



SMARTER GRID INTERNATIONAL LIMITED
2022
COMMUNICATION ON PROGRESS

EXECUTIVE SUMMARY

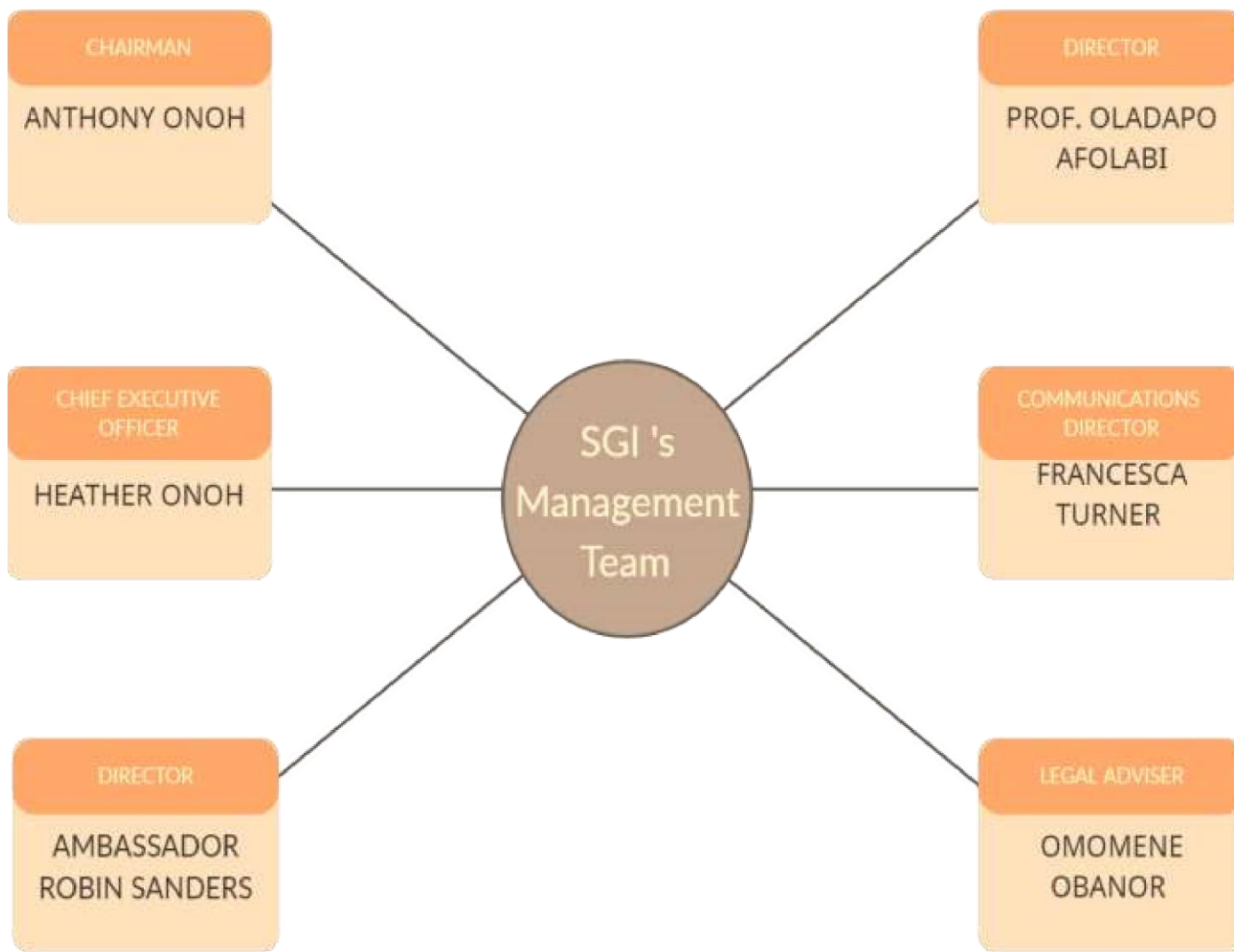
At Smarter Grid International Limited, the fight to reduce the carbon foot print (Co2) and gear over 60 million Nigerians who currently own generators which comprises of 26% household and 86% businesses towards a greener and more environmentally friendly alternative source of energy production is a fight we had to passionately take on against all odds. Despite the challenges SGI continued to provide off-grid energy solutions that contributed to the overall socio-economic wellbeing of the people and the economy through the ravaging pandemic.

Our highly professional team of staff were on ground to provide assistance to MSMEs, SMEs and corporate business with our services and even brought **more businesses onboard our drive for the wide spread of sustainable, affordable solar energy** to increase entrepreneurial activities and in turn boost the economy during and post the pandemic.

I am therefore pleased to present SGI's 2022 Communication on Progress (COP) report reflecting SGI's achievements in the past year, particularly highlighting our compliance and support of the United Nations Global Compact Sustainable Development Goals (SDG) and its universally accepted Ten Principles.

Heather Onoh
Managing Director

OUR TEAM



➤ **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.

HUMAN RIGHTS



PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights

SGI continues to uphold the fortification of human rights of its employees, vendors and customers. SGI also ensures accuracy and transparency in its recruitment processes which helps to eradicate any form of racial, gender, religious or physical discrimination. SGI is guided by the basic principles of human right, such as those specified in the United Nations Guiding Principles on Businesses and Human Rights, United Nations Universal Declaration of Human Rights.

In further recognition of the fundamental rights of its employees SGI maintains a decent work environment. Its offices are located in a safe and secured environment and equipped with smart technological devices that reduce the company's carbon footprint.

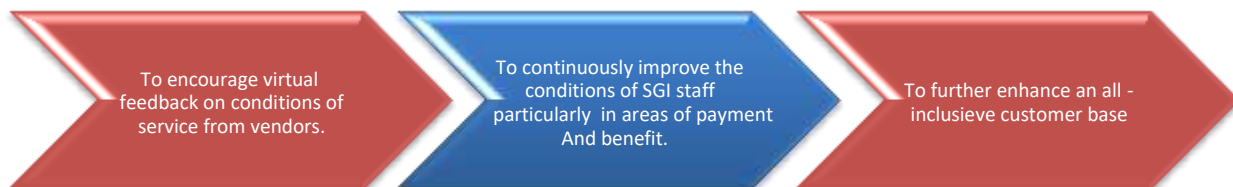
SGI embraced safety protocols in its operational activities to ensure the safety of the lives of its employees and their families. Over 90% of SGI staff was offered flexible and remote working options. Employees are treated with dignity and admiration to further ensure the safety of the lives of these employees a dedicated principle that relate to business practice was put in place to ensure a non- tolerant of human rights violation and abuses.

PRINCIPLE 2: Make sure that they are not complicit in human rights abuses

SGI adheres to its policies by respecting human rights and enhancing its commitment toward the protection of human life in general and being non complicit in its abuse; SGI continues to maintain the dignity of its employees. In compliance with its policies, employees are granted freedom to engage in dialogue and expression associated to work which might include discussing payment and benefits, supporting social and political activities in accordance with standard work decorum and fair hearing. SGI tries to identify, assess and minimize conflict and disciplinary guides are also carried out in accordance with generally acceptable standards for corporate organizations.

The Company operates in a non-biased environment as its employees, vendors and customers are from diverse religious and cultural background. SGI services is dedicated to illuminating the country and providing better quality of lives of the citizens and in furthering this cause, its services are not limited to specific religious or cultural ethnicity. SGI products and services has increased in all the states in the Country with multicultural and religious background and are provided to a vast array of individuals all over the Country

MEASUREMENT OF OUTCOMES ON HUMAN RIGHTS



LABOUR



PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

At SGI we understand the need for employee and staff collective bargaining; hence we do not interfere with an employee's decision to associate with any union relevant to them. We recognize that all workers are free to form and/or join a trade union of their choice as this is a prerequisite for many other basic labour rights, as the ability of workers to organize allows them to use their collective power to achieve improved labour rights, health and safety at the workplace, the right not to be discriminated against and freedom from forced labour and child labour, amongst many others; these rights are as enshrined in the **Universal Declaration of Human Rights (UDHR)**, the **Nigerian Constitution** amongst others and Smarter Grid International hold, recognize and encourage these rights to the fullest.

PRINCIPLE 4: The elimination of all forms of forced and compulsory labour

PRINCIPLE 5: The effective abolition of child labour; and

SGI Continues to create awareness to Strengthen the prevention and elimination of child labour, including its worst forms, forced labour, modern slavery and trafficking in persons, and

the protection of survivors through data-driven and survivor-informed policy and programmatic responses.

PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation.

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.

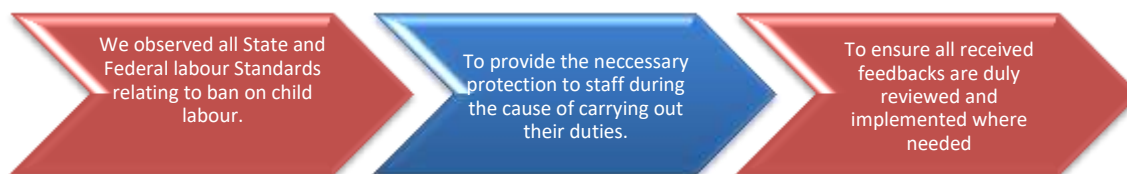
Foremost in ensuring con-complicity in human rights abuses SGI continues to maintain zero tolerance for engagement of minors in its workforce. This zero tolerance is further extended in selecting it vendors for the provision of materials and ancillary services.

However, we continue to create awareness to educate the children from ages 13- 16 on the importance of protecting the environment and the need to adapt to a more eco-friendly mode of electricity contrary to what they had always known.

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's continues to train and equip its staff in order to keep the staff aware and abreast of all happenings in the energy efficiency sector.

MEASUREMENT OF OUTCOMES ON LABOUR



ENVIRONMENT



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

PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility;

SGI Continues to create availability of resources to employees to enable them to participate in achieving environmental objectives and to contribute to sustainable development. Specific action lines have been adopted, which are aimed at achieving greater environmental and energy awareness in society. These include carrying out environmental educational and awareness activities aimed at our vendors and customers as well as encouraging good environmental practices amongst clients and the public. Contributing to research and development and to the dissemination of scientific and technological knowledge aimed at conserving the environment is also an element of SGI's environmental responsibility program, and the company has joined forces with numerous national and international bodies to do so, and also participates in a number of forums, where it promotes and supports the development of environmental protection initiatives.

ANTI-CORRUPTION

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

As a renewable energy company, SGI's objective is to improve and maintain the quality of life of persons to the highest level possible through the use of off-grid renewable energy. We have an important role in reducing greenhouse gas emissions and mitigating climate change, which is critical to protecting human, wildlife and ecosystem. Due to insufficient grid electricity to cater to the electricity needs to persons during the mandatory government lockdown and the remote working options for employees in the private and public sectors, there was an increase alternative based electricity utilizing fossil fuel.

The incremental negative impact on lives and the environment necessitated some States in Nigeria to promote and retain the services of renewable energy companies to provide sustainable and reliable off-grid electricity sources especially for Healthcare Centers. Following on SGI successful reputation in the renewable energy sector, the Company was designated by some State governments as Essential Service Providers (ESP) for provision of renewable electricity.

This opportunity was further utilized to provide remote communities living under the grid with affordable solar powered Pico lanterns with charging ports for smart devices to replace the use kerosene lamps and accelerate

SGI being designated as an ESP also aided the company to provide services to its customers amidst stringent guidelines on limited contact and use of Personal Protective Equipment. These collaborative effort of our, staff, vendors and stakeholders, within this period was able to save an additional 0.14% of greenhouse gas emissions with our previous successes. Even as the European Union is targeting a reduction in greenhouse gas emission of 55% by 2030, SGI continues to target a substantial further reduction in greenhouse gas emission in Nigeria which currently stands at 36.3 billion tons as at 2021.

MEASUREMENT OF OUTCOMES ON ENVIRONMENT



ANTI-CORRUPTION

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



SGI takes a zero tolerance approach to corruption, extortion and bribery and is committed to acting equitably, professionally and with integrity in the operation of its business activities and relationships. 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 Anticorruption policy.

MEASUREMENT OF OUTCOME



WHAT ARE SGI'S NEXT STEPS?

1. One of SGI's priorities in the coming year would be to further develop and reinforce the integrity and quality of its products which also extends to developing a more extensive range of every day products.
2. SGI is in the process of considering partial decentralization of its operations. This is to allow room for more collaboration with up and coming companies with the same common interest find footing which would in turn create an even wider coverage of low carbon emission projects & products by a huge margin.
3. 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.
4. SGI intends to continue to receive feedback from consumers and stakeholders and to positively develop and implement these feedbacks in its policies and culture.
5. To sustain and further show our commitment to the drive and implementation of the United Nation's Sustainability Development Goals.
6. **With a positive drive and with the hope of the steady decline of the Covid 19 pandemic, to continue to engage communities (physically) on the need and importance of greenhouse energy through demonstrations and orientations through our products and projects.**
7. Further adopt business systems to be Eco-Friendly in a bid to reduce its carbon footprint e.g. running a more paperless office.

