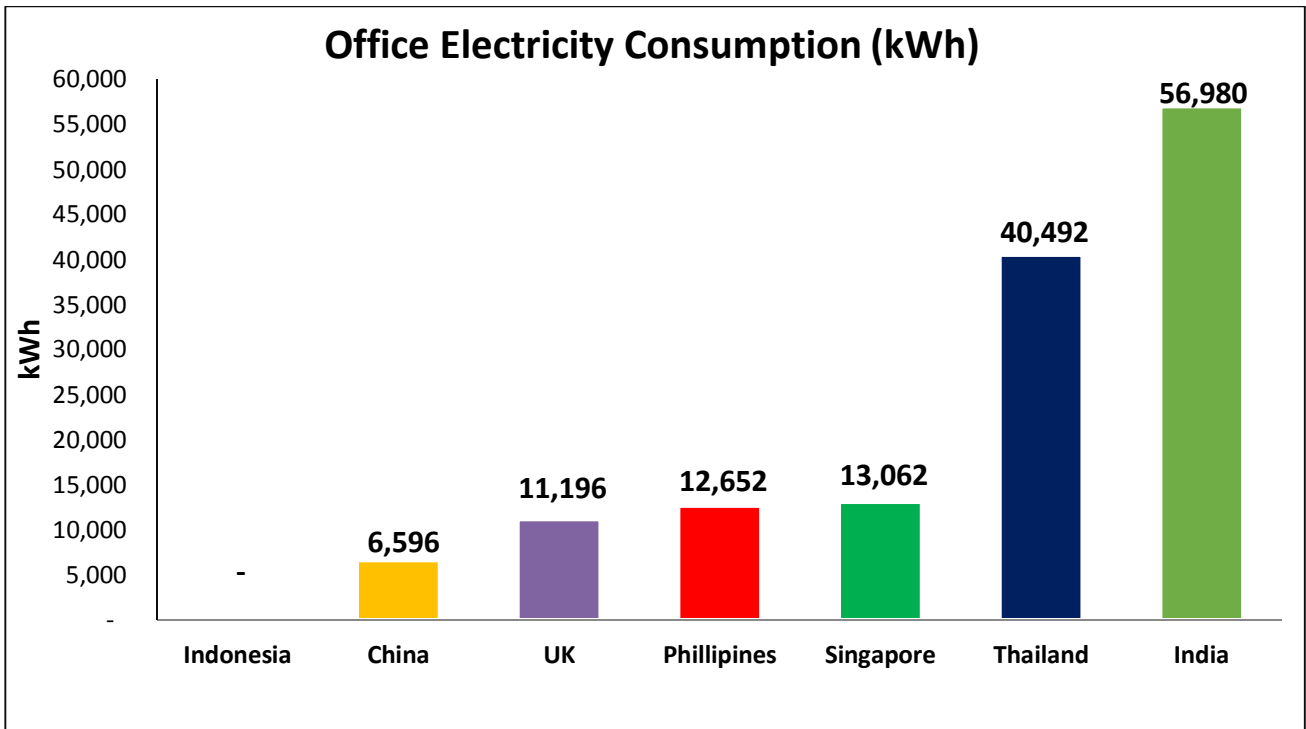
While these projects mitigate climate change overall, our operations also consume energy and as part of this indicator, we report the energy consumption only by entities owned or controlled by our organization. As part of this energy consumption inventory, we have included our power use in all of our 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

⁶ Taken into consideration in "Net power generation"

⁷ Land and Air

office based energy usage for 2018 amounted to 140,978 kWh (c. 2,877 kWh/employee⁸) which represents a 10% decrease from 2017.



For the next calendar year (2019), we will target to decrease our electricity consumption by 5-10% in comparison to 2018 usage.

Reduction in Energy Consumption

Sindicatum’s raison d’etre 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.

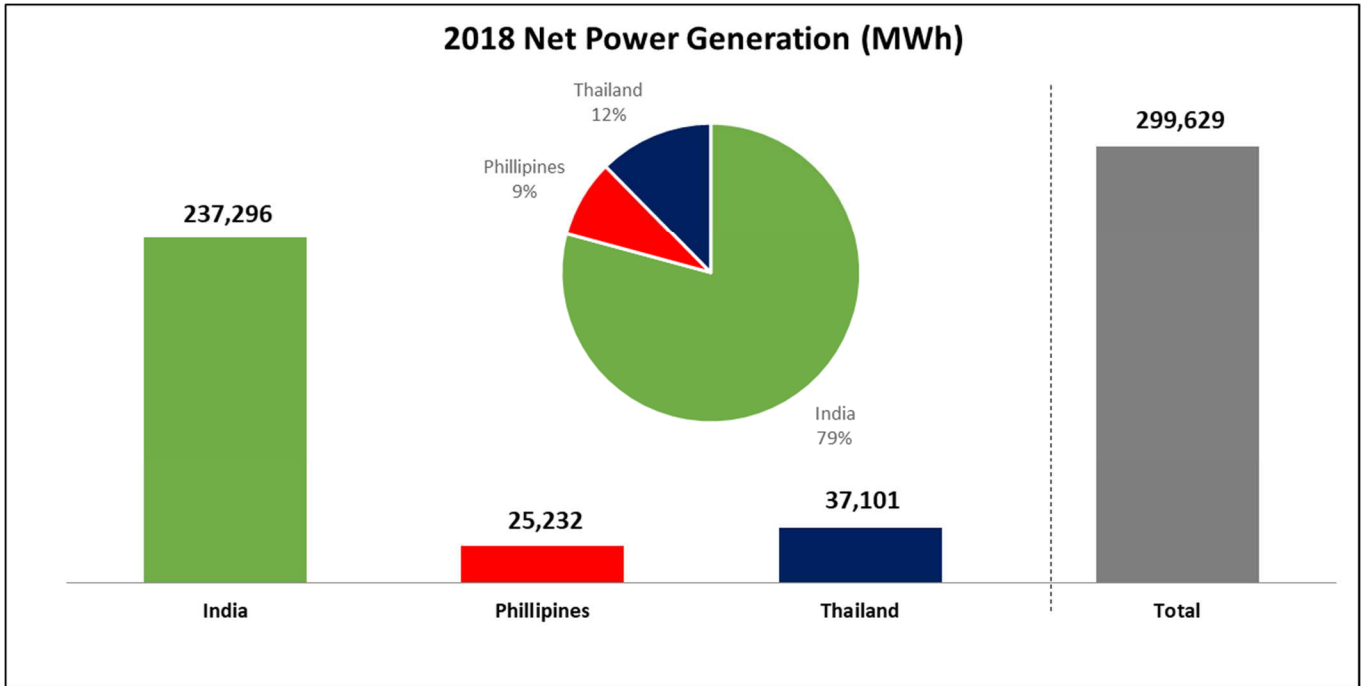
Within each of our green projects we are constantly searching for ways to be even more efficient and effective to the environment. For example, we will constantly innovate and improve our equipment in order to achieve higher efficiency and to enable plants to operate for longer periods on renewable energy resources.

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

⁸ 49 employees

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 2018, net^{9,10} generation of clean electricity totalled 299,629 MWh representing a power generation intensity of c. 6,115 MWh/employee, a 36% increase since 2017. For 2019, 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.



Carbon footprint – Emissions Aspect

Sindicatum reports based on the WRI¹¹ and WBCSD¹² “Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard”¹³. 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 2018, the environmental footprint as a result of Sindicatum’s offices was **96,824 kgCO₂e ≈ 97 tCO₂e (c. 1.98 tCO₂e/employee)** representing a decrease of 11% from 2017.

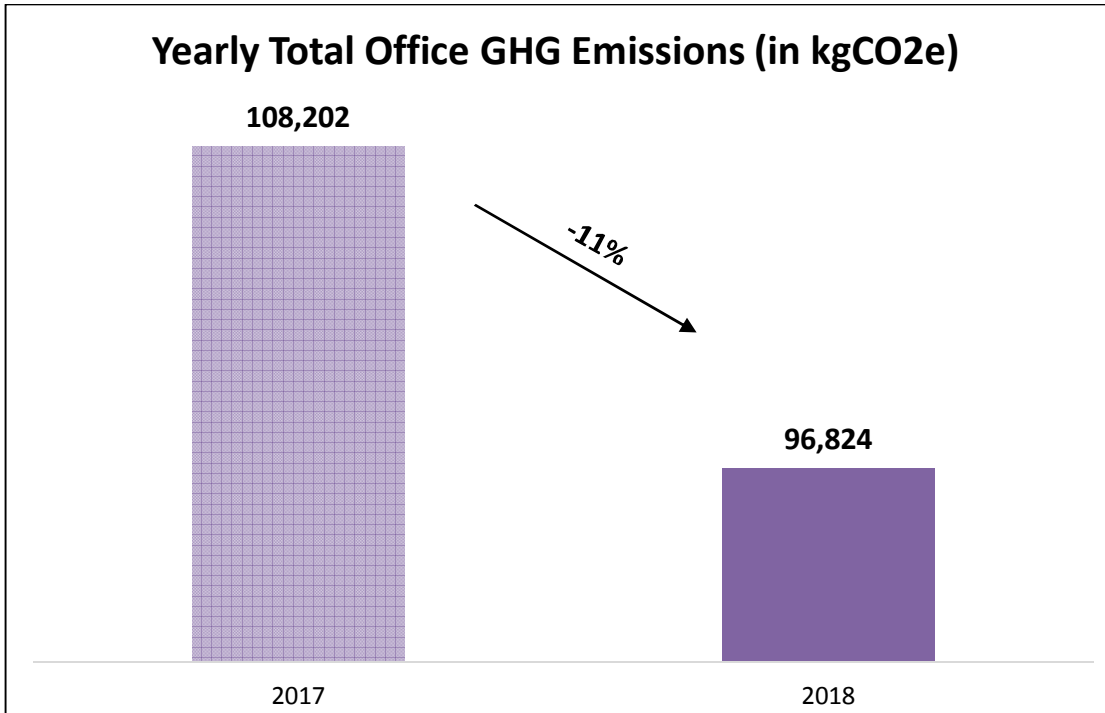
⁹ Net power generation is the total power generated and is calculated as follows: Gross generation – (auxiliary consumption + power imported from grid + power generation from diesel (if any))

¹⁰ Apportioned by Sindicatum’s share of ownership in the projects

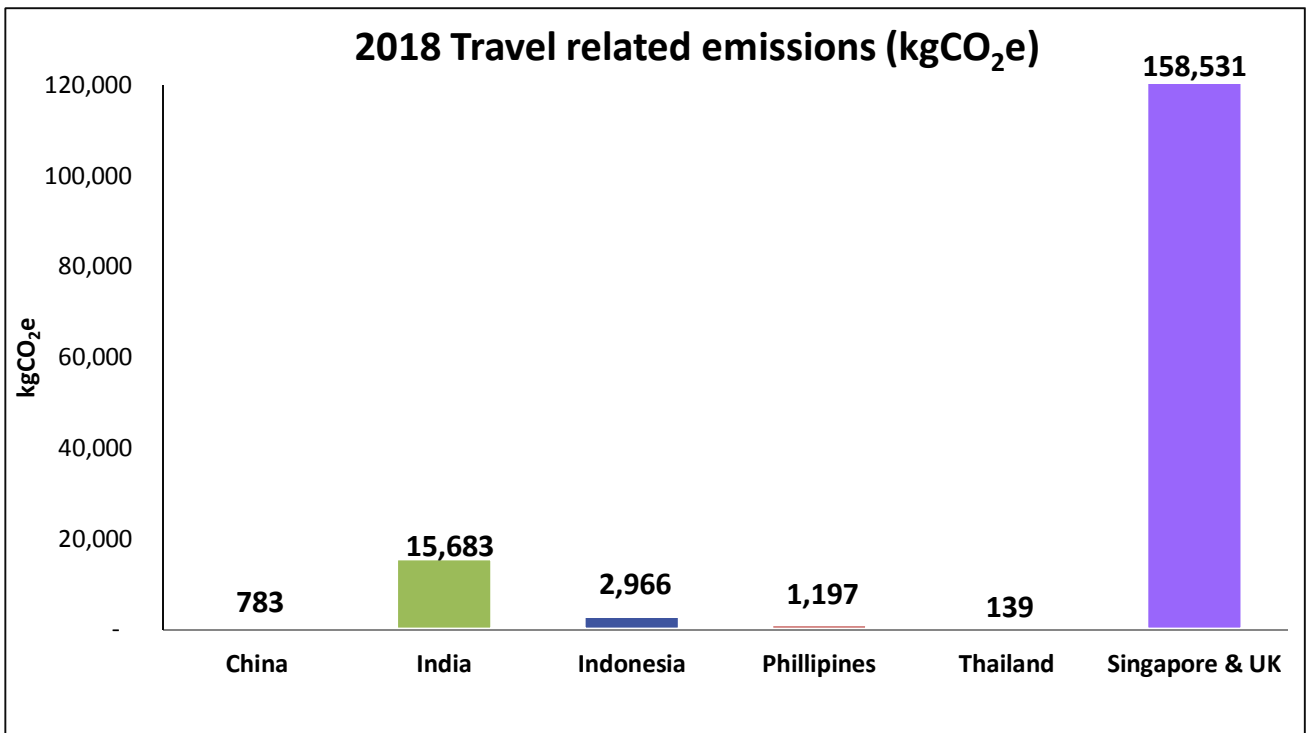
¹¹ World Resources Institute

¹² World Business Council for Sustainable Development

¹³ GHG Protocol

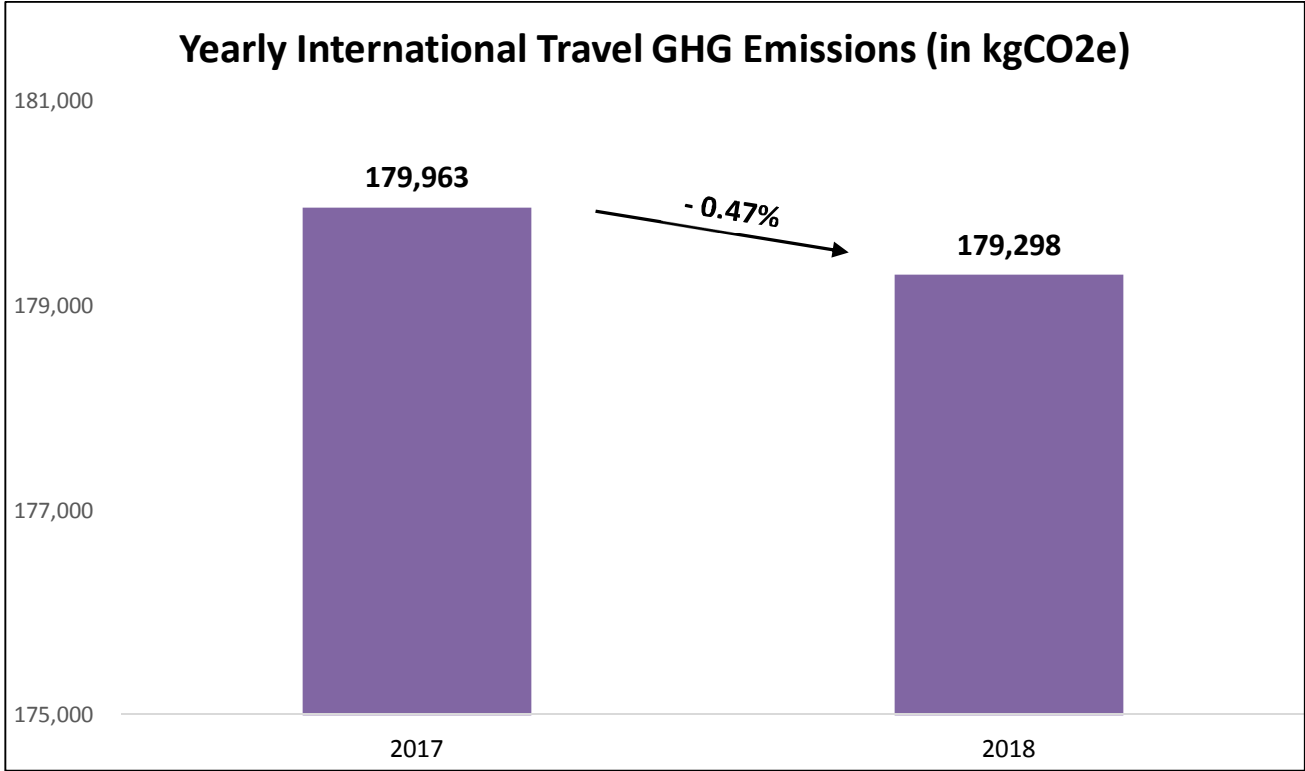


GHG emissions from outside the organization that can be attributed to activities of the organization such as land and air-travel also account for some GHG emissions. We have chosen to measure and report emissions due to air-travel of all our staff using the International Civil Aviation Organization Carbon Emissions Calculator¹⁴. Our corporate offices in UK and Singapore comprised of a substantive portion of air-travel in 2018 and this is largely due to frequent business travel as a result of Sindicatum’s Asian footprint.



¹⁴ <http://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>

The total GHG emission from land and air travel for 2017 is **179,298** \approx **179 tCO₂e** which marks a 0.37% decrease from 2017.



Decrease 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 reduction in GHG emissions from 2017 to 2018 was largely due to lower electricity consumption needs due to the decrease in the number of employees.

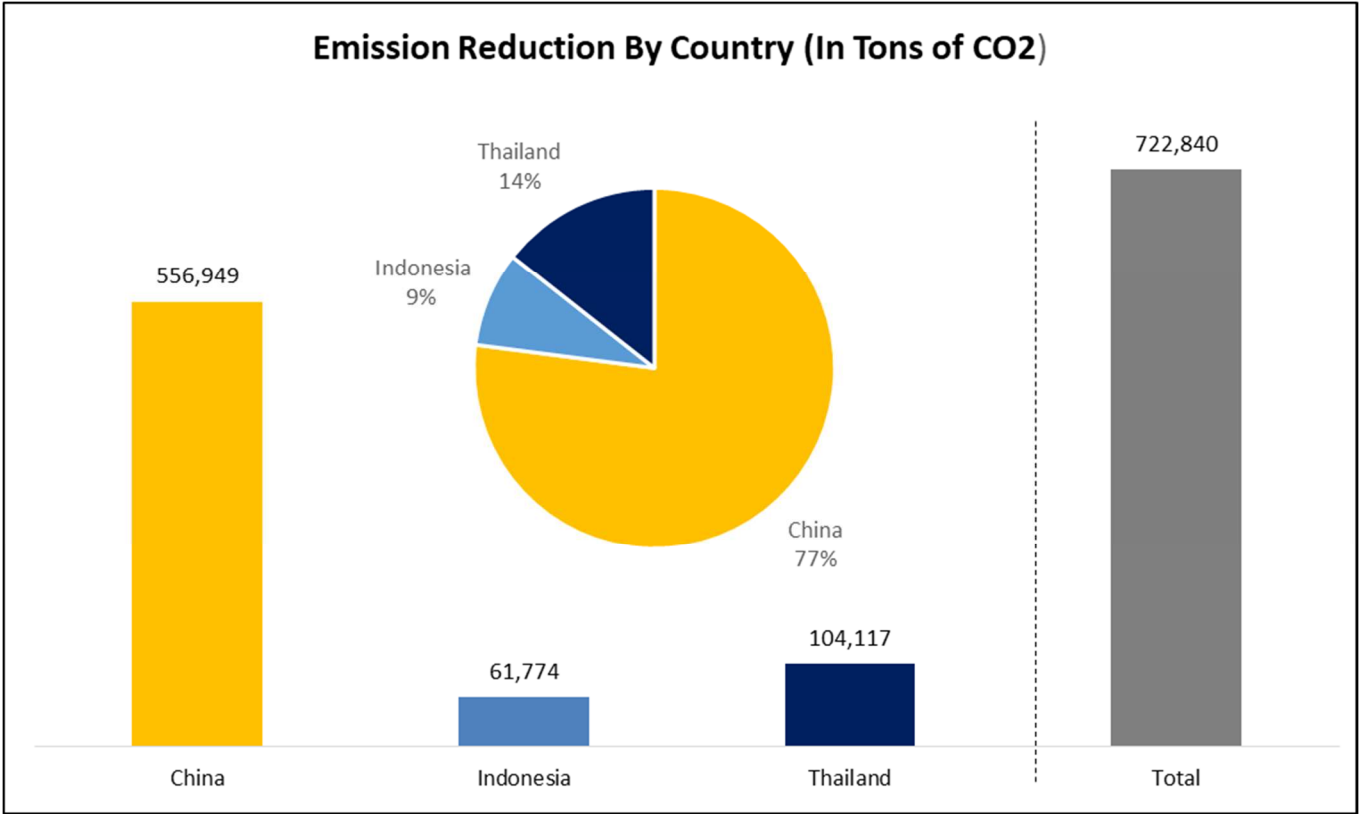
Emission Reductions from our Green Projects¹⁵

Sindicatum’s projects¹⁶ generated more than **722,840 tCO₂e** of emission reductions in 2018. 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.

¹⁵ Emission reductions are calculated net of project emissions

¹⁶ Refers to Sindicatum owned projects and consulting projects and apportioned by Sindicatum’s stake in the project



Offsetting Sindicatum’s carbon footprint

Sindicatum’s total carbon footprint for 2018 was 276 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 2018 carbon footprint and our operations are therefore NET POSITIVE.

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.

On an annual basis Sindicatum requires all employees and consultants to complete a ‘Related Party Transactions and Conflict of Interest Questionnaire’. We believe that transparency is key to avoid any possible issues and indeed to allow fair trade opportunity, both for quoting purposes and potential partnerships. Invariably any conflicts of interest will have to be disclosed to ensure that we do not give preference to a certain organisation or individual, especially in our project deals. The following excerpts taken from our 2018 questionnaire shows the need for ‘freedom of association’:

“This questionnaire should be used to disclose where you or your Family Members have certain affiliations, interests or connections, and for 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.”¹⁷

“In the past twelve months to the present, have you or has any member of your family had a direct or indirect financial interest or held a role such as (but not restricted to) any of the following: director, officer, owner, partner, employee, consultant etc. to any company that provides products or services to Sindicatum? If you perform services for another company, are you remunerated?”¹⁸

“Are you in a position whereby you (or a company you are director or material shareholder of) could make a profit as a result of your directorship / position in the Company? Or have you participated in management decisions relating to transactions that affect or benefit you or any of your Family Members?”¹⁹

We received all completed questionnaires from our employees and consultants for 2018.

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 2018, Sindicatum continued implementation of its anti-corruption policies and procedures across the Group, including training by our Legal Director in April and May 2018. We continue to monitor and investigate any incidents of potential bribery.

¹⁷ Sindicatum Related Party Transactions and Conflict of Interest Questionnaire, Reviewing 2018, Page 1

¹⁸ Sindicatum Related Party Transactions and Conflict of Interest Questionnaire, Reviewing 2018, Page 2

¹⁹ Sindicatum Related Party Transactions and Conflict of Interest Questionnaire, Reviewing 2018, Page 3