



SUSTAINABILITY REPORT 2019



Table of contents

Message from Senior Management 2

Brief about the Company 4

Reporting Practices 9

Material Topics 10

GRI 200: Economic Impacts 10

GRI 300: Environmental Impacts 11

UN Sustainable Development Goals [SDGs]..... 12

GRI Content Index..... 13

Acknowledgements 14

Further Information 14

Contact Us..... 14

Message from Senior Management

The Eco Rock stove is a branded product of Eco Group Ltd which was incorporated in 2012, with the primary objective to increase access to clean energy for both off-grid households and businesses. Running on a solar system, the Eco rock stove technology is of increased efficiency with added benefits of lighting, mobile phone charging, FM radio and much more. The Eco rock stove is a patented technology inspired by a philosophy and desire to produce a more energy-efficient cook stove whose design meets real-world cooking challenges and provides real solution to institutions and everyday persons. The Eco stoves are designed for larger users of wood and charcoal which contributes largely to the rate of deforestation in the country. It is adapted with heat controls to increase and decrease heat as desired.

The Eco solar system package provides benefits to meet customers' energy needs of lighting but the primary purpose for the solar system is to drive the needed oxygen into the Eco Rock stove for cooking solution thereby achieving utmost efficiency and effectiveness. The Eco Rock stove utilises a solar system and local volcanic rocks for cooking solutions. It bridges the energy gap for low-income households and big institutions whose ever-increasing energy needs have a greater negative impact on the already declining natural forest cover.

The innovation delivers immediate benefits (positive impacts) to Uganda and end users as explained below.



Environmental Impacts: The Eco Stove reduces the carbon dioxide emission which affects the Ozone layer



Social Impacts: It contributes to improved health resulting from reduced indoor pollution



Economic Impacts: It has also led to the increase in the number of employment opportunities such as stove manufacturing, distribution and solar assembly, among others



Technological Impacts: The Eco Stove provides an affordable alternative to gas and electronic stoves while maintaining the same technological advantages

Eco Group Company has the capacity to plan, procure, design, supply, install, manage and maintain all its eco products and systems as required by its customers. The company caters to the energy needs of households, educational institutions, and health facilities, organisations, the business community and social centres.

Eco group collaborates with other organisations with vast experience including the Gujirati Research Institute in India, Uganda Industrial Research Institute in Uganda, New Age Solar Technologies Company, Electric Blue Plus Engineering Services Ltd, and Energy For All, among other companies. The partnership was created to scale access to renewable energy for all our customers' energy needs, thus helping Eco Group to achieve its mission, goals and objectives.

Unique features of our product;

Eco Stove's packages include a stove, volcanic rocks, solar PV systems (solar panels, solar battery bank and a cook stove). This was designed as a complete home solution for its ability to cook, light, charge mobile phones, play FM radio and MP3 players. A more substantial package is tailored for institutions; this is permanently constructed and customised to meet different user needs. Eco Group further invested in the Pay-go technology package which was aimed to cost less than running a wood or charcoal cook stove at as little as 1500 Ugandan Shillings daily. The aim was to increase access to clean energy for both off-grid households and businesses whose dependence on wood is creating environmental challenges. This was a mitigation action plan to meet the needs of the low-income earners who still spend on running costs of charcoal, firewood, expenses for radio cells and kerosene for lighting their homes. This is known as 'lease to own' for mostly organised groups.

The volcanic rocks produce enough heat to cook ordinary foods such as beans, maize, and murokonyi. These rock are not only reusable for over one year, they are found in various parts of Uganda such as parts of Kabala, Kanungu, Kisoro and Toro, along the entire Rift Valley in East Africa, and all over the DRC. This is to emphasise the richness of Uganda and the potential of the Pearl of Africa yet to be utilised as a cooking solution in Eco Stove technology.

It is with great pleasure that our company has been one of the first companies from Uganda to be part of this sustainability reporting initiative and we are looking forward to always being part of this activity.

Thank you
Senior Management
17 February 2020

Brief about the Company

Eco Group Ltd are the manufacturers of a cook stove branded as Eco Stoves. The innovation is a stove that uses rocks to cook instead of charcoal or firewood. The rocks are reusable for a number of months, the stove is smoke free, and it has been adapted with other added benefits of lights and phone charging as well as cooking needs. Eco Group Ltd also assembles household solar kits for energy-poor households of Uganda.

Eco Group Ltd's main objective

To increase access to clean energy for both off-grid households and businesses whose dependency on wood and charcoal cause the greatest negative impact to Uganda's natural resources.

We also have the following missions:

- ✚ To reduce deforestation by 95% by promoting the use of reusable stone stoves
- ✚ To produce a more energy-efficient cook stove that delivers immediate environmental, social, economic and technological benefits to the end user
- ✚ To help the user of our Eco Stoves achieve independence
- ✚ To reduce landfill by promoting the processing of household waste into briquettes which will be used as fire starters for the Eco Stoves
- ✚ To fight poverty by promoting skills development in both the unemployed youth and women
- ✚ To create employment, apprenticeships and entrepreneurial opportunities through the manufacturing, distribution and maintenance of Eco Stoves
- ✚ To reduce cooking costs by up to 75% by using reusable volcanic rocks
- ✚ To promote good health by the use of smoke-free Eco Stoves across the developing world suffering from indoor air pollution through the use of inefficient cook stoves and also add a benefit of light bulbs on the eco stoves to provide lighting solutions in areas without electricity instead of using kerosene lamps

Our products. We have the following categories of products:



Double burner Eco Stove



Single burner Eco Stove



Institutional inbuilt burners



Domestic inbuilt burners



An oven and a burner



An oven

Our services include:

- Installation of Eco Stoves
- Installation of solar systems. We do this as an after-sales service
- Skills training
- Repair and maintenance of Eco Stove

Location of headquarters: Our head offices are located along Wakaliga road, Kampala, after Lubiri SS Mengo.

Ownership and legal form: Eco Group is a private limited company.

Markets served: We serve a wide range of markets from different parts of Uganda and in different categories – i.e. private institutions, public institutions and NGOs. Some of our certified clients and customers include:

- Wandegya market under Kampala City Authority

- Church of Uganda Secretariat, COU
- Uganda Prisons Service-Luzira
- UNHCR Settlements-South West region
- Hotels such as Jicca Hotel, HBT Hotels, Topsy Hotel and Restaurant, Kash Hotel
- Kigezi Diocese Health Centres, 2, 3 and 4
- UNDP staff homes, National water-NWSC Sacco's, Civil Aviation Authority
- New Vision group staff, Civil Aviation Authority - Entebbe, Mothers Union groups across Uganda
- MFIs and organised saving groups across the country(Uganda)
- Compassion International staff and child development centres across Uganda
- Schools include Mugwanya Preparatory, Mackay Memorial, Sheehan Primary, and Kisubi High School among others
- Presidential Banana Initiative - Bushenyi
- Ministry of Defense

Scale of organisation: Eco Group Ltd has the capacity to plan, procure, design, supply, install, manage and maintain all its eco products and systems as required by its customers. We operate on a medium scale.

Information on employees and other workers: Eco Group Ltd employs 44 full-time staff with different levels of qualifications and expertise positioned in the management, planning, marketing and technical departments for the execution and success of Eco innovation.

Significant changes to the organisation

We have agents in different regions across Uganda so as to enable our customers to access our products in different regions and solve the problem of them travelling long distances. These agents have played a significant role in expanding our market base.

We are also in the process of granting franchises to different trusted individuals as this is also a way of continuing to expand our business and making more profits without risk of debt or the cost of equity.

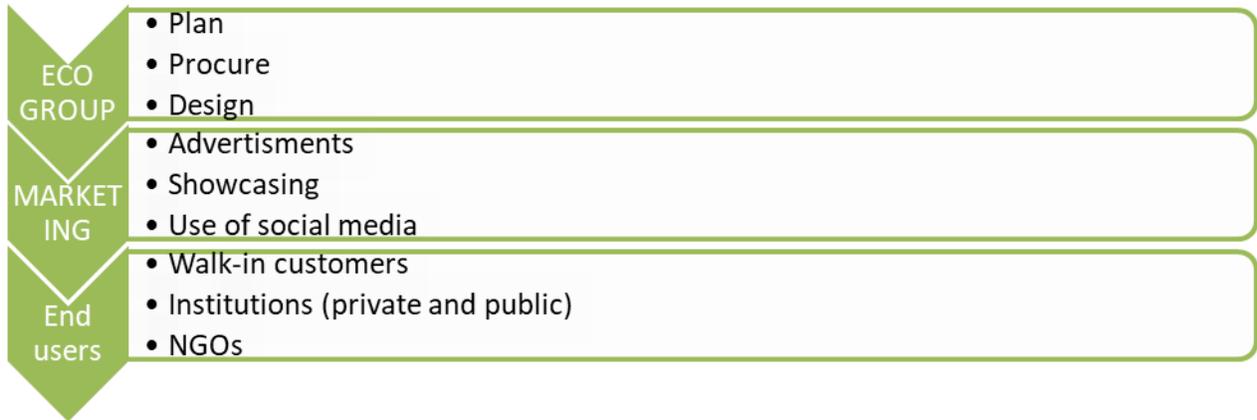
Precautionary principle or approach

As a company we face different risks which we continuously do our level best to mitigate by setting up different risk management strategies so as to avoid the negative effects caused by those risks, as explained below.

In case of the risk of theft, we involve the authorities concerned – i.e. the Uganda Police – who carry out the necessary investigations. If the thief is caught, they are detained and later imprisoned if they are found guilty. This has helped us mitigate theft cases in our organisation.

We initially had a pay go programme where our clients who bought our stoves would first credit them in order for the stoves to function. However, this method brought up a lot of fraud cases where some of our clients would tamper with the stoves and use them even without crediting them which caused significant losses to the company. To address this, we stopped the pay go programme in order to mitigate the risk of such fraud..

Our supply chain



Values, principles, standards and norms of behaviour

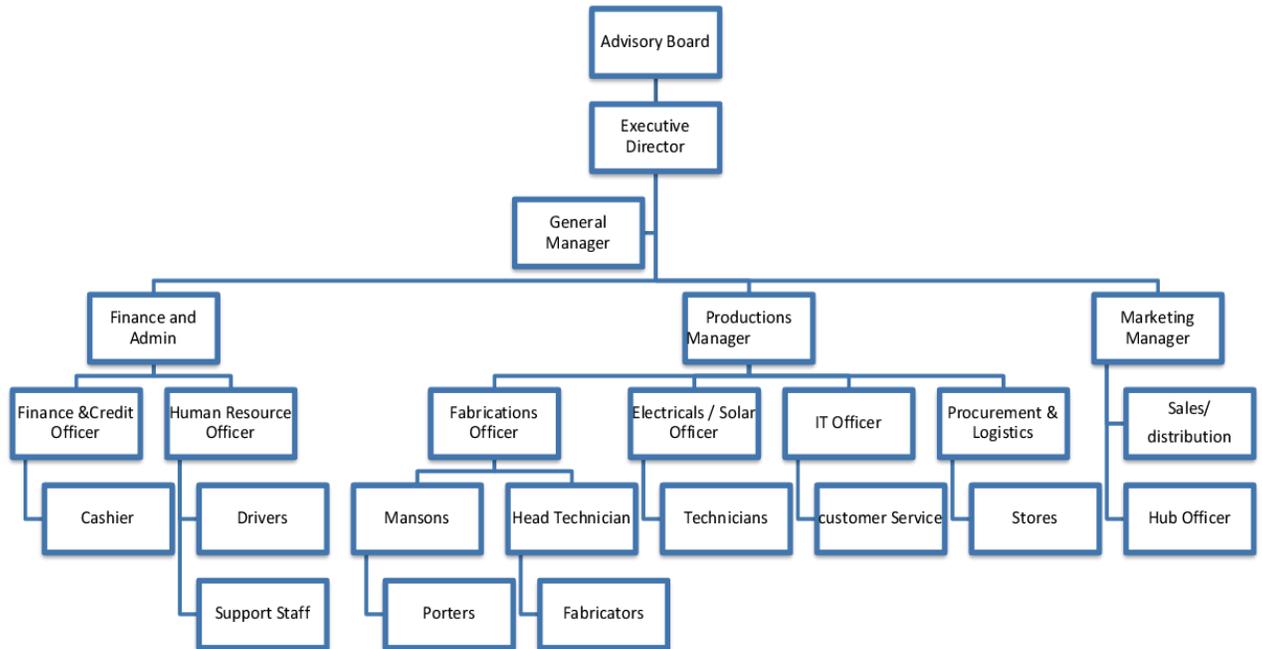
At Eco Group Ltd, we acknowledge the importance of value creation and upholding certain standards for all our stake-holders. Our values include the following:

- Integrity
- Team work
- Respect
- Effectiveness
- Passion/Creativity
- Innovation
- Dedication/Commitment
- Professionalism
- Customer care

Membership of associations and external initiatives



Governance structure/ Organogram



Stakeholder engagement

As a company we put the following stakeholders at the forefront of our consideration because they contribute much to the growth and development of our company and we believe that they are partly the reason for the success of our business. They include:



Reporting Practices

Entities included in consolidated financial statement

Eco Group Ltd has no other entities included in its financial statements.

Defining report content and topic boundary

Due to our company's environmental care, we decided to mainly report about environmental compliance since our product supports this too as it reduces the levels of deforestation in the country. In this report we have included our products' benefits to the social, economic, environmental and technology sectors, and to the women we employ in Kisoro district which helps us boost their standards of living. That is why we also decided to include indirect economic impacts since we avail these women of employment opportunities.

List of material topics

We decided to report about the following material topics:

- Indirect economic impacts
- Environmental compliance

Restatements of information

Not applicable.

Changes in reporting

There are no changes since this is the first sustainability report to be prepared by Eco Group Uganda Ltd.

Reporting period

1 January 2019 to 31 December 2019.

Date of most recent report

This is the first sustainability report to be prepared.

Reporting cycle

Annually

Claims of reporting in accordance with GRI Standards

This report has been prepared in accordance with the GRI Standards: Core Option.

External assurance

This report has not been externally verified. However, the following aspects are externally audited: Quality Management System, Occupational Health and Safety, and Environmental Management System.

Material Topics

GRI 200: Economic Impacts

Management Approach [GRI 203] 2016

Indirect economic impacts involve a business-to-business relationship; therefore it is where operations of a certain business lead to the boosting of other businesses. We decided to report about *indirect economic impacts* as our material topic because we carry out a lot of training of women and youths in different local communities across Uganda. We teach them how to make these stoves that they can create their own jobs and be less dependent on their spouses. This has increased women's emancipation and also reduced the levels of unemployment among both the youth and women in Uganda.

Our management approach to indirect economic impacts is through fighting poverty by promoting skills development in both the unemployed youth and women, thus creating employment opportunities for them. We put significant emphasis on women because they are the less privileged group in Uganda.

GRI 203: Indirect Economic Impacts

Eco Group Ltd has opened up a factory in Bujjuko, Mityana district where we have set up different machines and this has led to the improvement of the infrastructure there. This workshop has also increased the employment opportunities in this region since the people from local communities are employed to work in their particular district and are paid later, which means we are investing in commercial activities. Our investments are also in-kind since in order for us to strengthen our relationships with our employees we give them food allowances so as to minimise resentment among them and potential strikes due to hunger.

The company supports business-to-business relationships as seen through its different activities: for example we give business to over 100 women in Kisoro who we provide with materials and tools needed for drilling, cracking and sorting the volcanic rocks that are used in our Eco Stoves. This has provided them with employment opportunities and therefore because we later pay them this has improved their standards of living since they are able to earn money and support themselves together with their families.



Women in Kisoro cracking volcanic rocks

We also support women in different Saving and Credit Cooperative Organizations (SACCOs) in various local communities of Kisoro, Mpigi, Kasese, Hoima, and Arua among others by giving them stoves to sell. After they have sold them we give them a commission which is a source of income for them as a group.

Through our different skills development and training activities that we carry out in the various districts of Uganda we have been able to teach people how operate and make the Eco Stoves which has also been a way of supporting business-to-business relationships since the youths and women who are trained are able to start up their own businesses.

Through the initiative of getting agents to sell our products in different regions we have also created employment opportunities for these people, directly reducing the levels of unemployment in Uganda.

GRI 300: Environmental Impacts

Management Approach [GRI 203] 2016

Environmental compliance refers to conforming to environmental laws, regulations, standards and other requirements. We decided to report about *environmental compliance* as our material topic because the usage of our product – i.e. the “Eco Rock Stoves” – contributes much to the conservation of trees since the stoves do not need any charcoal/wood to function. Thus the deforestation levels in Uganda are reduced. In the long run, conservation of these trees also has other added benefits; for example, reduction of soil erosion levels and conserving water, among others.

Our management approach to environmental compliance is through the reduction of people’s dependency on wood and charcoal by manufacturing Eco Stoves that use volcanic stones that does not require people to cut down trees, thereby offering the most efficient and effective cooking solutions.

GRI 307: Environmental Compliance

As Eco Group Ltd, we have never been fined by law for not complying with Uganda’s environmental laws. The top management ensures that all our company’s operations are in line with the National Environment Management Authority (NEMA) since they believe in the need to conserve the environment in order for it to be sustainable so that the future generations can also enjoy its benefits. Through the provision of a clean, affordable and environmental friendly cooking solution, we are contributing to the reduction of indoor pollution and its related negative effects like respiratory health problems since our Eco Stoves do not release any smoke, which helps people live better lives.

UN Sustainable Development Goals [SDGs]

At Eco Group Uganda Limited, we have joined the global community as partners to help Uganda achieve some of the UN Sustainable Development Goals as explained below:

Through our indirect economic impacts, we are contributing to Uganda's achievement of the 8th SDG of 'Good Jobs and Economic Growth' where we are availing the women in Kisoro with job opportunities as they help us with the drilling, cracking and sorting of the volcanic rocks that are used in the Eco Stoves. With these jobs these women are able to earn money that they use to purchase food on which their families can live therefore enabling us to contribute to Uganda's achievement of the 2nd SDG of 'Zero Hunger' together with the 1st SDG of 'No Poverty' since these women are paid. In the long run, we contribute to the achievement of economic growth through the increase in demand for goods by the women in Kisoro as their income levels increase. This in turn leads to the increase from our payments in the production of those goods that they demand, thus increasing the number of goods produced in Uganda and hence economic growth.



Through our environment compliance, we are also contributing to Uganda's achievement of SDG 15 of 'Life on Land' since we are making Eco Stoves that use volcanic rocks instead of wood. This reduces the number of trees cut down by those who use the local charcoal stoves, which involves deforestation. Through this we have been able to avoid the negative impacts of deforestation like increase in soil erosion that makes the soil lose its fertility; therefore, by contributing to the soil conservation, we are protecting the life on land. In addition to reduction of deforestation levels, we are contributing to Uganda's achievement of the 13th SDG of 'Climate Action' since trees that we conserve help in rain formation thus enabling Uganda to avoid cases of drought.



GRI Content Index

GRI Standards Disclosure	Page number
GRI 102 General Disclosures 2016	
Organisational Profile	
Disclosure 102-1 Name of the organisation	Cover page
Disclosure 102-2 Activities, brands, products, and services	4,5
Disclosure 102-3 Location of headquarters	5
Disclosure 102-4 Location of the operations	5
Disclosure 102-5 Ownership and legal form	5
Disclosure 102-6 Markets served	5
Disclosure 102-8 Information on employees and other workers	6
Disclosure 102-9 Supply chain	7
Disclosure 102-10 Significant changes to the organisation and its supply chain	6
Disclosure 102-11 Precautionary principle or approach	6
Disclosure 102-12 External initiatives	7
Disclosure 102-13 Membership of associations	7
Strategy	
Disclosure 102-14 Statement from senior decision-maker	3-4
Governance	
Ethics and Integrity	
Disclosure 102-16 Values, principles, standards and norms of behaviour	7
Governance	
Disclosure 102-18 Governance structure	8
Stakeholder Engagement	
Disclosure 102-40 List of stakeholder groups	8
Disclosure 102-42 Identifying and selecting stakeholders	8
Disclosure 102-43 Approach to stakeholder engagement	8
Reporting Practices	
Disclosure 102-45 Entities included in the consolidated financial statements	9
Disclosure 102-46 Defining report content and topic boundaries	9
Disclosure 102-47 List of material topics	9
Disclosure 102-48 Restatements of information	9
Disclosure 102-49 Changes in reporting	9
Disclosure 102-50 Reporting period	9
Disclosure 102-51 Date of most recent report	9
Disclosure 102-52 Reporting cycle	9
Disclosure 102-53 Contact person for questions regarding the report	14
Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	9
Disclosure 102-55 GRI content index	13
Disclosure 102-56 External assurance	9
GRI 200: Economic	10
Indirect Economic Impacts	
GRI 103: Management approach[GRI 103]-2016	10
<i>103-1 Explanation of material topic and its boundary</i>	10
<i>103-2 The management approach and its components</i>	10
<i>103-3 Evaluation of the management approach</i>	10

GRI 203: Indirect Economic Impacts 2016	10
<i>Disclosure requirements by GRI 203-1</i>	10
<i>Disclosure requirements by GRI 203-2</i>	11
GRI 300: Environment	
Environmental Compliance	11
GRI 103: Management approach[GRI 103]-2016	11
<i>103-1 Explanation of material topic and its boundary</i>	11
<i>103-2 The management approach and its components</i>	11
<i>103-3 Evaluation of the management approach</i>	11
GRI 307: Environmental Compliance	11
<i>Disclosure requirements by GRI 307-1</i>	11

Acknowledgements

We would like to thank all our colleagues, suppliers and customers for their support in providing the information required for completion of this report. In particular, we are grateful for the assistance provided by Ms. Nambi Grace Linda, the Research Assistant, in drafting this report and Professor Ven Taurigana of the University of Southampton, the UK for providing the technical expertise. Finally, we acknowledge the funding from the Southampton Business School Small Research Grants which made the preparation of this report possible.

Further Information

Further information about Eco Group Uganda Limited sustainability report can be found at our website <https://www.eco-stovesystem.com/about/>

Contact us

If you have any comments regarding this report, please contact

Asiimwe Diana

+256774723110

dianesasiimwe@gmail.com