

WESTERN POWER COMPANY (WPC)
NGONYE FALLS HYDROELECTRIC PROJECT
SUSTAINABILITY POLICY

Western Power Company (**WPC**) aims to contribute to sustainable development in Zambia and is committed to act in an environmentally-sustainable, socially-responsible, and ethical manner throughout the development and operation of the Ngonye Falls Hydroelectric Project.

WPC will actively manage its impacts and risks in relation to the environment, neighbouring communities, employee health and safety, and contractors and sub-contractors, and will engage ethically and transparently with all of its stakeholders.

WPC will meet or exceed legal requirements and good international industry practice in hydropower development and operation. We will:

- a) Comply with or exceed all applicable legislation and regulations in Zambia;
- b) Adhere to the IFC's Environmental and Social Performance Standards (2012);
- c) Follow good international industry practice in hydropower, including that set out in the Hydropower Sustainability Assessment Protocol and associated guidelines.

1. Environment:

We will effectively and responsibly avoid, minimise, mitigate, and compensate for environmental impacts, through the implementation of an environmental management system. This will encompass the adoption of an ISO-14001 certified environmental management system including:

- a) Plans for environmental flows, water and air quality, biodiversity, and responsible construction and site rehabilitation;
- b) Sustainable and efficient use of resources;
- c) Promotion of a culture of environmental stewardship by employees, contractors, and neighbouring communities;
- d) Inspections, audits, and monitoring of impacts and adaptive management in response to unanticipated effects; and
- e) A positive contribution to the environmental conditions in the local area.

2. Communities:

We will protect neighbouring communities from the impacts of our activities and the development and operation of the project and compensate fairly for unavoidable or residual

impacts. Neighbouring communities will be given priority in accessing the project's benefits including employment and improved local infrastructure. This will encompass:

- a) The establishment of two community trusts to international standards to receive and disburse the revenues from the community's 6% ownership of the project;
- b) Plans for the fair acquisition of land with compensation that will deliver improvements in livelihoods;
- c) Employment on the project and skills training;
- d) Planning with communities on the location and build of construction areas so that some infrastructure can be usefully retained for the community post-construction;
- e) Responsible construction and traffic management, including ensuring that all of our employee's interactions with the local people are conducted in a respectful manner;
- f) Safe operations that protect communities from hazards in proximity to the project sites, and especially on water;
- g) Additional support to vulnerable people;
- h) Identifying and managing the differing impacts on women and men, and youth and the elderly;
- i) A positive contribution to social conditions in the local area; and
- j) Responding to community grievances promptly and satisfactorily.

3. Our Employees:

We will safeguard the health and safety of employees, promote their education and training including on environmental matters, and promote equal opportunity in recruitment and employment. No activity is important enough to be conducted with hazard to life and health. This will encompass:

- a) Health and safety procedures and systems, and adoption of an ISO 45001 certified health and safety management system;
- b) ensuring employees have the skills, resources and equipment to adopt environmental, health and safety (EHS) measures;
- c) Promoting our environmental and social commitments as an integral part of each employee's responsibilities;
- d) Promotion of equal opportunity;
- e) Training support to local people and local businesses; and
- f) Responding to employee grievances quickly and appropriately.

4. Our Contractors and Subcontractors:

Our contractors and their subcontractors are required to adopt similar environmental and social performance as ours. The EPC Contractor will be certified to ISO-14001 and ISO 45001. Their responsibilities will encompass:

- a) Adherence to plans and procedures for the management of environmental and social impacts;
- b) Commitments to their employees regarding their working conditions, health and safety;
- c) Ensuring their employees treat all local people in a respectful manner; and
- d) Responding and resolving grievances from their employees and community members directly.

5. Engagement and Disclosure:

We engage meaningfully with stakeholders and disclose significant project reports and information. This encompasses:

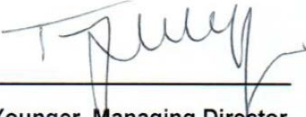
- a) Providing key information on the project and affected people's entitlements through means that are accessible at all levels, from neighbouring households to the international level;
- b) Regular meetings with stakeholders, conducting all discussions with good faith, in a two-way manner;
- c) Providing mechanisms for stakeholders to raise issues and grievances, and for feedback to be provided in a thorough and timely manner;
- d) Documenting and reporting publicly on annual environmental, social and health and safety objectives and performance;
- e) Publicly disclosing this policy, and ensuring the policy is communicated directly to all stakeholders, including employees, contractors and local communities.

6. Ethics:

We conduct all of our business dealings with honesty, integrity, fairness, diligence and respect. WPC operates under an anti-bribery compliance program written to comply with BS 10500, Zambian and international law. All staff will receive training in the program, the policies and the risks faced, and all consultants, customers, clients, funders and joint venture partners are assessed for the extent to which their engagement heightens the corruption risks faced by WPC.

7. Implementation of This Policy:

We have established an organisational structure, appropriate resources, manpower and materials in order to ensure that this policy will be followed and will build on this as the project development progresses. WPC's Board holds individuals accountable for upholding this policy and requires all employees and contractors to adhere to these environmental, social, health and safety objectives. Failure to comply with these requirements will result in disciplinary action and may result in termination of contracts.

Signed: 
Tom Younger, Managing Director

Date: 14 - 8 - 19.