



Environmental and Social Sustainability Policies

The Lake Turkana Wind Power Ltd. (LTWP) Project's core objectives are to:

- i. Develop and operate our wind farm in order to generate sustainable energy that facilitates national economic development; and
- ii. Manage the associated environmental and social risks and impacts in accordance with the principles of sustainable development, applicable legal requirements, relevant international standards and recognised good industry practice.

To this end, we undertake to act responsibly to discharge our obligations, protect life, health and the environment, and respect the human rights and dignity of all our stakeholders. We have also articulated the following range of specific commitments to help us meet expectations and guide our management towards achievement of appropriately high levels of environmental and social performance throughout the Project's life cycle.

Ethical Business

LTWP recognises its obligations to ensure it maintains business integrity standards in line with its legal and moral obligations and has defined its expectations for the ethical conduct of managers and staff. LTWP is now updating those expectations and extending them to its various business partners (including the Joint Development Partners and Shareholders), contractors and suppliers through the articulation of a Code of Ethical Conduct. This Code shall apply the following principles to all its business activities:

- Assessing and managing the risks to the business and applying reputable business practices in our dealings with utilities and competitors where we operate, and encouraging our suppliers, contractors and partners to work to similar ethical standards;
- Respecting the lawful authority of the Government of Kenya and maintaining honest relationships with its agencies, officials and staff and proscribing contributions to any political parties;
- Complying with all applicable national and international legal and regulatory requirements, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act. Having a zero-tolerance approach to bribery and corruption, prohibiting improper payments of any kind, and ensuring that no gift or hospitality that could be interpreted as a form of inducement is accepted or offered by management or personnel;
- Taking all reasonable precautions to respect human rights, dignity and cultures of our stakeholders and ensure equal opportunities. We recognise and apply the principles in the Universal Declaration on Human Rights;
- Acting to safeguard health, safety and well-being of Project personnel, local communities and the wider public and to protect the natural environment and cultural heritage;
- Dealing with actual or potential ethical or other concerns in an efficient, prompt and transparent manner, investigating any reported incidence of malpractice or wrongdoing, and acting appropriately without reprisal;
- Providing training, information and guidance to help our personnel to meet our standards and, whenever necessary, seek confidential advice or raise a concern; and

- Maintaining the various management systems, controls and processes to ensure that all LTWP business activities are properly controlled.

Human Rights

LTWP is committed to respecting and upholding the human rights' principles set out in the International Bill of Rights. In addition, LTWP will respect the International Labour Organisation's (ILO) Core Conventions in regard to its own human resources procedures and to the employment practices of its business partners. LTWP has also adopted the Voluntary Principles on Security and Human Rights in regards to its site security arrangements.

LTWP has defined a reliable and inclusive approach that will allow the Project to manage human rights risks and reduce the potential for any violations of the human rights of our stakeholders. In this context, LTWP shall strive to:

- Embed human rights principles in its policies, management systems, procedures, codes of conduct and site rules to respect;
- Implement an on-going human rights due diligence process (as defined in the UN Guiding Principles for Business and Human Rights) to assess any actual or potential human rights issues related to our Project and to act upon the review's findings;
- Educate and train staff and other stakeholders, setting out clear performance expectations in regards to personal and business compliance;
- Seek to prevent/mitigate adverse human rights impacts that are directly linked to our Project's activities, including paying special attention to the rights of any marginalised or vulnerable stakeholders who might be adversely affected by our Project. In this regard, LTWP is committed to:
 - Transparent, honest and timely stakeholder engagement;
 - Upholding labour standards within the Project workforce and supply chain;
 - Avoiding any forced resettlement, providing fair compensation and assistance for affected members of local community;
 - Ensuring continuing community access to ecosystem services within the Project area;
 - Embed respect for human rights in the project's security arrangements and ensure the lawfulness of security interventions in accordance with good international practice; and
 - Resolving valid grievances in a fair and effective manner.
- Monitor the human rights performance of our management and personnel, our business partners and other parties directly linked to our operations;
- Avoid causing or contributing to adverse human rights risks or impacts through Project activities and positive address such impacts when they occur; and
- In the unlikely event that we confirm that we have caused or contributed to adverse impacts or violations, we will remediate directly or cooperate with other parties to remediate the situation.

Local Communities and Wider Society

In addition we recognise the business imperative of developing mutual respect and trust with all our stakeholders and particularly those living locally amongst communities affected by our Project. Accordingly, we shall endeavour to:

- Treat our neighbours with full respect, understanding and dignity, taking due account of their views, traditions and cultural heritage;

- Provide local affected communities and individuals with fair and adequate compensation for any physical displacement or loss of livelihood arising from the Project for which we are legally liable and/or obliged to address by the standards of our Lenders and the Project Sponsors;
- Recognise that vulnerable, marginalised, disadvantaged or indigenous members of communities may require special assistance measures to minimise any adverse impacts upon them and to ensure they can share in Project benefits;
- Gain and maintain broad community support for the Project, through informed consultation with our stakeholders on any issues that may have a material bearing on their lives or livelihoods, protecting community health and safety through raising awareness and minimising the potential for communicable or vector-borne diseases;
- Give particular consideration for employing members of local communities including women - where candidates' suitability for the type of work permits - and provide focused stimulus for local businesses and self-employment opportunities;
- Promote Corporate Social Responsibility initiatives that will make a positive contribution to the social and economic sustainability of Project affected communities;
- Keep communities and our other stakeholders materially informed of our sustainability performance through periodic disclosures and on-going engagement activities; and
- Establish an appropriate grievance mechanism for the effective handling and resolution of any concerns, complaints or grievances expressed by local communities or other external stakeholders in regards to the wind farm development.

LTWP is committed to ensure that the construction and operation of the wind farm has minimal impact on the communities within the project footprint, and especially those communities that may be vulnerable, marginalised, disadvantaged or indigenous and that the Project neither harm nor threaten the sustainability of local communities. LTWP will:

- Ensure that the development process fully respects the dignity, human rights, economies, and cultures of vulnerable, marginalised or indigenous people;
- Avoid potentially adverse effects on the vulnerable, marginalised or indigenous people;
- When avoidance is not feasible, minimise, mitigate or compensate such effects; and
- Ensure that vulnerable, marginalised or indigenous people receive social and economic benefits that are culturally appropriate and gender inclusive.

Workforce Employment and Human Resources

The long-term success of LTWP depends largely upon its ability to attract, retain and develop managers and workers who have the necessary talents for the work and who can contribute to our growth on a continuing basis. As the Project's workforce is the critical resource for successful attainment of our objectives, we shall strive to:

- Develop and apply human resource policies and procedures that comply with Kenya's Employment Act and satisfy the requirements of our adopted international standards and the principles enshrined in the ILO Core Conventions, including a zero tolerance for any form of child¹, forced or trafficked² labour or discrimination and respect for Freedom of Association and Collective Bargaining;
- Set clear expectations for individual performance and personal conduct;

¹ A child is defined as a person under age 18. Child labour comprises any work by children that is economically exploitative or likely to be hazardous, or to interfere with education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

² Forced labour takes different forms, including debt bondage, trafficking and other forms of modern slavery. The victims are often amongst the most vulnerable – women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers who are kept there by clearly illegal means and are paid little or nothing.

- Explain our sustainability policies and commitments, including the contributions individuals can make to achieving our objectives and the potential consequences of noncompliance to Environmental and Social Management System (ESMS) requirements;
- Clearly communicate individual terms and conditions to Company employees, providing both a Staff Handbook that explains key principles (such as equality, diversity and dignity at work) and basic entitlements (pay, benefits, leave entitlements, etc), the employment contract (e.g. grievance and disciplinary procedures) and Village Rules for Residents and Guests (covering behavioural expectations and complaints about accommodation, food, etc.);
- Foster leadership, learning and growth to deliver value to LTWP and wider society and provide training and support to improve skills and competencies;
- Ensure fair and equitable terms and conditions of employment staff in line with international conventions and standards, including freedom of association and collective bargaining and contingency arrangements for dealing with any retrenchment situations; and
- Provide a safe working environment and good standards of accommodation and amenities for site-based staff.

Occupational and Community Health & Safety

LTWP recognises its obligations under Kenya's Occupational Safety and Health Act, 2007 and Public Health Act, 2012, other relevant legislation and in regard to the international standards being applied to the Project. LTWP is fully committed to meeting international best occupational health and safety practice in order to minimise the risk of harm and integrating health and safety across its business practices.

LTWP shall apply its best endeavours in the conduct of its activities to develop and operate the wind farm to meet the following objectives:

- Protect and promote the health, safety and welfare of all Project personnel, partner and contractor workers and anyone else who may be affected by its Project activities, including members of local communities;
- Meet its responsibilities and duties as the Project's proponent and as a direct and indirect employer and do all that is reasonably practicable to prevent accidents, injuries and occupational ill health and to sustain the well-being of the workforce; and
- Define and implement robust management systems - including amongst other documents Occupational and Community Health and Safety Plans – designed to avoid, minimise and mitigate, to the extent possible, any harm to Project workers and others through ensuring:
 - Assessment of potential direct hazards, risks and impacts stemming from activities under the control of LTWP;
 - Development and implementation of suitable, effective mitigation measures throughout the design, construction, operation and eventual decommissioning phases; and
 - Attainment and maintenance of the best possible health and safety performance levels (i.e. zero injuries / zero incidence of avoidable industrial disease) through implementation of a continual improvement process.

To meet these objectives, LTWP will also, so far as is reasonably practicable:

- Provide and maintain safe working environments, including the Project accommodation and recreational amenities, which are without risk to human health, safety and welfare;
- Set standards that comply with the relevant statutory and international requirements and that reflect best industry practice for wind farm construction and operation;

- Safeguard employees, members of local communities and others from foreseeable hazards connected with LTWP work activities, processes and working systems at the wind farm and all temporary and permanent / other Project work locations;
- Ensure that when new plant, machinery, equipment, substances, processes or premises are introduced to the LTWP wind farm, adequate guidance, instruction, training and supervision are provided for appropriate safe systems of work to be developed and implemented;
- Educate and train all Project workers to be competently aware of their own responsibilities in respect of the health and safety matters associated with their work, ensuring they participate in the prevention of accidents and co-operate with measures taken to prevent disease;
- Issue and enforce the use of appropriate personal protective equipment;
- Manage any accidents, incidents, emergencies or complaints in an effective manner, notifying the relevant authorities of problems as soon as realistically practicable and, as necessary, cooperating in any investigations and follow-up actions;
- Promote good health amongst employees and be concerned with the prevention of occupational and non-occupational disorders and diseases;
- Monitor Project impacts upon public health with particular regard to any effects resulting from displacement and resettlement and access to water;
- Systematically monitor health and safety performance through constant supervision, supported by regular checks, inspections and audits, and the timely and effectual correction of any deficiencies in line with the continual improvement principle, in order to ensure the Project's objectives for health, safety and welfare are met by all companies and organisations participating in the wind farm project; and
- Co-operate with the Kenyan enforcing authorities as / when required.

Contractors and Suppliers

LTWP aims to oversee the activities of contractors and their workers in a way that complies with Kenyan laws and ensures fair conditions of employment and the health, safety and welfare of the contracted workforce. We will work with our contractors to:

- Ensure we have effective contractor oversight systems in place and that we include an evaluation of their capacity and competence to satisfy our environmental and social criteria in our selection, contract award and monitoring processes;
- Encourage our contractors, subcontractors and suppliers to adopt principles and practices that are aligned with, and complement, LTWP's policies and procedures for managing human resources and safeguarding worker rights, including no use of child or forced labour;
- Inform and instruct our business partners on sustainability matters and ensure that they clearly communicate LTWP's requirements to their people;
- Minimise risks associated with occupational hazards and to prevent injury or ill health;
- Mitigate any adverse impacts on local communities or the eco-system services they rely upon, especially during construction works; and
- Manage any accidents, incidents, emergencies or complaints in an effective manner, notifying both the relevant authorities of problems as soon as realistically practicable and, as necessary, cooperating in any investigations and follow-up actions.

Site Security

Given the wind farm's remote location and recent instances of civil conflict, LTWP shall engage a responsible security service provider to protect Project personnel and property and work with the security contractor to:

- Ensure there are appropriate standards for the recruitment, equipping, training and performance of security personnel that satisfy our policies and obligations, including the application of the proportionate response principle to any interventions;
- Continually assess security risks, including any potentially arising from the deployment or use of contracted security services (or if relevant government forces);
- Stipulate that all Project security personnel are required to:
 - Try to resolve all situations and incidents without resorting to the use of force;
 - Only apply the minimum force needed if persuasion or other techniques fail to defuse the situation;
 - If qualified, give medical aid to anybody injured in any incident at the earliest possible moment, irrespective of whether they were a victim or an assailant; and
 - Clearly account for their actions in any interventions.
- Investigate all incidents and any allegations of inappropriate response by security personnel and take or encourage actions to prevent recurrence.

The Environment

LTWP recognises that a responsible business strategy for mitigating the various environmental issues resulting from our activities is essential to its long term success and to the well-being of our stakeholders. We also recognise that sound environmental performance can have sustainable commercial benefits so we have committed to:

- Ensure the sustainable use of water resources and control the storage, handling and disposal of all fuels, hazardous substances and waste materials;
- Minimise habitat disturbance and, to the extent practicable, excess dust generation, noise emissions, soil erosion, siltation or other pollution of surface waters, and land contamination;
- Undertake additional surveys of bird and bat presence and migration in the area to confirm the nature and likelihood of the predicted impacts of operations;
- Ban all hunting and bushmeat trading by Project workers and monitor potential changes to priority eco-system services relied on by local communities;
- Remain alert to the possible presence of critically endangered / endangered species in the Project, area of influence and any situations that might trigger further interventions in accordance with good international practice;
- Record bird or bat fatalities from collision with turbine blades or resulting from decompression barotraumas during wind farm operations; and
- Calculate Project-related greenhouse gas emissions using a recognised methodology to demonstrate the low carbon footprint of our wind power.

Corporate Social Responsibility (CSR)

LTWP is fully committed to maximising its contribution to sustainable development, minimising negative environmental and social impacts while pursuing positive development outcomes, especially for those living within and around the wind farm area. LTWP is also committed to respecting the following CSR principles:

- **Accountability:** LTWP will account for the impacts of its business decisions and activities upon the environment, local communities and Kenyan society, and will strive to prevent any repetition or unforeseen negative impacts from its wind farm project;
- **Transparency:** LTWP will disclose to its diverse stakeholders - to a reasonable and sufficient degree and in a clear, accurate and complete manner - the Project's policies, decisions, actions and performance in regard to its environmental and social impacts;
- **Ethical Behaviour:** LTWP's organisational conduct will be based upon its values of equity, honesty and integrity as required by the Ethics Business Policy and Code of Ethical Conduct in all its dealings with Project stakeholders;
- **Respect for stakeholders and their interests:** LTWP will identify its stakeholders and recognise their rights, interests and legitimate concerns in regard to the Project via on-going engagement processes. In particular, LTWP will seek to promote women's empowerment across its various thematic focal areas;
- **Respect for the rule of law:** LTWP will comply with all applicable Kenyan laws and legal requirements, through keeping up-to-date with new and changing obligations and periodically reviewing compliance with laws, regulations and specific permit conditions;
- **Respect for international norms of behaviour while respecting the rule of law:** LTWP will strive to respect international norms of behaviour and avoid any activities that might result in its complicity in actions that are not consistent with those norms and/or the expectations of its stakeholders; and
- **Respect for human rights:** LTWP shall, in accordance with its Human Rights Policy, respect and where possible protect the rights enshrined in the International Bill of Human Rights.

Cognisant of the range of environmental and social factors currently affecting the Project area, LTWP has commissioned several studies to identify broad areas of intervention for its proposed CSR Programme. Consequently, LTWP will set up a Foundation, the 'Winds of Change', based upon multi-stakeholder participation, to coordinate sustainable initiatives within the Project area of influence and wider within Marsabit County. The Foundation will operate on a transparent but business-like basis throughout its anticipated 20-year existence and target the neediest segments of local society. LTWP has developed a CSR Plan to a broad menu of activities to operationalise the programme and will provide funds to facilitate implementation of appropriate, sustainable initiatives.

It is expected that the Foundation's initial intervention priorities will include:

- Improving access to education, potable water and quality health services;
- Facilitating rural electrification and improving road infrastructure;
- Enhancing food security and livelihoods through stimuli for local micro-enterprises;
- Environmental conservation, including support for rangeland rehabilitation, nature conservancy and household use of renewable energy; and
- Supporting initiatives to resolve local conflicts and ensure peaceful coexistence.

Management System Approach to Sustainability / CSR

LTWP shall maintain a dynamic ESMS to ensure Project compliance with all applicable social, employment, health and safety, environment and other laws, regulations and license conditions.

The ESMS shall address the expectations and standards of our Lenders and the Project Sponsors. It shall be designed to reflect the International Standard Organisation's (ISO) high-level structure, identical core text, common terms and core definitions for its management system standards and the principles embedded in ISO 14001.

LTWP shall communicate its Policies to its employees, its contractors and their workforces, and to its business partners. LTWP will ensure that its Policies and specific commitments are fully understood and duly complied with in the execution of Project-related activities throughout the life of the wind farm.

LTWP shall also publicly disclose its Policies and explain their meaning and the intent of specific commitments as necessary during community relations and stakeholder engagement activities. In particular, LTWP will endeavour to manage stakeholders' positive and negative expectations in regard to employment and other Project benefits. These include *inter alia* the intended timing, nature, magnitude and geographical catchment area of CSR Programme interventions in order to help prevent any potential conflicts regarding local communities' access to employment.

An ESMS Manual will define the scope and content of the system in terms of the Project's context, sustainability leadership, planning, support, operational control and contractor interface, performance evaluation and improvement. The Manual will define the various roles and responsibilities and coordinate the range of specific documents needed to mitigate or manage the various risks and impacts identified by our impact assessment processes.

LTWP shall monitor and report progress against our policy commitments and review performance on a periodic basis to correct any deficiencies and to improve the ESMS and/or the business activities it covers. LTWP shall also review the content and implementation of these policies and commitments and revise them as necessary.

Signed: Date:

(Insert Name), ATL General Manager, for and on behalf of LTWP