	<b>Environmental and Social Management System</b>	Version: V1.0
	Environmental and Social Policy	Date: 21 August 2019
		VP-ES-PP-001

## **Environmental and Social Policy**

### **INTRODUCTION**

Virunga Power (“Virunga”) is a developer, owner and operator of renewable energy power projects and rural distribution grids in Sub-Saharan Africa. Virunga’s focus is on megawatt-scale rural utility projects aimed at bringing high-quality, low cost power to rural communities that currently lack reliable access to modern energy.


Virunga recognizes that our business may present Environmental & Social (E&S) impacts for the surrounding communities and the environment. The purpose of this E&S Policy is to present how Virunga is committed to minimize and manage these impacts.

### **POLICY SCOPE**

This policy applies to the internal operations of Virunga and its investment projects, contractors, and sub-contractors for all its investment projects.

### **OUR COMMITMENTS**

- Virunga is committed to comply with all local applicable environmental, occupational health & safety, social and land regulations in the country of our project sites, and adhere to international standards, guidelines and principles namely the International Finance Corporation (IFC) Performance Standards, World Bank Environmental, Health and Safety Guidelines, European Investment Bank (EIB) Environmental and Social Standards, and UN Global Compact Sustainability Principles;
- Virunga is committed to ensuring that working conditions for direct and indirect staff are safe and that workers are treated with respect and dignity. Virunga is also committed to comply with all applicable local labour laws or regulations, and international conventions and agreements, particularly the ILO’s Decent Work Core Labour Standards;
- Virunga is committed to stringently implement an E&S Management System (ESMS) for its operation and investment projects, supported by sufficient human and financial resources at Virunga and Project levels;
- Virunga is committed to include stakeholders in its decision-making processes based on the principles of effective community engagement, including benefit-sharing. This will be carried out through early and accurate identification, establishing and maintaining constructive dialogue, meaningful stakeholder engagement throughout the project lifecycle, inclusion of marginalized groups, and addressing the concerns and expectations of stakeholders thereby earning their trust and respect
- Virunga is committed to periodically communicate on its ESMS and its E&S Performance; and
- When E&S accidents, incidents and grievances happen as part of Virunga’s operations and projects, Virunga is committed to manage these through its ESMS and to implement the adequate corrective actions.

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Virunga Power will not invest, develop or operate projects in which activities are forbidden or banned by local applicable environmental, occupational health & safety, labour, social and land laws or regulations, or international conventions and agreements.

In addition, Virunga will NOT be involved in any of the following:

- **Modern Slavery and Child Labor:** Production or activities where there is evidence of modern slavery, such as forced labor and human trafficking, or child labor at any phase of development;
- **World Heritage Sites:** Projects that involve natural resource development within UNESCO World Heritage sites, unless there is prior consensus with both the government authorities and UNESCO, and local communities that such operations will not adversely affect the outstanding universal value of the site;
- **World Biodiversity Sites:** Projects that involve natural resource development within identified and/or protected Biodiversity Hotspots;
- **High Conservation Value areas:** Projects that contribute to the (1) elimination or severe diminution of the integrity of a High Conservation Value (HCV)<sup>1</sup> area caused by a major, long-term change in land or water use, or (2) modification of a HCV habitat in such a way that the area's ability to maintain its role is lost.
- **Wildlife:** Production of or trade in wildlife or wildlife products regulated under CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora);
- **Illegal activities:** Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phase-outs or bans, including but not limited to:
  - Pharmaceuticals, pesticides and herbicides;
  - Ozone-depleting substances;
  - Polychlorinated biphenyls and other hazardous chemicals;
  - Trans-boundary trade in waste or waste products, particularly hazardous waste;
- **Weapons:** Production of or trade in weapons and munitions, including paramilitary materials;
- **Alcoholic beverages:** Production of or trade in alcoholic beverages, excluding beer and wine;
- **Tobacco:** Production of or trade in tobacco;
- **Gambling:** Support of gambling, casinos and equivalent enterprises;
- **Radio active materials:** Production of or trade in radioactive materials, including nuclear reactors and components thereof;

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<sup>1</sup> High Conservation Value areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

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- **Asbestos:** Production of or trade in use of un-bonded asbestos fibres;
- **Non-renewable fossil fuel** power plant construction, extension or operation;
- **Coal, oil and gas** exploration, export, transportation, production or distribution;
- **Switching from one non-renewable fossil fuel to another non-renewable fossil fuel** in standalone grid-connected electricity generation plants;
- **Hybrid power systems** (including biomass / fossil fuel co-firing systems);
- **Production of nitrous oxide/ NOx** (except in connection with waste and biomass projects) or the production of hydrofluorocarbons;
- **Illegal Logging:** Projects that collude with or are knowingly engaged in illegal logging. Clients that process, purchase, or trade wood products from high risk countries (i.e., where more than 50% of the harvest is illegal) will have certifiable systems in place to ensure that the wood they process or trade comes from legal sources. Projects that involve commercial logging operations for use in primary tropical moist forests or old-growth forests and production or trade in wood or other forestry products other than from sustainably managed forests fall in this list;
- **Uncontrolled Fire:** Projects that lack an explicit policy against the uncontrolled and/or illegal use of fire in their forestry, plantation or extractive operations;
- **Indigenous Peoples:** Projects that impinge on the lands owned, or claimed under adjudication, by indigenous peoples<sup>2</sup>, without documented Free, Prior, and Informed Consent (FPIC) of such peoples;
- **Any activities that could reasonably be expected to cause a significant negative overall impact on the environment and/ or increase greenhouse gas emissions.**


Signed

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Virunga Power, Chief Operating Officer




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<sup>2</sup> Indigenous Peoples are recognized as social groups with identities that are distinct from mainstream groups in national societies, and are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate and benefit from development. Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded.

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**APPROVAL AND VERSION CONTROL**

Approval:

	Date	Name	Position	Signature
<b>Created by:</b>	2 August 2019	Kevin M. Doyle	Head of Environmental, Social and Land Management	
<b>Reviewed by:</b>	21 August 2019	Josiah Brand	COO	
<b>Approved by:</b>	21 August 2019	Josiah Brand	COO	

Revision History:

Revision no.	Revision Date	Name	Description
1			