

Camco Environmental and Social Safeguard Policy

1. Purpose

To ensure that the environmental and social performance of the projects and Investee companies supported by Camco are sustainable.

2. Objectives

Incorporate environmental and social considerations into Camco's decision-making to:

- Avoid, and where avoidance is impossible, mitigate, adverse impacts to people and the environment within reasonable time;
- Give due consideration to vulnerable populations, groups and individuals.

3. Scope

This environmental and social safeguard policy applies to all Camco financed and managed activities.

4. Standards

All projects, developers or financial intermediaries ("Investees") supported by Camco shall meet:

- Host Country Legislation;
- IFC Environmental and Social Performance Standards ;
- Sustainability principles advocated by the UN Global Compact .

5. Principles

Sustainability underpins the work of Camco. This guiding policy and each Investee's company's environmental and social management system ("ESMS") provides an opportunity to incorporate environmental and social considerations in project design to ensure sustainability.

A Scaled risk-based approach is implemented to ensure that environmental and social requirements and processes are adopted that are commensurate with the level of risk, so that the ESMS established is fit for purpose. In screening the potential environmental and social risks and impact of its activities, Camco will consider and include direct and indirect, induced, long-term impacts, and cumulative impacts and will take into account the activities' areas of influence including associated facilities and third-party impacts.

Camco adheres to IFC's mitigation hierarchy, which aims to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment. Camco only supports projects where negative impacts can satisfactorily be mitigated within reasonable time.

Stakeholder engagement and information disclosure is essential for designing and implementing sound and sustainable projects and programmes. Investee companies must

establish and implement an ongoing stakeholder engagement and grievance mechanisms, based on a standard process at the corporate level, which is applied to every site, considering the site's characteristics. Women and men shall be provided with equal opportunity to take an active part in stakeholder engagement.

Camco promotes gender equality and Sustainable Development Goal 5- Achieve gender equality and empower all women and girls, through a twin-track in accordance with its Gender Equality Strategy. Firstly, it will mainstream gender equality in its management and operations and secondly, it will work with Investee companies to ensure that gender equality is mainstreamed into the design, implementation, monitoring and assessment of all renewable energy and energy efficiency initiatives managed by Camco. This is done by requesting its Investee companies to adopt a gender-sensitive approach as part of social risks and impacts assessments and linking the corresponding gender risk management measures to the activity-level gender action plans.

All Investees supported by Camco shall design and implement projects and programmes in a manner that will promote, protect and fulfil universal human rights recognized by the United Nations.

The design and implementation of activities will be guided by the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples. All Investees supported by Camco shall avoid adverse impacts on indigenous peoples and support the full and effective participation of indigenous peoples. Investees are required to obtain free,

prior, and informed consent ("FPIC") of the affected communities of indigenous peoples.

All projects shall be designed and implemented in a manner that will protect and conserve biodiversity, especially critical habitats.

6. ESMS requirements

The environmental and social impacts assessment ("ESIA") and environmental and social management plan (ESMP) should address, at a minimum, the risks and impacts in line with the IFC Performance Standards (PS) 1-8 as follows: (a) Labour and working conditions; (b) Resource efficiency and pollution prevention; (c) Community health, safety and security; (d) Land acquisition and involuntary resettlement; (e) Biodiversity conservation and sustainable management of natural living resources; (f) Indigenous peoples; and (g) Cultural heritage.

The E&S assessment reports shall be made available in English and as well as the stakeholder engagement process should be provided in local language (if not English).

The Investee company's ESMS and its key elements are described in *Flowchart 1*.

7. Risk categorization

Camco only supports projects where negative impacts can satisfactorily be mitigated within reasonable time. Therefore, only project categorised low (category C/I-3) or medium risk (category B/I-2) as per IFC environmental and social categorisation shall be supported by Camco.

The ESIA and ESMP should clearly determine and establish projects' environmental and social category according to IFC guidance. Please see annex 1 for further guidance.

8. Roles and responsibilities

All Investees shall comply with the above-mentioned standards and implement the following in accordance with the above-mentioned principles:

1. Assessment of environmental and social impacts in the form of an ESIA, ESMP, resettlement action plan (RAP) in accordance with PS5 if relevant, indigenous peoples plan (IPP) in accordance with PS5 if relevant;
2. Establish, implement and maintain an ESMS including the requisite organisational capacity;
3. Ensure that the requirements of the ESMS are followed faithfully and transparently, and make any corrections required by Camco in line with this policy;
4. Contracting and managing an environmental and social consultant in compliance with this policy;
5. Complying with and monitoring project performance against the ESIA, ESMP, ESMS and Key Performance Indicators (KPIs);
6. Report ongoing compliance and activity transparently to Camco on a periodic basis based on frequency agreed with each Investee;
7. Notify Camco immediately if there are major changes in the activity design and execution, regulatory setting, unanticipated environmental risks and impacts, or other circumstances that may raise the risk categorisation of the activity.

Camco in its review and due diligence will ensure that the following requirements of this policy are applied by:

1. Carrying out environmental and social risk screening and due diligence on Investees prior funding;
2. Ensuring that ESIA's for projects fulfil the required standards (incl. gender equality) by reviewing the ESIA and ESMP;
3. Ensuring that Investee's establish and implement their ESMS and monitor the implementation of the ESMS; and
4. Confirming that all information related to the environmental and social safeguards of project and programme activities are appropriately disclosed.

Camco's internal roles are clarified under Process and Organisational capacity.

9. Process

Camco will engage with Investees in accordance with the processes for the assessment of projects' or programmes' environmental and social risks and impacts as well as establishment of appropriate ESMS. The process is described in *Flowchart 2*.

The initial E&S risk screening, is done by project manager of Camco, reviewed and sign off by E&S implementation team, and it consist of Risk Assessment Tool ("RAT") and E&S Initial Screening Checklist to pre-define risk category and eligibility of the project.

E&S onboarding call with the Investee company takes place once initial E&S risk screening is determined to ensure the company understand Camco's E&S requirements and processes.

After this an E&S Gap Analysis by E&S implementation team takes place based on the review of Investee company's ESIA and ESMS to the extent available. The focus of the gap analysis is in E&S risk and impacts assessment

and the Investee company's ability to mitigate and manage them. The results of the gap analysis are pressed in a Red Flag Report ("RFR").

Based on the results of the E&S Gap Analysis the Investee company will either establish or revise the ESIA and ESMS to conform with Camco requirements.

A full Due Diligence ("DD") will be conducted by Camco, which will include revision of RFR with focus on the entire ESMS, site visit and summary of results in DD Report. The DD work is led by Camco's project manager with assistance of the E&S implementation team and signed-off by the E&S manager.

Once an ESMS has been established to the satisfaction of Camco and the Investee company proceeds to project implementation, the project is monitored by Investee and Camco according the monitoring & evaluation procedures below.

Organisational capacity E&S compliance is implemented and administered by three different units of Camco. These units are the supervisory unit, the E&S senior management unit and the E&S implementation unit. The units are described in *Flowchart 3*.

The proper functioning of the ESMS critically depends on the co-operation of the Investee company. Camco oversees this process, assists the Investee in finding capable E&S experts and assists in the implementation of the ESMS.

10. Monitoring and evaluation

Successful monitoring and evaluation (M&E) requires collaboration with Investees. In order to encourage this, Camco will:

1. Train Investees in the M&E requirements and procedures by the time of signing a Term Sheet;

2. Agree a monitoring plan as part of the ESMS (to be part of the Investee's obligations pursuant to its Support Agreement) with each Investee;

3. Collect data and supporting documents on a periodic basis based on frequency agreed with each Investee.

The following indicators and supporting documentation shall be monitored by Camco (annually as minimum) based on actual data agreed in the monitoring plan:

1. Key Performance Indicators (KPIs);
2. Key environmental and social indicators identified in the ESIA and ESMP to ensure compliance with the ESMS;
3. Parameters identified in Gender Action Plan.

Where the Investee has over 1 MW installed capacity, provision of an annual update on the implementation status of the ESMS is required, including but not limited to:

- a) compliance with local environmental laws and regulations;
- b) any health and safety related incident;
- c) any grievances raised and how these were dealt with;
- d) any environmental parameters measured that were outside the target level/range; and
- e) any training events that have taken place.

An Annual Review is implemented to measure, compare and analyse a projects performance against the baseline and targets set during the due diligence. The annual review is based on document review and interviews with the

Investee. If substantial material issues are discovered, a site visit may form a part of the Annual Review. The results of the annual review will confirm whether support can be continued in its current form; if modifications of the support is needed, or if withdrawal of support is required.

The M&E process is summarised in *Flowchart 4*.

11. Stakeholder engagement

Stakeholder engagement requirements are embedded in the IFC Performance Standards.

Camco requires its Investee companies to establish a stakeholder engagement plan, including:

- a written summary of impacts in both English and the local language in locations convenient to affected or potentially affected peoples, including:
 - (a) The purpose, nature, and scale of the activities, and the intended beneficiaries;
 - (b) The duration of proposed activities;
 - (c) A summary of stakeholder consultations and the planned stakeholder engagement process;
 - (d) The available grievance redress mechanism.
- consultations to be held during impact assessments with affected or potentially affected communities;
- where required that FPIC of indigenous peoples is obtained,
- ensure gender-sensitive and gender-responsive approach to stakeholder engagement;
- project level grievance redress mechanisms to be established, commensurate

with the level of its environmental and social risks and impacts.

Special attention should be given to vulnerable groups and individuals, such as women, children and people with disabilities, and people marginalized by virtue of their sexual orientation and gender identity, local communities, indigenous peoples, and other marginalized groups of people and individuals that are affected or potentially affected by the project.

Further guidance on stakeholder engagement plan is provided in Annex 2.

Camco has adopted the highest standards of financial and ethical conduct, and all indications of inappropriate behaviour such as bribery, fraud, other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal or professional obligations should be reported in line with Camco Whistleblowing Policy.

12. Gender mainstreaming

The below guidance is meant for at Investee companies at project or programme activity design, implementation and monitoring level. The Investees are required to include the following in their ESMS:

1. Adoption of a gender-sensitive approach as part of social risks and impacts assessments by identifying and analysing gender issues and inequality relevant to the project;
2. Ensuring gender equitable stakeholder consultations by including women, girls, men and boys in the project area as well as gender advocates, women's civil society organizations, and/or relevant local and national authorities;

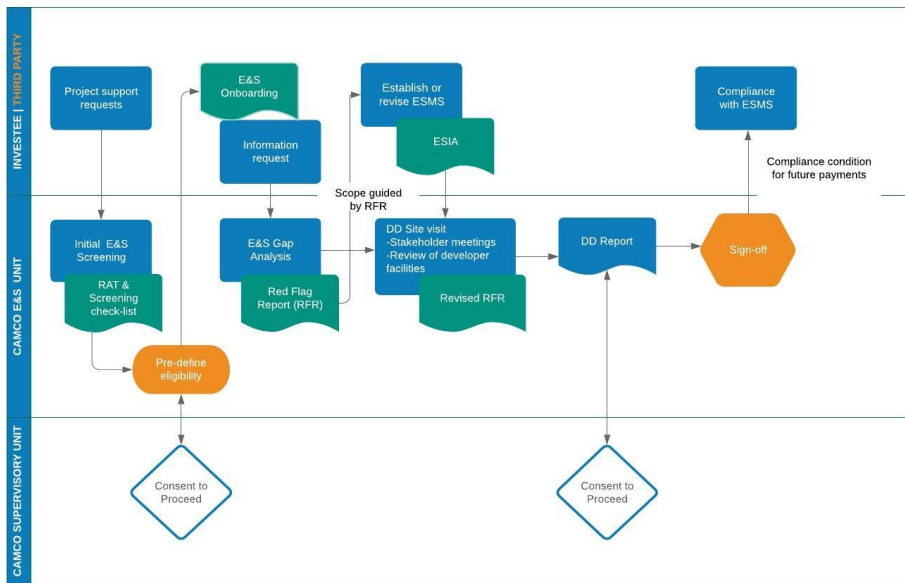
3. As part of the preparation of a funding proposal provide: (i) a gender assessment, along with appropriate environmental and social assessments (as may be required according to the level of risks and impacts), and (ii) a project-level gender action plan;
4. Integrate analysis of context and sociocultural factors underlying climate change-exacerbated gender inequality and optimize the potential contributions of women and men of all ages to build both individual and collective resilience to climate change;
5. Monitor gender related impact parameters identified in the Gender Action Plan.

Annex 3 provides guiding questions to consider in gender analysis and identifying monitoring parameters

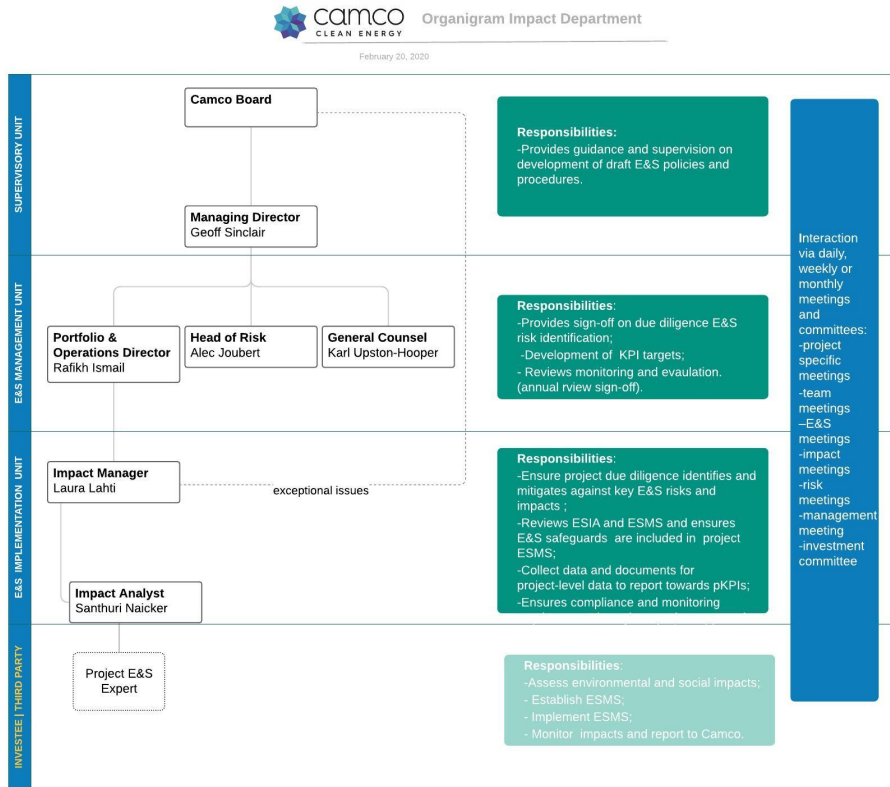
FLOWCHART 1



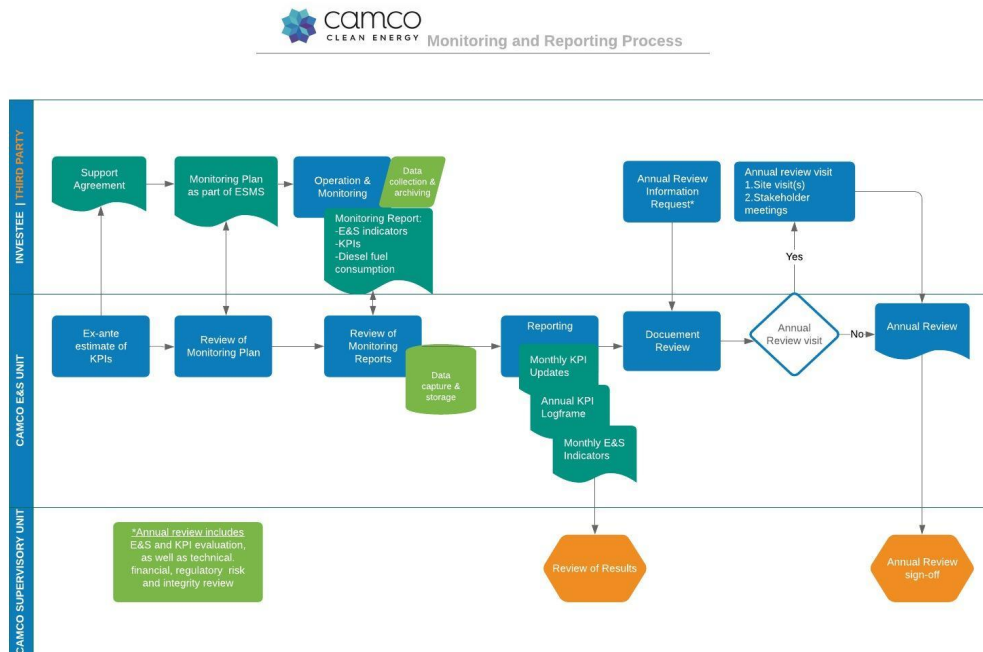
FLOWCHART 2



FLOWCHART 3



FLOWCHART 4



ANNEX 1. Guidance on environmental and social risk categorisation¹

The following guiding questions should be considered when determining the significance of risk

- Intensity: how big will the impact be?
- Manageability: can the risk be managed?
- Duration: how long will the risk be present?
- Reversibility: can the situation be restored if/when negative impacts occur?

Project Risk Category	Definition	Guidance and examples	Supported by Camco	Required elements of ESMS
Category A OR Category I1	Activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented. OR When an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;	Having large geographic scale; involving large-scale infrastructure; being located in valuable ecosystems and critical habitats; entailing adverse impacts to the rights, resources and lands of indigenous peoples; or entailing significant resettlement of affected peoples.	No.	- ESIA and ESMP done by independent expert (IFC PS1-8); - Proof of organisational capacity and competency including Senior Management; - Policy in line with IFC PS 1-8; - Full ESMS covering all relevant management plans (incl. monitoring).
Category B OR Category I2	Activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. OR	Risks and impacts are considered limited, and the magnitude is expected to be low to moderate. The risks and impacts are few in number, contained within the footprint of the activities, largely reversible, and readily mitigated through generally accepted mitigation measures and good international industry practices.	Yes.	- ESIA/ESMP or ESMP done by independent expert (IFC PS1-8); - Proof of organisational capacity and competency including Senior Management;

¹ Modified from IFC Environmental and Social Categorization and Green Climate Fund guidance on risk categorization.

	When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented	Typically for example small and medium-scale low emission power generation and activities to improve energy efficiency of industry		<ul style="list-style-type: none"> - Policy in line with IFC PS 1-8; - Full ESMS covering all relevant management plans (incl. monitoring).
Category C OR Category B3	<p>Activities with minimal or no adverse environmental or social risks and/or impacts.</p> <p>OR</p> <p>When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and social impacts.</p>	Small-scale projects undertaken within an already built environment, with no additional footprint.	Yes.	<ul style="list-style-type: none"> - Simplified assessment of impacts (screening); - Staff members qualified to categorize activities by risks; - Appointment of E&S manager; - ESMS simplified, but should consider waste management (IFC PS3) and occupational health and safety (IFC PS 2).

ANNEX 2. Guidance on Stakeholder Engagement Plan

Chapter	Guidance
Introduction	Briefly describe the project (or the company's operations) including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.
Regulations and Requirements	Summarise any legal, regulatory, lender, or company requirements pertaining to stakeholder engagement applicable to the project or company operations. This may involve public consultation and disclosure requirements related to the social and environmental assessment process.
Previous Stakeholder Engagement Activities	<p>If the company has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:</p> <ul style="list-style-type: none"> • Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was disseminated • The locations and dates of any meetings undertaken to date • Individuals, groups, and/or organizations that have been consulted • Key issues discussed and key concerns raised • Company response to issues raised, including any commitments or follow-up actions • Process undertaken for documenting these activities and reporting back to stakeholders
Project Stakeholders	<p>List the key stakeholder groups who will be informed and consulted about the project (or the company's operations). These should include persons or groups who:</p> <ul style="list-style-type: none"> • are directly and/or indirectly affected by the project (or the company's operations) • have "interests" in the project or parent company that determine them as stakeholders • have the potential to influence project outcomes or company operations
Stakeholder Engagement Program	<ul style="list-style-type: none"> • Summarize the purpose and goals of the program. • Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in the section on project stakeholders. • Briefly describe the methods that will be used to consult with each of the stakeholder groups; • Ensure gender-sensitive and gender-responsive approach and describe how the views of <u>women</u> and other relevant sub-groups (e.g. minorities, elderly, youth etc.) will be taken into account during the process. • Public participation records should indicate gender of participant, to monitor woman's participation. • Describe any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. • Ensure free, prior, and informed consent ("FPIC") of the affected communities of indigenous peoples in line with IFC PS7.
Timetable	Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into the company's management system (at either the project or corporate level).

Resources and Responsibilities	Indicate what staff and resources will be devoted to managing and implementing the company's Stakeholder Engagement Program. Who within the company will be responsible for carrying out these activities? What budget has been allocated toward these activities?
Grievance Mechanism	Describe the process by which people affected by the project (or company's operations) can bring their grievances to the company for consideration and redress. Who will receive public grievances, how and by whom will they be resolved, and how will the response be communicated back to the complainant?
Monitoring and Reporting	<ul style="list-style-type: none"> • Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. • Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups.
Management Functions	<p>Describe how stakeholder engagement activities will be integrated into the company's environmental and social management system and with other core business functions.</p> <ul style="list-style-type: none"> • Who will have management oversight for the program? • What are the plans for hiring, training, and deploying staff to undertake stakeholder engagement work? • What will be the reporting lines between community liaison staff and senior management? • How will the company's stakeholder engagement strategy be communicated internally? • What management tools will be used to document, track, and manage the process? (e.g. stakeholder database, commitments register, etc.) • For projects or company operations involving contractors, how will the interaction between contractors and local stakeholders be managed to ensure good relations?

ANNEX 3. Guiding questions to consider in gender analysis and monitoring²

Context	<ul style="list-style-type: none"> • What demographic data disaggregated by sex and income, including the percentage of women-headed households, are available? • What are the main sources of livelihoods and income for women and men? • What are the needs and priorities in the to be addressed by the planned project? • Are men’s and women’s needs and priorities different? • What impacts are men and women experiencing? • What is the legal status of women? • What are common beliefs, values, stereotypes related to gender in the project country/ location?
Resources	<ul style="list-style-type: none"> • What are the levels of income and wages for women and men? • What are the levels of educational attainment for girls and boys? • What is the land tenure and resource use situation? • Who controls access to or owns the land? • Do women have rights to land, and other productive resources and assets? • What are the main areas of household spending? • Do both men and women have bank accounts? • Have both men and women received loans? • Do both men and women have mobile phones, access to radio, newspapers, TV? • Do women and men have access to extension services, training programmes, etc.?
Roles	<ul style="list-style-type: none"> • What is the division of labour between men and women, young and old, including in the renewable energy sector? • How do men and women participate in the formal and informal economy? • Who manages the household and takes care of children and/or the elderly? • How much time is spent on domestic and care work tasks? • What crops do men and women cultivate? • Who controls/manages/makes decisions about household resources, assets and finances? • Do women have a share in household decision-making? • How are men/women involved in community decision-making? • Do men/women belong to cooperatives or other sorts of economic, political or social organizations?
Beneficiaries	<ul style="list-style-type: none"> • Will the services provided by the project be accessible to and benefit both men and women? • Will the proposed interventions increase the incomes of men and/or women? • Will the proposed interventions cause an increase/decrease in women’s and/or men’s workloads? • Are there provisions to support women’s productive and reproductive tasks, including unpaid domestic and care work?
Monitoring	<ul style="list-style-type: none"> • How many customers and people (males and females) will receive improved access to low-emission energy though the project?

² Modified from Mainstreaming Gender in Green Climate Fund Projects. 2017

	<ul style="list-style-type: none">• How many small and medium enterprises, including women-led business, are benefitting from low-emission energy sources?• How many customers and people (males and females) receive financing provided through the project?• How many jobs were created for men and women through this project?
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ANNEX 4. Summary of International Finance Cooperation (IFC) Performance Standards (PS) on Environmental and Social Sustainability

PS1: Assessment and Management of Environmental and Social Risks and Impacts.

- Assesses social and environmental impacts, both positive and negative, in their project's area of influence.
- Avoid, minimise, mitigate or compensate for adverse impacts on workers, communities and the environment.
- Ensure that the communities around their project site are appropriately informed about issues that could potentially affect them.
- Identify ways to improve the social and environmental performance of the project or business through the effective use of management systems.
- Both the assessment and management system should be appropriate to the size and nature of the projects.
- Umbrella standard.

PS2: Labor and Working Conditions

- Workforce is a valuable asset. A sound worker-management relationship is key to the success of project and business.
- PS2 is about fair, safe and healthy working conditions and protecting basic rights of workers. It addresses issues like child labour, forced labour, workplace discrimination, and freedom of association and collective bargaining.

PS3: Resource Efficiency and Pollution Prevention

- Sets out an approach to avoid or when this isn't possible to minimize and clean up various types of pollution, such as air and water pollution, land contamination, handling hazardous materials and disposal of waste, managing greenhouse gasses and improving resource conservation and energy efficiency.

PS4: Community Health, Safety and Security

- Is about avoiding or minimising negative impacts on the health and safety of the local community as result of the project related activities during the project's lifetime.
- In case where public or private security personnel are being used to protect people or property, the standard also ensures that this is done in a legitimate manner that avoids or minimizes risk to the community's safety and security.

PS5: Land Acquisition and Involuntary Resettlement

- Land acquisition often has profound impacts on people's lives. Unless properly managed, involuntary resettlement may result to impoverishment for affected communities and to social stress. Therefore, PS5 seeks to protect and improve the livelihoods of displaced persons.
- The PS5 is only triggered, if the land acquisition is involuntary.

PS6: Biodiversity Conservation and Sustainable Natural Resources Management

- Biodiversity is the variety of life in all its forms including genetic, species and ecosystem diversity.
- PS6 recognises that protecting and conserving biodiversity and its ability to change and evolve, is fundamental to human survival and sustainable development.
- This standard focuses on protecting and conserving biodiversity in modified and critical habitats and promoting the use of renewable resources in sustainable manner.

PS7: Indigenous Peoples

- Indigenous Peoples are social groups with identities that are distinct from dominant groups in national societies. They are often among the most vulnerable and marginalized segments of population.
- This standard seeks to protect their dignity, human rights, cultures and customary livelihoods.
- It emphasizes the need to avoid impacts to these people from projects and business activities, and how to deal with high-risk scenarios involving their land and natural resources.
- Free, prior, and informed consent ("FPIC") of the affected communities of indigenous peoples is required for all projects.

PS8: Cultural Heritage

- The Standard was established to provide guidance in protecting cultural heritage from adverse impacts and supporting its preservation.
- Cultural heritage includes not only the obvious cultural and natural heritage sites, but also religious sites, ancient monuments and works of art.

ANNEX 5: The Ten Principles of the UN Global Compact

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; and

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.