



SMARTER GRID INTERNATIONAL

COMMUNICATION ON PROGRESS 2019



Executive Summary

Access to basic electricity in foreign Sub-Saharan Africa continues to be a challenge and this has contributed to loss of businesses and incomes in the rural, peri-urban and urban areas. Efforts to mitigate this challenge and provide electricity have resulted in an astronomical increase in the use of generators. In Nigeria about 60 Million Nigerians own generators and this comprises of 26% household and 86% businesses.

As an off-grid energy company passionate about eradicating the challenges posed by lack of on-grid electricity, SGI continues to provide off-grid energy solutions that contribute to the overall socio-economic wellbeing of the people and the economy. In 2019, SGI unveiled its new product offering, the SGI 'Solar Business Systems' This product was designed to provide MSMEs, SMEs and corporate businesses with uninterrupted, sustainable, affordable and renewable electricity that increase entrepreneurial activities, boost business efficiency and eliminate the vicious cycle of poverty through increased household incomes.

I am therefore pleased to present SGI's 2019 Communication on Progress (COP) report reflecting SGI's achievements in the past year, especially the impact its off-grid Solar Business Systems on MSMEs, SME's and Corporate businesses in the rural, peri-urban and urban areas of Nigeria in support of the United Nations Global Compact Sustainable Development Goals (SDG) and its universally accepted Ten Principles.

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COMMUNICATION ON PROGRESS

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;

LABOUR

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.

ENVIRONMENT

PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility;

PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

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



RESPECTING 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;

SGI as a corporate entity continues to recognize, respect and support the protection of internationally proclaimed human rights. These rights are contained in Chapter 4 of the Constitution of the Federal Republic of Nigeria 1999 as Amended. The Constitution domesticates the Universal Declaration of Human Rights (UDHR) and the African Charter on Human and Peoples' Rights (Ratification and Enforcement) Act 2004 in Nigeria.

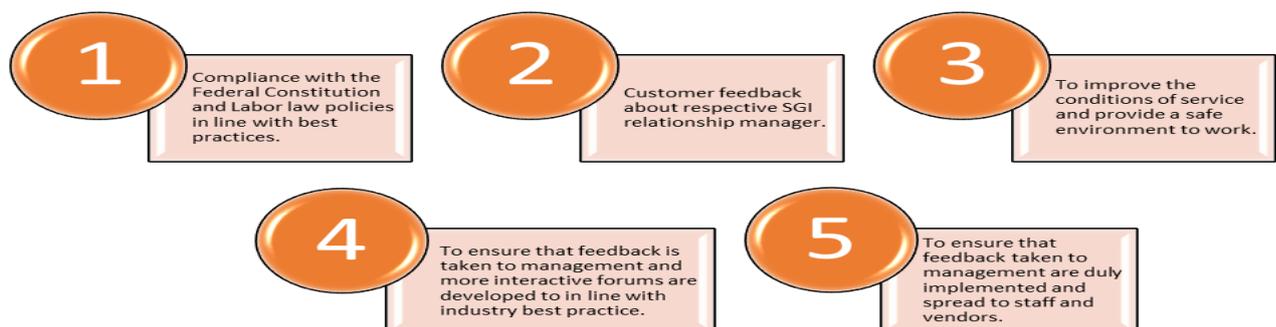
The rights of employees are paramount in SGI's its business operations. Commencing with its recruitment process, SGI ensures that the process is transparent, based on merit and it eliminates any form of racial, gender, religious or physical discrimination. In further recognition of the human rights of its employees SGI continues to provide a decent work environment. Its offices are located in a safe and secured environment and equipped with devices that reduce the company's carbon footprint. The organizational structure of the company provides employees the opportunity to exercise their right to fair hearing and dignity of person. SGI maintain a zero tolerance for confirmed incidences of sexual harassment and indecent behaviours. These policies are clearly provided in the company's policy handbook.

SGI's recognition of the tenets of human rights is not limited to its employee; it is also extended to its customers and vendors. The mission and objectives of SGI are aimed at improving and maintaining the quality of life of persons at the top, middle and base of the pyramid through the use of off-grid renewable energy. One way to assure right to life is to provide a productive and healthy environment. In January 2019, SGI included in its product portfolio its Solar Business System its

Multi-Purpose Solar Powered Kiosk fitted with smart technological devices. This kiosk was designed to provide MSME's and SME's with multiple sources of income such as trading, food vending and recreational centres in one location powered by clean energy. The success of this product brought about patronage from as Airtel Nigeria and Access Bank Plc. The benefits derived from the use of this kiosk cannot be overestimated. In addition to the reduction of the carbon footprint of the business owner, the solar kiosk has been utilized by blue chip companies to promote financial inclusion of the unbanked in rural, peri-urban and urban areas; generate employment and household incomes. As a result of the increased income generated from the use of SGI solar kiosk, over One Thousand Two Hundred and Fifty customers most of which are women have gone further to purchase Solar Home Systems. This has increased family time, provided a suitable environment for children to study and reduced diseases caused from the use diesel powered generators and similar equipment.

To further respect the dignity of its vendors and customers, SGI employees have undergone trainings on customer interface and relationship management to ensure its customers irrespective of the social or financial status are respected and treated equally.

MEASUREMENT OF OUTCOMES.





LABOUR

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.

In compliance with SDG 3, 4, 5 and 6, SGI continues to adopt a comprehensive employment guideline as stipulated in the Nigerian Labour Act Cap L1 Laws of the Federation of Nigeria of Nigeria 2004. As earlier reported under SDG 1 and 2, SGI operates a transparent and merit-based employment process and to ensure optimum performance, the company's organizational structure encourages freedom of expression and association within the confines of the law and the company's policies.

Every potential or engaged employee of SGI is not forced or coerced to work for SGI. Either SGI or

its employee reserves the right to terminate their employment with the company with adequate notice as provided in the company's policy handbook. Similarly, salaries and allowances of employee are paid promptly, regularly reviewed and appraised to keep up with best industry practices. These are in compliance with **SDG 4**

In compliance with **SDG5** SGI expressly prohibits the use of minors in its workforce. This policy is also extended in the selection and engagement of sales agents, vendors and suppliers in its supply and distribution chain. As a measure of ensuring compliance, such vendor, suppliers, distributors and agents warrant in their respective contract of engagement that minors are not engaged in their respective workforce.

SGI maintains a strong work ethos and expressly prohibits all form of indiscipline and discrimination in the work environment as provided in its Employee policy handbook. To motivate and encourage productivity of employees the company has various reward schemes that include payment of commission on sale and continuous training of its employees. This aligns with **SGD 6**

MEASUREMENT OF OUTCOMES





ENVIRONMENT

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

SGI is constantly aware of the fact that the Environment is one of the most important components of the Earth and that the impact of fossil fuel and other bio-degradable products is one of the major sources of environmental pollution. The Punch Newspaper in December 27, 2017 reported that an alarming 86% of businesses (including SMEs) in Nigeria use petrol or diesel powered generators to power their businesses. Aware of the astronomical environmental pollution from this statistic, SGI in addition to its Solar Home Systems (SHS) introduced its Solar Business Systems (SBS). This was developed on the backdrop of **SDG 7**. The SBS is a business product and tool that operate on off-grid energy. The concept and design of the SGI's SBS was to enable MSME's, SMEs and corporate businesses facilitate the use of off-grid energy to power their businesses. An example of SGI's SBS is its Solar Powered Multi-Purpose Kiosk fitted with smart technological devices can be used for sale of groceries, mobile banking by Fintech companies and Banks, Recreational centres and trading while its solar powered irrigation pumps are used for farming. An increased off-take of SGI's SBS is expected to drastically reduce the Greenhouse Emission and noise pollution generated from generators by Nigeria's businesses.

To facilitate the off-take and use of SGI's SHS and SBS under **SDG 8 and 9**, several initiatives such as Community town hall meetings and seminars were employed to sensitize homes and businesses in the rural, peri-urban and urban areas on the impact of fossil fuels and its by-products

on the environment and the need to adopt the use of renewable energy to power their homes and businesses. In January 2019, SGI educated a cross section of women indigene in Edo State, Nigeria on off-renewable energy as a tool for Women Empowerment. Similarly, town hall meetings were in several rural communities in FCT Abuja and across 30 States in Nigeria including Kano, Nassarawa, Delta, Anambra and Lagos States. Other renewable enlighten campaign were carried out with Cooperative Societies of Market Traders Association. This process has resulted in the various SME's and business owners adopting the use of off-grid renewable energy to power their business and a resultant decrease in use petrol and diesel-powered generators, creating a cleaner and more health environment.

MEASUREMENT OF OUTCOMES.



ANTI-CORRUPTION

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

SGI continues to maintain its reputation and integrity in the operation of its business. It is adverse to any form of fraud, bribery and corrupt practices. This is evident in its Policy on Anti-Corruption and it expects its employees, customers and vendors to adhere to its Anti-corruption policy.

MEASUREMENT OF OUTCOMES



SGI FUTURE ACTIONS

- ✚ SGI seeks to expand its business operations in Nigeria and into other regional markets within Sub Saharan Africa.
- ✚ Increase product portfolio to include irrigation machinery, boreholes, poultry ventilation fan, refrigerators, vaccine refrigeration air-conditioners, water heaters, electric cookers and oven.
- ✚ Continue to increase capacity building through training and certification of local technicians to provide for more trained personnel in the solar off grid sector and eliminate the dependence on foreign manpower.
- ✚ Further adopt business systems to be Eco Friendly in a bid to reduce its carbon footprint.
- ✚ SGI representation at the 2020 United Nations Global Compact Meeting.