



camco
CLEAN ENERGY



UN Global Compact Report – Communication on Progress

Camco Management Limited

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1. Managing Director's Statement of Continued Support

Camco Management Limited ("Camco") is a financial advisory company and fund manager focused on renewables and climate solutions in emerging markets. Founded in 1989, Camco has on-the-ground experience in originating, financing and building renewable energy, energy efficiency and electrification projects in developing and established markets across the world. Since its formation, the company has provided creative finance solutions to 180 projects worth US\$15bn, and in geographies as diverse as China to Malaysia and the US to Uganda.



Camco manages the \$187 (£148) million UK government-funded Renewable Energy Performance Platform (REPP) financing facility, which responsibly invests in small- and medium-size renewable energy projects in African countries.

Camco is committed to tackling the energy challenges faced in developing countries and climate change more broadly through innovative financing solutions to sustainable energy. Our work primarily aims to address the following Sustainable Development Goals (SDGs):

- **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all;
- **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation;
- **SDG 13:** Undertake urgent action to combat climate change and its impacts.

Camco also contributes towards the following SDGs:

- **SDG 1:** End poverty in all its forms everywhere;
- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages;
- **SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable;
- **SDG 17:** Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Camco has adopted a number of policies that regulate our operations in accordance with the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment, and anti-corruption. We are proud to renew our support for the Principles and this UN Global Compact communication on progress is supported by Camco's Management and Board.

2. Practical Actions

2.1. Activities Cutting Across the Ten Principles

Camco is a climate finance and impact fund manager investing in renewable energy and energy efficiency projects and companies, building towards a sustainable, low-carbon future. To that end, **sustainability** underpins everything the company does and works to achieve.

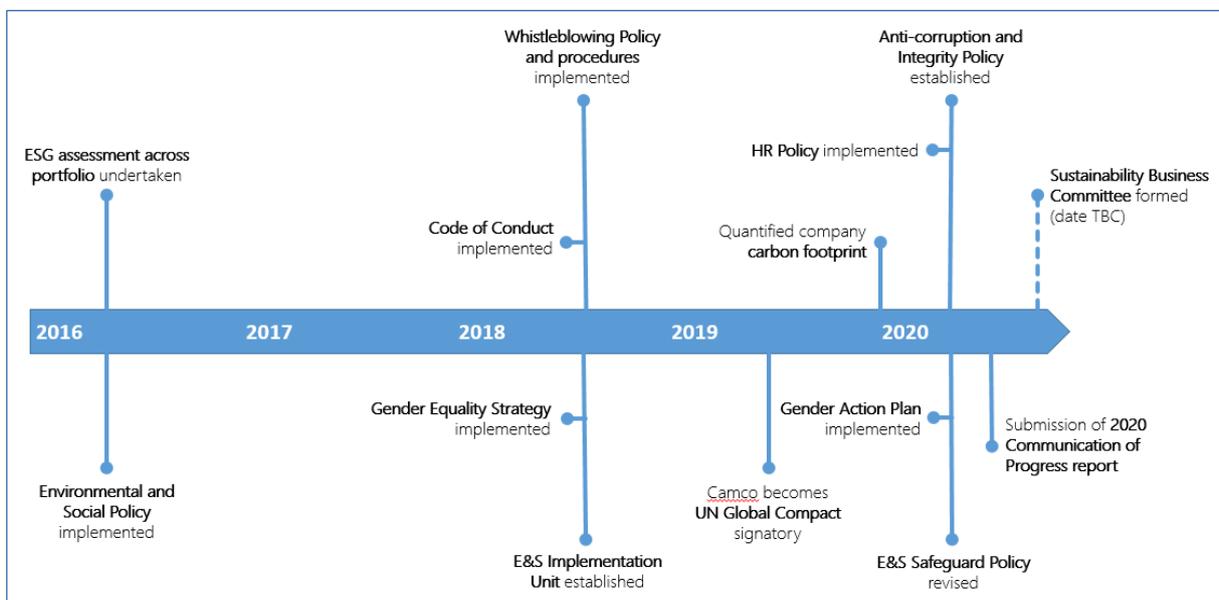


Figure 1: Timeline of Camco's key sustainability actions to date

Camco's *Environmental and Social Safeguard Policy* ensures consideration for sustainability issues is integrated in the due diligence process. Through this policy, Camco has established an effective Environmental and Social Management System (ESMS) implemented by the company's Environmental and Social Implementation Unit and supervised by the Management and Board.

All projects, developers and financial intermediaries (collectively, "Investees") supported by Camco are required to not only meet host country legislation, but also comply with International Finance Corporation (IFC) Environmental and Social Performance Standards and the sustainability principles advocated by the UN Global Compact.

Camco is also in the process of establishing a Sustainable Business Committee, which will have the responsibility of monitoring Camco's social, ethical and sustainability performance, and make recommendations to the Board on amendments to the related policies, strategies and processes.

A summary of key Camco policies is available on the Camco website via [this link](#).

Through periodic internal training, Camco ensures employees' awareness and understanding of its policies and procedures. Similarly, Camco Investee companies go through a policy onboarding process to ensure awareness of the requirements made on them. Investees' compliance with the policies is ensured through periodic monitoring and reporting of key performance indicators, and their performance against their ESMSs and parameters identified in their Gender Action Plans.

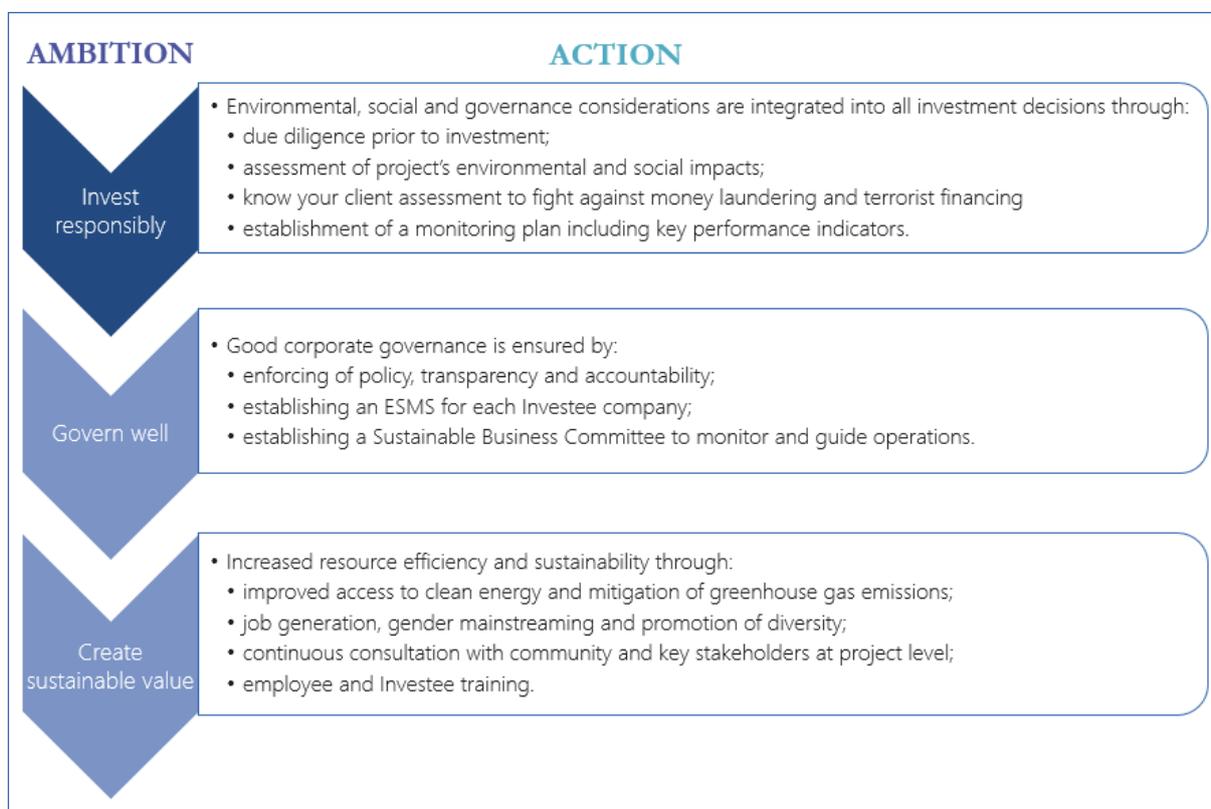


Figure 2: Summary of Camco's sustainability ambitions and actions

2.2. Human Rights

Global Compact Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Global Compact Principle 2: make sure that they are not complicit in human rights abuses.

Camco agrees, through its *Environmental and Social Safeguard Policy*, that businesses have a responsibility to promote, protect and fulfil universal **human rights** recognised by the UN. All Investees supported by Camco are required to design and implement projects and programmes in a manner that will promote, protect and fulfil universal human rights.

Furthermore, the design and implementation of activities must be guided by the rights and responsibilities set forth in the UN Declaration on the **Rights of Indigenous Peoples**. All Investees supported by Camco must avoid adverse impacts on indigenous peoples, support the full and effective

participation of indigenous peoples, and obtain free, prior, and informed consent (FPIC) of the affected communities of indigenous peoples.

Camco's investment processes ensure due diligence, compliance and monitoring of project performance in accordance with IFC Environmental and Social Performance Standards. All Investee companies are required to establish an ESMS in accordance with these standards. This requires Investees to:

- avoid infringing the human rights of others;
- comply with workers' rights;
- avoid and minimise negative impacts on affected communities;
- respect the rights of indigenous peoples; and,
- establish and implement stakeholder engagement plans and grievance mechanisms.



Community engagement, Tanzania

Camco monitors the fitness of this process through periodic monitoring reports and annual reviews. In addition, Camco's *Whistleblowing Policy* and associated hotline presented under section 2.5. provides an opportunity to report on miscarriages of justice, health and safety risks, and any breach of legal or professional obligations.

Camco's *Code of Conduct* requires and expects all team members - employees and contractors - to act and behave honestly, ethically, and with integrity. The *Code of Conduct* provides information and guidance covering conflicts of interest, non-competition, confidentiality, honesty, and sustainability.

Furthermore, Camco's *Gender Equality Strategy* recognises and supports the global body of gender equality principles as set out in:

- The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa;
- Convention on the Elimination of All Forms of Discrimination Against Women (1979);
- Gender Action Plan of UNFCCC (decision 3/COP23); and,
- Women's Empowerment Principles (UN Women 2010).

Camco has adopted a twin-track gender strategy. This means that it will firstly mainstream gender equality in its management and operations, and, secondly, work with donors to ensure that gender equality is mainstreamed into the design, implementation, monitoring and assessment of all renewable energy initiatives managed by Camco. The company has also established a *Gender Action Plan* for its own operations and requires its Investee companies to do the same in accordance with the *Environmental and Social Safeguard Policy*.

In October 2019, Camco - in its role as the REPP manager - hosted a *Gender Considerations in Stakeholder Engagement* webinar to provide participants from Investee companies with a better understanding of

gender mainstreaming during the stakeholder engagement process and practical tools of implementation.

2.3. Labour

Global Compact Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Global Compact Principle 4: the elimination of all forms of forced and compulsory labour;

Global Compact Principle 5: the effective abolition of child labour; and,

Global Compact Principle 6: the elimination of discrimination in respect of employment and occupation.

As explained in section 2.2., Camco requires, through its *Environmental and Social Safeguard Policy*, that all Investee companies establish an ESMS in accordance with the IFC Environmental and Social Performance Standards. This also requires the establishment of labour policy and occupational health and safety procedures, in accordance with International Labour Organization (ILO) guidelines. The ESMS is reviewed, approved and monitored by Camco through due diligence, site visit(s) and reviews of periodic monitoring reports (including community and employee grievances). In addition, Investee reviews are carried out annually, which involve document reviews on training provided, assessment of employment records, contracts and incident reports.

Camco values the contribution its employees make to the success of the company. It also strives to achieve diversity, which leads to better business results and a more interesting and enjoyable working environment, and better reflects the markets in which Camco does business. Camco is committed to providing a safe working environment and ensuring fair employment practices, as well as the health and wellbeing of its team members.

Camco's *Human Resource Policy* includes:

- an equality policy covering recruitment processes, equal pay, flexible working and training;
- a leave and absence policy, including parental leave and pay; and,
- safeguarding procedures.

Camco has 16 full-time employees located in five offices in Accra, Helsinki, Johannesburg, London (head office) and Nairobi. The nature of the business - financing renewable energy and energy efficiency activities - means that the risks associated with workplace accidents are limited in terms of both frequency and severity.

Camco conducts an annual *Making Camco Better* staff survey on the quality of work life and how to improve the company's working culture. The survey has had an overall participation rate of 100% and shown that the majority of employees find their work meaningful and impactful and that they enjoy the



Employee at hydropower plant, Uganda (courtesy of Virunga Power)

company culture. In early 2020, an Employee Representative was appointed to the Camco Board to ensure employee representation.

The forthcoming Sustainable Business Committee will be responsible for monitoring the implementation of Camco's *Human Resource Policy*, *Gender Equality Strategy* and *Gender Action Plan*.

Furthermore, Camco has taken a proactive approach to the COVID-19 pandemic to ensure employees' and stakeholders' health and safety globally. In March 2020, Camco implemented a work from home policy, encouraging all team members to use virtual meeting facilities and restrict travel to absolutely essential journeys. Camco has encourages all employees to self-isolate and provided guidance on necessary hygiene.



The Camco team

2.4. Environment

Global Compact Principle 7: Businesses should support a precautionary approach to environmental challenges;

Global Compact Principle 8: undertake initiatives to promote greater environmental responsibility; and,

Global Compact Principle 9: encourage the development and diffusion of environmentally friendly technologies.

As a climate finance and impact fund manager investing in renewable energy and energy efficiency projects and companies, **sustainability** underpins the work of Camco, as noted above.

By the end of 2019, the Camco-managed REPP financing facility had committed £30 million to 25 renewable energy projects in African countries, involving solar home systems, solar PV mini-grids, grid-connected solar, onshore wind and run-of-river hydro power plants. Seven of these projects had reached



Solar PV mini-grid, Kenya (courtesy of Powerhive)

commercial operation by 2019 resulting in the mitigation of 4,205 metric tonnes of CO₂ equivalent (tCO₂e) and the connection of over 170,000 people to electricity for the first time as a direct result of REPP intervention. More information on REPP-supported projects and their impacts is available at www.repp.energy/projects and www.repp.energy/publication-type/annual-reports.

Camco's *Environmental and Social Safeguard Policy* and individual Investee companies' ESMSs are intended to make sure environmental and social considerations are incorporated into project design to ensure sustainability. Camco uses its policy to inform decision-making processes to avoid - and where avoidance is impossible, mitigate - adverse impacts to people and the planet, as well as give due consideration to vulnerable populations, groups, and individuals.

Camco only supports projects where negative impacts can satisfactorily be mitigated within reasonable time. Therefore, only projects categorised low or medium risk - categories C/I-3 and B/I-2, respectively, according to IFC's environmental and social categorisation - are eligible for Camco's support.

As previously stated, all Camco-supported Investees are required to comply with IFC Environmental and Social Performance Standards and the sustainability principles advocated by the UN Global Compact. Therefore, Investees need to:

- assess their environmental and social impacts in the form of an Environmental and Social Impact Assessment (ESIA);
- establish, implement and maintain an ESMS, including all necessary management and action plans;
- monitor and evaluate project performance against the ESIA and ESMS; and,

- report ongoing compliance and activity transparently to Camco on a periodic basis.

Camco will ensure through its due diligence, monitoring and review processes that:

- environmental and social risk screening and due diligence are carried out on Investees prior to funding;
- ESIA's for projects fulfil the required standards;
- Investee's establish and implement their ESMS, and monitor it on an ongoing basis.

The nature of Camco's business means its impact on the environment is small. The company creates no direct emissions through its operations, and all of its indirect, Scope 3 emissions in 2019 totalled 99.7 (tCO₂e). The infographic on page 11 provides a visual breakdown of Camco's carbon footprint by category, including business travel, employee commuting and emissions from leased assets (electricity consumption).

The infographic also reflects the "negative" emission impact associated with the Camco-managed REPP financing facility. As REPP's manager, Camco is required to consider Scope 3 emissions from investments; and since the REPP fund invests in renewable energy projects with the aim of mitigating greenhouse gas emissions to combat climate change, this results in negative emissions. As mentioned above, REPP-supported projects led to a total of 4,205 tCO₂e mitigated in 2019, of which 352 tCO₂e is attributable to REPP's part of the overall investment.

2.5. Anti-corruption

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

Camco has **zero-tolerance towards fraud and corruption**. It requires compliance, in letter and spirit, with best practice and relevant laws to prevent corruption, money laundering and the financing of terrorism, including - but not restricted to - the UK Bribery Act 2010 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

Camco's *Anti-Corruption and Integrity Policy* stipulates that anyone working for Camco – or, as applicable, receiving funding from Camco - should take all appropriate measures to prevent and combat fraud and corruption, money-laundering and the financing of terrorism.

Camco uses all reasonable efforts to prevent fraud, including:

- adopting appropriate administrative practices and institutional arrangements to ensure that Camco funds are only used for the purposes for which they were given, and that any fraud and corruption can be easily detected. These practices are fund-specific;
- providing regular training on the company's *Anti-Corruption and Integrity Policy* and changes in relevant legislation to the staff of Camco; and,
- having provisions in transaction documents with a counterparty as may be required to give full effect to the *Anti-Corruption and Integrity Policy*, including requirements to comply with relevant regional legal frameworks on anti-corruption.

All Camco team members are required and expected to adopt the highest standards of financial and ethical conduct, and all indications of inappropriate behaviour will be investigated thoroughly. Camco's

Camco's carbon footprint in 2019

81.10
tCO₂e

BUSINESS TRAVEL



14.03
tCO₂e

UPSTREAM LEASED ASSETS

e.g. electricity



4.57
tCO₂e

EMPLOYEE COMMUTING



-352.08
tCO₂e

INVESTMENTS



6.23

tCO₂e per full-time employee

EMISSION INTENSITY



- In 2019 Camco operated from shared office spaces. Electricity usage was included in the lease and therefore reported under Scope 3, category 8 indirect emissions from leased assets.
- Mitigation of emissions is through renewable energy projects funded by Renewable Energy Performance Platform (REPP), which is managed by Camco.
- Figures included in Camco's carbon footprint have been calculated based on a financial control approach.

Whistleblowing Policy concerns the reporting of suspected wrongdoing or dangers in relation to all Camco activities. This includes - but is not restricted to - bribery, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment, and any breach of legal or professional obligations. The policy covers all employees and stakeholders, and provides information on how to raise concerns - internally, externally and anonymously - and the support and protection provided to whistleblowers. Whistleblowing hotline details are available at camco.energy/contact.

2.6. Taking Action in Support of Broader UN Goals

Camco's business strategy is aligned with SDG 7, 9 and 13 as follows:

- By investing in innovative renewable energy and energy efficiency solutions in emerging and developing markets, Camco contributes towards access to affordable, reliable, sustainable and modern energy for all.
- By investing in increased energy efficiency and greater adoption of clean and environmentally sound technologies, Camco contributes towards resilient infrastructure, promotes inclusive and sustainable industrialisation, and fosters innovation.
- By mitigating greenhouse gas emissions in line with the goals of the Paris Agreement, supporting activities identified in the Nationally Determined Contributions and disclosing greenhouse gas emissions data, Camco takes action to combat climate change and its impacts.

Camco recognises that gender equality and female empowerment is a crucial part of the solution to many central development challenges, not just in terms of transitioning to a low-carbon energy system, but also in terms of greater social development and more just societies. As explained in section 2.2., Camco has adopted a twin-track gender strategy, which means that gender equality is mainstreamed in its operations as well as into the design, implementation and monitoring of all sustainable energy initiatives managed by Camco.

In November 2019, Camco-managed REPP issued a gender-themed request for proposals aimed at projects that are women-owned and/or managed, or which have a focus on empowering women and girls as the end users. By the close, the call had generated 70 applications for funding from 20 countries and involving nine different technologies, demonstrating the high level of interest and activity in the area.

As REPP's manager, Camco takes responsibility and due regard for the effects its funding may have on local communities and individuals. As elaborated in the previous sections, Camco's *Environmental and Social Safeguard Policy* and related procedures ensure that all Investees establish and comply with an IFC Environmental and Social Performance Standard-compliant ESMS. This requires, among other things, assessment of a project's impact on, and consultation with, local stakeholders and indigenous peoples, as well as assent of a project's impact on cultural value.



3. What we want to achieve in 2020

To improve Camco's corporate social responsibility and performance, the company intends to undertake the following measures in 2020:

- Appoint and operationalise its Sustainable Business Committee, with the intention of monitoring Camco's social, ethical and sustainability performance, as well as review and guide policy development.
- Appoint a new Policy and Partnership Manager to continue engagement with local governments on renewable energy, off-grid electrification and stimulation of renewable energy investment, as well as continue collaboration with development financial institutions and other finance organisations to provide innovative financing solutions for sustainable energy projects in emerging markets.
- Participate actively in the local Global Compact Network and continue to educate Camco's Investee companies in sustainable corporate governance;
- Ensure gender mainstreaming actions in the *Gender Action Plan* are implemented across Camco's and Investee companies' operations.



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