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16 August 2021

UN Global Compact – Statement of Continued Support

To our stakeholders

I am pleased to confirm that Hydro Power Equipment (Pty) Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of:

- Human Rights
- Labour
- Environment
- Anti-Corruption

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to share this information with our stakeholders primarily on the UN Global Compact Website and in our standard channels of communication where applicable.

Yours sincerely

André Swart
CEO







Human Rights

Principles observed:






Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2 – Make sure that they are not complicit in human rights abuses

HPE has renewed its Human Right's Policy and thereby commits to maintain a work environment that is free from any form of discrimination against people based on:

-  Race
-  Gender
-  Disability
-  Indigenous People
-  Minorities
-  Children

HPE employees have the following rights entrenched in their employment with HPE:



-  Right to join/form unions
-  Right to collective bargaining
-  Staff hired, paid, and promoted based solely on their relevant competencies
-  Fair payment for work regardless of sex
-  Health and Safety commitment in procedures and working environment

Our suppliers are selected based on a common understanding and observance of these rights. The supplier requirements for doing business with HPE are outlined in our Supplier Guidelines. HPE will not condone in its own operations and associations any form of:

- Slavery
- Abuse of children's rights

HPE has incorporated Covid-19 precautions and guidelines in our operations and workplace risk assessments have been updated to ensure the safety of our staff.

Human Right Goals and Implementation for the period June 2021-June 2022

-  Retrain staff on HPE Human Rights Policies and Procedures
-  Audit HPE Suppliers to ensure adherence to and awareness of HPE Supplier Guidelines

Labour

Principles observed:

Principle 3 – Businesses should uphold freedom of association and 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

Principle 6 – Eliminate discrimination in respect of employment and occupation

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HPE has incorporated policies to ensure that all employees have equal access to job opportunities.

The Skills Committee is made up management and employees to determine training requirements and identify opportunities for employees to improve themselves.

Labour Goals and Implementation for the period June 2021-June 2022

HPE Update skills matrix and training requirements

HPE Involve employees in procedure reviews

Environment

Principles observed:

Principle 7 – Business 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

Assessment and Policy

HPE has continued to implement a preventive rather than clean-up mentality with regard to our procedures and working environment.

Our product range is continually developed to ensure that our products minimise pollution and are environmentally friendly especially within our predominant mining market.

Environment Goals and Implementation for the period June 2021-June 2022

HPE Review Environmental Impact Reports

HPE Review Environmental Emergency Plans

HPE Ensure adherence to national and local environmental legislation

Anti-Corruption

Principle observed:

Principle 10 – Business should work against all forms of corruption, including extortion and bribery

Assessment and Policy

HPE continually strives to ensure that its business operations are conducted in an ethical manner and respects all its stakeholders. The main objectives in this regard are:

HPE Will not allow corruption in any form within its operations

HPE Use confidential or proprietary information to receive an advantage in the workplace

HPE Collude or be involved in price fixing

Anti-Corruptions Goals and Implementation for the period June 2021-June 2022

HPE Review and update Anti-Corruption Policies and Guidelines

HPE Retrain staff on these guidelines

Measurement of Actions Implemented

SDG 1 – End Poverty in all its forms everywhere

HPE has continued during the ongoing COVID-19 pandemic to source local suppliers for items required for operating requirements and protection of employees and other stakeholders.

SDG 3 – Ensure healthy lives and promote well-being for all at all ages

HPE has an established COVID-19 response plan which continually enforced as part of HPE's Health and Safety Program.

Health Awareness is maintained through focused monthly health topics.

Annual testing such as vision screening has been incorporated at our facilities

SDG 4- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG 5 – Achieve gender equality and empower all women and girls

HPE has encouraged female participation in learnerships and programs and has partnered with suppliers to create a forum for workplace experience and training.

HPE has also increased its female supplier base especially in previously disadvantaged communities.

HPE is also proud that it has been able to increase the number of learnerships from the previous year demonstrating a commitment to increase opportunities within the community.

SDG 6 – Ensure availability and sustainable management of water and sanitation for all.

SDG 10 – Reduce inequality within and among countries

Continued use of a local supply chain ensuring the economic sustainability of the area.

Payment of wages/salaries in accordance with the relevant industry guidelines and scales. These are reviewed as required.

All facilities are maintained to ensure that staff can fulfil their function in a suitable environment.

Ensure that HPE partners with suppliers that conform in these requirements.

SDG 12 – Ensure sustainable consumption and production pattern.

HPE products have no negative impacts on the environment.

All components used can be recycled in approved waste streams at the end of its life cycle.

During manufacture appropriate waste streams are utilised and general waste is minimised to only those that can go to landfill.

HPE transport and delivery schedules are developed to optimised fuel usage and ensure that our carbon footprint remains as low as possible.

Deliveries from suppliers are also scheduled to ensure that third party emissions are also controlled.

SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels

**HPE Social and Ethics Committee continues to assist staff to work in a manner which is both transparent and ethical.
Staff are encouraged to report unethical behaviour and where appropriate the necessary corrective action is put in place**