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# Policy on Social Responsibility and Environmental Sustainability





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# Policy Objectives and Introduction to Guiding Principles

*ContourGlobal's mission is to develop, acquire and operate electric power and district heating businesses around the globe, focusing on high-growth, under-served markets and innovative niches within developed markets such as renewable energy and combined heat and power or "cogeneration" projects.*

Working closely with governments, development banks and multinational clients, we take a "client first" approach to power project development, utilizing our internal technical and commercial

capabilities to rapidly evaluate and implement new development, repowering of older energy assets and the acquisition of existing operations. We bring new sources of electricity to historically under-served markets, and improve people's lives by offering reliable, affordable energy that promotes economic growth and social well-being. In more developed markets, we provide cleaner, more efficient energy using new applications of existing solutions and employing innovative technology. Whether generating cost-effective energy in new markets, providing reliable energy



# We promote socially responsible investment, minimizing impacts and establishing a strong engagement with local communities

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in high-growth, under-served markets, or innovating in developed markets, we have the knowledge, capabilities, and resources to develop, build, own and operate businesses that improve the quality of life for clients, partners, and communities.

An important component of improving the quality of life for end-users is the social and environmental sustainability of our projects. ContourGlobal has adopted a comprehensive set of social and environmental principles (the “Principles”) as guidelines to ensure that our projects are developed in a socially responsible manner and reflect sound environmental management practices. In everything we do, ContourGlobal is committed to avoiding adverse impacts on workers, communities, and the environment, or if avoidance is not possible, to reducing, mitigating, or compensating for the impacts, as appropriate. We believe that adoption of, and adherence to, these Principles offers significant benefits to our clients, our partners and the communities where we work.

ContourGlobal’s guiding Principles for social and environmental sustainability, detailed below, reflect Contour’s commitment to, and membership in, the UN Global Compact and provide a solid base for increasing the sustainability of our business operations by

## *Reliable, affordable energy that promotes economic growth and social well-being*

managing social and environmental risks, and improving performance, and enhancing positive development outcomes. In particular, we are committed to ensuring that the costs of economic development do not fall disproportionately on those who are poor or vulnerable, that the environment is not degraded in the process, and that natural resources are managed efficiently and sustainably. Regular engagement with local communities about matters that directly affect them plays an important role in avoiding or reducing harm to people and the environment; respect for human rights are also an important aspect of our corporate social responsibility.

We embrace fair hiring, employee rights, training, development and retention and a positive corporate culture

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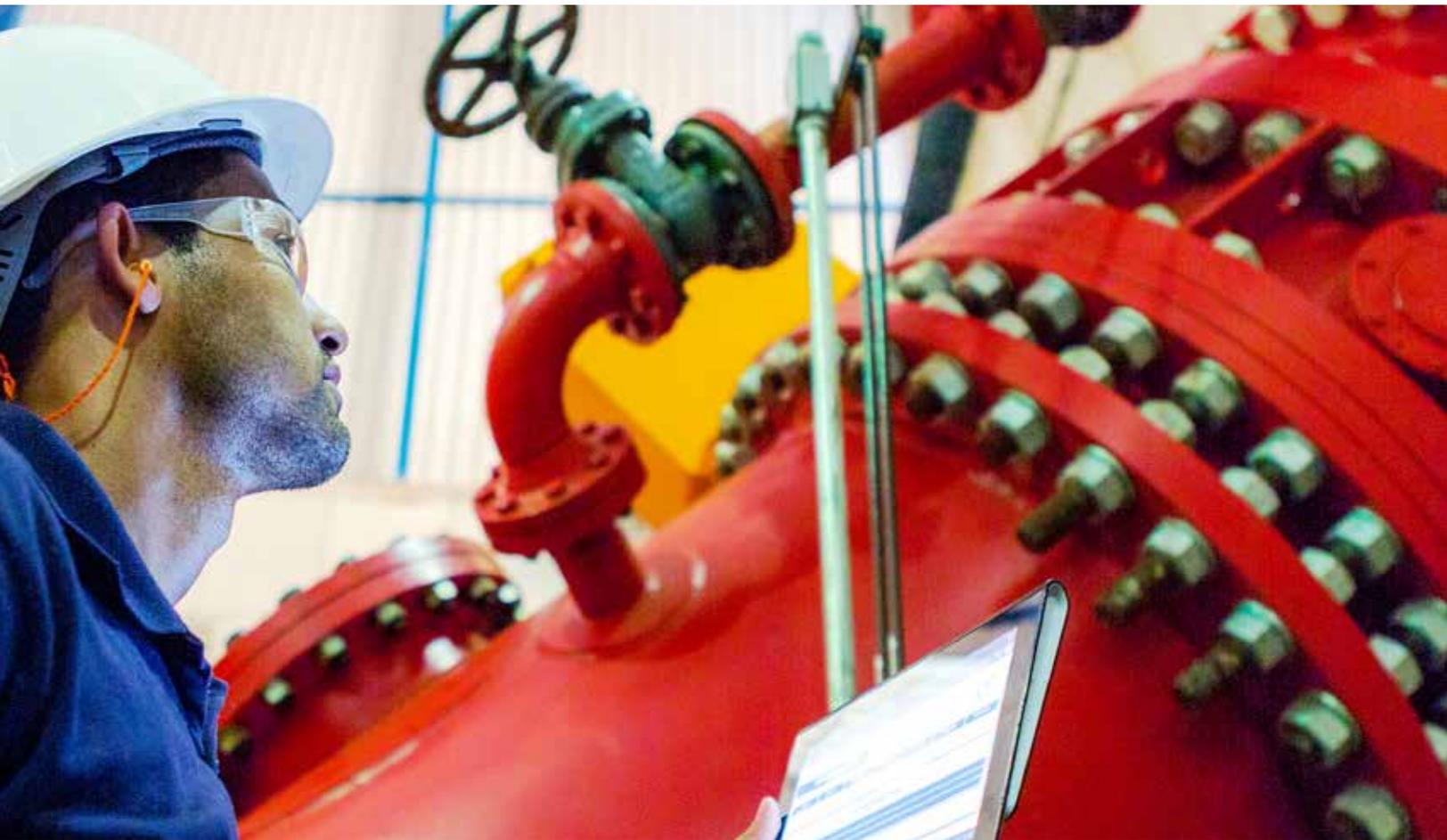


# Labor and Working Conditions

*ContourGlobal recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protecting the basic rights of workers including their health and safety.<sup>1</sup> Our workforce is our most valuable asset, and a sound worker-management relationship is a key ingredient to the sustainability of our enterprise. Through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, we create tangible benefits, such as enhancement of the efficiency and productivity of our operations.*

ContourGlobal strives in all its operations to:

1. establish, maintain and improve the worker-management relationship;
2. promote the fair treatment, non-discrimination and equal opportunity of workers, and compliance with local labor and employment laws;
3. protect the workforce by forbidding child labor and forced labor;
4. promote safe and healthy working conditions, and protect and promote the health of workers.



ContourGlobal's human resources policies provide employees with information regarding their rights under local labor and employment law, including their rights related to wages and benefits. This policy is explained or made accessible to each employee upon taking employment and we provide a grievance mechanism for workers to raise reasonable workplace concerns. ContourGlobal does not make employment decisions on the basis of personal characteristics unrelated to job requirements.

We are committed to providing our workers with a safe and healthy work environment, taking into account inherent risks associated with an industrial workplace, and take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards. In a manner consistent with good international industry practice<sup>2</sup>, we address areas, including:

1. the identification of potential hazards to workers, particularly those that may be life-threatening;
2. provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances;
3. training of workers;

4. documentation and reporting of occupational accidents, diseases, and incidents;
5. emergency prevention, preparedness and response arrangements.

We will not employ children below the age of 18 years and we do not employ forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements. We also inquire about and address any child labor and forced labor issues to the third parties with whom we do business.

1. The term "workers" is used to refer to employees of ContourGlobal, as well as to certain types of non-employee workers. "Non-employee workers" refers to workers who are: (i) directly contracted by us, or contracted through contractors or other intermediaries; and (ii) performing work directly related to core functions essential to our products or services for a substantial duration. When we contract non-employee workers directly, we will use commercially reasonable efforts to apply the requirements of these Principles. With respect to contractors or other intermediaries procuring nonemployee workers, we will use commercially reasonable efforts to: (i) ascertain that these contractors or intermediaries are reputable and legitimate enterprises; and (ii) require that these contractors or intermediaries apply the requirements of these Principles.
2. Defined as the exercise of professional skill, diligence, prudence and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally.



# Pollution Prevention and Abatement

*Increased industrial activity and urbanization often generate increased levels of pollution to air, water, and land that may threaten people and the environment at the local, regional, and global level.<sup>3</sup> In the markets where we are active, it is ContourGlobal's policy to maintain or substantially improve the environmental profile (including CO<sub>2</sub> emissions) of the local country's energy use. Where possible, we aim to increase reliability and efficiency, use local resources and/or utilize innovative clean technologies and, in mature markets, it is our aim to use existing technologies in innovative ways with a focus on pollution prevention or abatement.*

We strive to integrate pollution prevention and control technologies and practices as far as their use is technically and financially feasible and cost-effective. We also will undertake environmental remediation of existing sites rather than develop new projects on "greenfield sites", where possible. More specifically, we seek to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities and promoting the reduction of emissions that contribute to climate change. The project-specific pollution prevention and control techniques applied during the project life-cycle are tailored to the hazards and risks associated with project emissions and consistent



# ContourGlobal seeks to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities

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with good international industry practice. We avoid, minimize or control the intensity or load of the release of pollutants due to routine, non-routine or accidental circumstances with the potential for local, regional, and transboundary impacts. In addition, we examine and incorporate in our operations resource conservation and energy efficiency measures, consistent with the principles of cleaner production.

We are prepared to respond to process upset, accidental, and emergency situations in a manner appropriate to the operational risks and the need to prevent their potential negative consequences. We have in place a plan that addresses the training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with any project hazards.

3. The term “pollution” is used to refer to both hazardous and nonhazardous pollutants in the solid, liquid, or gaseous forms, and is intended to include other forms such as nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light.

4. As of December 31, 2014

Our commitment to Health and Safety is our highest priority. We have adopted a Target Zero program to ensure zero harm, zero injuries.



# Community Health, Safety and Security

*While project activities, equipment, and infrastructure often bring benefits to communities including employment, services, and opportunities for economic development, projects can also increase the potential for community exposure to risks and impacts arising from equipment accidents, structural failures, and releases of hazardous materials. Communities may also be affected by impacts on their natural resources and exposure to diseases. While acknowledging the public authorities' role in promoting the health, safety and security of the public, ContourGlobal believes it also has a responsibility to avoid or minimize risks to and impacts on the health and safety of the local community during the project life cycle from both routine and non-routine circumstances.*

ContourGlobal evaluates the risks and impacts to the health and safety of the affected community during the lifecycle of a project and has established preventive measures to address them in a manner commensurate with the identified risks and impacts. Where the project poses risks to, or adverse impacts on, the health and safety of affected communities, we will identify and communicate these risks and any other relevant project-related information to enable the affected communities and relevant government agencies to understand these risks and impacts and work cooperatively with ContourGlobal to mitigate or eliminate the risks.

ContourGlobal is committed to designing, constructing and operating the structural elements or components of a project



## *ContourGlobal is prepared and ready to respond to emergencies.*

in accordance with good international industry practice, paying particular consideration to potential exposure to natural hazards, especially where the structural elements are accessible to members of the affected community or where their failure could result in injury to the community. Where there is a potential for the community (including workers and their families) to be exposed to hazards, we exercise special care to avoid or minimize their exposure by modifying, substituting or eliminating the condition or substance

causing the hazards. To do so, we use commercially reasonable efforts to control the safe deliveries of raw materials, transportation and disposal of wastes, and implement measures to avoid or control community exposure to any chemical substances that could affect human health. We avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could arise from land use changes due to project activities. We also avoid or minimize adverse impacts due to project activities on soil, water, and other natural resources in use by the affected communities.

We assess any potential risks and impacts from project activities and inform affected communities of significant potential hazards in a culturally appropriate manner. We also assist and collaborate with the community and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary. If local government agencies have little or no capacity to respond effectively, we will play an active role in preparing for and responding to emergencies associated with the project. We will document emergency preparedness and response activities, resources, and responsibilities, and disclose appropriate information to affected communities and relevant government agencies.



# Land Acquisition and Involuntary Resettlement

*ContourGlobal's presence in a community may result in new land acquisition or involuntary resettlement. Involuntary resettlement refers both to physical displacement<sup>4</sup> and to economic displacement<sup>5</sup> as a result of project-related land acquisition.<sup>6</sup> Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement.*

This occurs in cases of:

1. lawful expropriation or restrictions on land use based on eminent domain and

2. negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Unless properly managed, land acquisition or involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and social stress in areas to which they have been displaced. For these reasons, ContourGlobal's policy is to avoid or minimize the impact of any involuntary resettlement. However, where it is unavoidable, and the host government supports the development project, appropriate measures to mitigate adverse



impacts on displaced persons and host communities<sup>7</sup> will be carefully planned and implemented.

When displacement cannot be avoided, we will offer compensation for loss of assets at full replacement cost and other assistance to displaced persons and communities to help them improve or at least restore their standards of living or livelihoods. Where livelihoods of displaced persons are land-based, or where land is collectively owned, we will offer land-based compensation, where feasible. We will consult with and facilitate the informed participation of affected persons and communities, including host communities, in decision-making processes related to resettlement and establish a grievance mechanism to receive and address specific concerns about compensation and relocation that are raised by displaced persons or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner.

Where land acquisition and resettlement are the responsibility of the host government, we will collaborate with the responsible government agency, to achieve outcomes that are consistent with the objectives of these Principles. In addition, where government capacity is limited, we will play an active role and work in

collaboration with such agency to implement its plan or procedures established and monitor resettlement activity that is undertaken by the government agency until such activity has been completed.

*ContourGlobal's policy is to avoid or minimize the impact of any involuntary resettlement*

4. Relocation or loss of shelter.

5. Loss of assets or access to assets that leads to loss of income sources or means of livelihood.

6. Land acquisition includes both outright purchases of property and purchases of access rights, such as rights-of-way.

7. A host community is any community receiving displaced persons.



# Biodiversity Conservation and Sustainable Natural Resource Management

*ContourGlobal recognizes that protecting and conserving biodiversity—the variety of life in all its forms, including genetic, species and ecosystem diversity—and its ability to change and evolve, is fundamental to sustainable development. The components of biodiversity include ecosystems and habitats, species and communities, and genes and genomes, all of which have social, economic, cultural and scientific importance. We strive to avoid or mitigate threats to*

*biodiversity arising from our operations and to sustainably manage renewable natural resources in order to protect and conserve biodiversity and promote the sustainable management and use of natural resources through the adoption of practices that integrate conservation needs and development priorities.*

In order to avoid or minimize adverse impacts to biodiversity in a project's area of influence, we assess the significance of project impacts on all levels of biodiversity as an integral part of the assessment process, including analyzing differing values attached to biodiversity by specific stakeholders, as well as identify impacts on ecosystems. This process focuses on the major threats to biodiversity, which include habitat destruction and invasive alien species.

We recognize habitat destruction as the major threat to the maintenance of biodiversity and our policy is to design mitigation measures so that our projects' impact to habitats will have no "net loss". To achieve this, we will consider a variety of mitigating measures, including:

1. post-operation restoration of habitats;
2. offset of losses through the creation of ecologically comparable area(s) that is managed for biodiversity;
3. compensation to direct users of biodiversity.

In areas with critical habitats,<sup>8</sup> we will not implement any project activities unless:

1. there are no measurable adverse impacts on the ability of the critical habitat to support the established population of species or the functions of the critical habitat;
2. there is no reduction in the population of any recognized critically endangered or endangered species;
3. any lesser impacts are mitigated in accordance with the mitigation.

In circumstances where a proposed project is located within a legally protected area,<sup>9</sup> we will:

1. act in a manner consistent with defined protected area management plans;
2. consult protected area sponsors and managers, local communities, and other key stakeholders on the proposed project;
3. implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

Intentional or accidental introduction of alien species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species. We do not deliberately introduce any alien species with a high risk of invasive behavior or any known invasive species, and will exercise diligence to prevent accidental or unintended introductions. We will also take measures to protect the native flora and fauna of a region.

We believe in sustainable resource management, which means that we manage the use, development and protection of renewable natural resources in a way, or at a rate, which enables people and

communities, including indigenous peoples (see also next section), to provide for their present social, economic and cultural well-being while also sustaining the potential of those resources to meet the reasonably foreseeable needs of future generations and safeguarding the life-supporting capacity of air, water and soil ecosystems. Where possible, we employ an appropriate system of independent certification to document our sustainable management of resources.



Such a system will include objective and measurable principles developed through consultation with relevant stakeholders, such as local people and communities, indigenous peoples, civil society organizations representing consumer, producer, and conservation interests. Such a system has fair, transparent, and independent decision-making procedures that avoid or minimize conflicts of interest.

8. Critical habitat includes areas with high biodiversity value, including: (i) habitat required for the survival of critically endangered or endangered species; (ii) areas having special significance for endemic or restricted-range species; (iii) sites that are critical for the survival of migratory species; (iv) areas supporting globally significant concentrations or numbers of individuals of congregatory species; (v) areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; (vi) areas having biodiversity of significant social, economic or cultural importance to local communities.

9. An area may be designated as legally protected for different purposes, including the protection or conservation of biodiversity, including areas proposed by governments for such designation.

# Indigenous People

*Indigenous peoples<sup>10</sup> are often among the most marginalized and vulnerable segments of the local population and their economic, social and legal status may limit their ability:*

- 1. to defend their interests in, and rights to, lands and natural and cultural resources;*
- 2. to protect against loss of identity, culture, and natural resource-based livelihoods;*
- 3. to participate in and benefit from development.*

ContourGlobal strives to create opportunities for indigenous peoples to participate in our projects and benefit from project-related activities that may help them fulfill their aspiration for economic and social development. The nature of our business is such that we bring new sources of electricity to historically under-served markets, and improve people's lives by offering reliable, affordable energy that promotes economic growth and social well-being. We recognize that indigenous peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development.

It is our policy to identify all communities of indigenous peoples who may be affected by the project within the project's area of influence, as well as the nature and degree of the expected social, cultural (including cultural heritage), and environmental impacts on these communities. We will establish a consultation process with affected indigenous peoples from as early as possible in the project planning and throughout the life of the project. We will ensure their free, prior, and informed consultation and facilitate their informed participation on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. We will also seek to identify opportunities for culturally appropriate development benefits.

When indigenous peoples are particularly vulnerable to the special circumstances of a project, we will retain qualified and experienced

*ContourGlobal strives to create opportunities for indigenous peoples to participate in our projects and benefit from project-related activities*

external experts to assess impacts. Where there are adverse impacts on the livelihoods, or cultural, ceremonial, or spiritual use of land used by indigenous peoples, we will respect their use by following the requirements of the Land Acquisition and Involuntary Resettlement Principle and will consider feasible alternative project designs to avoid the relocation of indigenous peoples from their communally held traditional or customary lands under use.

10. The term "Indigenous Peoples" is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees: self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; customary cultural, economic, social, or political institutions that are separate from those of the dominant society or culture; or an indigenous language, often different from the official language of the country or region.



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# Cultural Heritage

*Cultural heritage refers to both tangible and intangible forms of cultural heritage. Tangible forms of cultural heritage may include property and sites having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values, as well as unique natural environmental features that embody cultural values, such as sacred groves. Intangible forms of culture might include cultural knowledge, innovations and practices of communities embodying traditional lifestyles.*

Cultural heritage is important for both current and future generations and it is our policy to protect irreplaceable cultural heritage in the course of our business operations. In particular, we aim to protect cultural heritage from the adverse impacts of project activities and support its preservation, and to promote the equitable sharing of benefits from the use of cultural heritage in business activities.

We seek to protect and support cultural heritage by undertaking

internationally recognized practices for the protection, field-based study, and documentation of cultural heritage. This might include retention of qualified and experienced experts to assist in the assessment. Where a project may affect cultural heritage, we consult with affected communities within the host country who use, or have used within living memory, the cultural heritage for longstanding cultural purposes to identify cultural heritage of importance, and to incorporate into our decision-making process the views of the affected communities on such cultural heritage. Consultation also involves the relevant national or local regulatory agencies that are entrusted with the protection of cultural heritage. We do not significantly alter, damage, or remove any critical cultural heritage.<sup>11</sup>

<sup>11</sup> Critical cultural heritage consists of (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; and (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.



# Implementation of ContourGlobal's Social and Environmental Policy



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## ASSESSMENT

ContourGlobal conducts a Social and Environmental Evaluation process (the “Evaluation”) for each project that we develop. The Evaluation identifies the relevant social and environmental impacts and risks of the proposed project as well as possible mitigation and management measures. The nature and scale of the proposed project is taken into account and the Evaluation is an accurate and objective evaluation and presentation of the issues and is prepared by qualified and experienced experts. The Evaluation is informed by relevant national and international norms and regulations, generally those promulgated by the World Bank group or the United Nations. Where there is a difference between National and World Bank standards, we will develop projects in accordance with the more restrictive of the two sets of regulations.

The Evaluation process includes three phases: the initial review, the detailed review and disclosure. In the initial review, we will undertake a thorough social and environmental review that is appropriate to the nature and scale of the project, and commensurate with the

level of social and environmental risks and impacts. The existence of significant historical social or environmental impacts associated with the project, including those caused by others, and the availability of possible remediation measures is an integral factor in determining the project’s feasibility. This initial review consists of three key components:

1. a general assessment of the social and environmental risks and impacts of the project;
2. our capacity to manage these expected impacts through our social and environmental management system; and
3. the role of third parties in the project’s compliance with the Principles.

Each of these components helps us to ascertain whether the project can be expected to meet the Principles.

Once a project's feasibility is ascertained and approved by management, we will conduct a more in-depth social and environmental review, either internally or by external experts. The detailed review will consider the potential social and environmental (including labor, health, and safety) risks and impacts of the project in an integrated manner. The detailed review is based on current information, including an accurate project description, and appropriate social and environmental baseline data and considers all relevant social and environmental risks and impacts of the project, including the issues identified in Principles, and those who will be affected by such risks and impacts. Applicable laws and regulations of the jurisdictions in which the project operates that pertain to social and environmental matters, including those laws implementing host country obligations under international law, should also be taken into account.

In the detailed review, we will analyze risks and impacts of the project in the context of the project's direct and indirect areas of influence. This area of influence encompasses, as appropriate:

1. the primary project site(s) and related facilities that Contour-Global (including our contractors) develops or controls;
2. associated facilities that are not funded as part of the project (funding may be provided separately by us or by third parties including the government), and whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project;
3. areas potentially impacted by cumulative impacts from further planned development of the project, any existing project or condition, and other project-related developments that are realistically defined at the time the detailed review is undertaken; and
4. areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location.

The area of influence does not include potential impacts that would occur without the project or independently of the project.

We will analyze risks and impacts for all key stages of the project life cycle, including preconstruction, construction, operations, and decommissioning or closure. Where relevant, the detailed review will also consider the role and capacity of third parties (such as local and national governments, contractors and suppliers), to the extent that they pose a risk to the project, recognizing that we should address these risks and impacts commensurate to our control and

influence over the third party actions. The impacts associated with supply chains are considered where the resource utilized by the project is ecologically sensitive, or in cases where low labor cost is a factor in the competitiveness of the item supplied. The detailed review will also consider potential transboundary effects, such as pollution of air, or use or pollution of international waterways, as well as global impacts, such as the emission of greenhouse gases.

In an acquisition, our due diligence includes careful analysis of social and environmental impacts. We review the operating history of a business to ensure it has been compliant and identify new opportunities during the diligence process.

Depending on the type of project and the nature and magnitude of its risks and impacts, the types of issues, risks and impacts to be assessed, and the scope of the community engagement can vary considerably. Where projects might have potential significant adverse impacts that are diverse, irreversible, or unprecedented, we will undertake a comprehensive social and environmental impact assessment. This assessment will include an examination of technically and financially feasible alternatives<sup>12</sup> to the source of such impacts, and documentation of the rationale for selecting the particular course of action proposed. In exceptional circumstances, a regional, sectoral or strategic assessment may be required.

As part of the detailed review, we will identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where groups are identified as disadvantaged or vulnerable, we will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.

It is our policy to disclose relevant project information and information identified through the initial and detailed review phases of the Evaluation where such disclosure might help affected communities understand the risks, impacts and opportunities of the project. If communities may be affected by risks or adverse impacts from the project, we provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any risks to and potential impacts on such communities. For projects with adverse social or environmental impacts, disclosure will occur before the project construction commences, and on an ongoing basis.

12. "Technical feasibility" is based on whether the proposed measures and actions can be implemented with commercially available skills, equipment and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity and operational reliability. "Financial feasibility" is based on commercial considerations, including the relative magnitude of the incremental cost of adopting such measures and actions compared to the project's investment, operating and maintenance costs and whether this incremental cost could make the project nonviable to the client.

## MANAGEMENT PROGRAM

Once we have properly completed the Social and Environmental Evaluation, it is our policy to establish and manage a program of mitigation and performance improvement measures and actions that address the identified social and environmental risks and impacts (the “Management Program”). The level of detail and complexity of the Management Program and the priority of the identified measures and actions are commensurate with the project’s risks and impacts. The Management Program defines desired outcomes as measurable events to the extent possible, with elements such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods, and with estimates of the resources and responsibilities for implementation. Recognizing the dynamic nature of the project development and implementation process, the Management Program will be responsive to changes in project circumstances, unforeseen events, and the results of monitoring.

**ACTION PLAN** Where the Management Programs identifies specific mitigation measures and actions necessary for the project to comply with applicable laws and regulations and to meet the requirements of the policy, we will prepare a plan (the “Action Plan”) to ensure the measures and actions required will be successfully implemented. The Action Plan may range from a brief description of routine mitigation measures to a series of specific plans. The Action Plan:

1. describes the actions necessary to implement the various sets of mitigation measures or corrective actions to be undertaken;
2. prioritizes these actions;
3. includes the time-line for their implementation;
4. is disclosed to the affected communities; and
5. describes the schedule and mechanism for external reporting on our implementation of the Action Plan.

**ORGANIZATIONAL CAPACITY** It is our policy to establish and maintain an organizational structure that defines roles, responsibilities, and authority to implement the Management Program, including the Action Plan. Specific personnel, including management representative(s), with clear lines of responsibility and authority are designated and key social and environmental responsibilities are well-defined and communicated to the relevant personnel and to the rest of the organization. Sufficient management sponsorship and human and financial resources are provided on



an ongoing basis to achieve effective and continuous social and environmental performance.

**TRAINING** ContourGlobal trains employees and contractors with direct responsibility for activities relevant to a project’s social and environmental performance so that they have the knowledge and skills necessary to perform their work, including current knowledge of the host country’s regulatory requirements and the applicable requirements of the Principles. Training also addresses the specific measures and actions required under the Management Program, including the Action Plan, and the methods required to perform the action items in a competent and efficient manner.

**COMMUNITY ENGAGEMENT** Effective community engagement is central to the successful management of risks and impacts to the affected communities. In the case of projects with significant adverse impacts on affected communities, we strive to obtain broad community support for the project within the affected communities. We engage with affected communities through disclosure of information via the Assessment process, consultation, and informed participation, in a manner commensurate with the risks to and impacts on the affected communities. The purpose of community engagement is to build and maintain over time a constructive relationship with these communities. The nature and frequency of community engagement will reflect the project's risks to and adverse impacts on the affected communities. It is our policy that all community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information.

We will document our community engagement efforts to ensure informed participation of the community and to identify whether a project has broad community support for the project. Broad community support is a collection of expressions by the affected communities, through individuals or their recognized representatives, in support of the project. There may be broad community support even if some individuals or groups object to the project.

Where communities may be subject to risks or adverse impacts from a project, we will undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows us to consider and respond to them.

Effective consultation:

1. should be based on the prior disclosure of relevant and adequate information, including draft documents and plans;
2. should begin early in the Assessment process;
3. focuses on the social and environmental risks and adverse impacts, and the proposed measures and actions to address these; and
4. is carried out on an ongoing basis as risks and impacts arise.

The consultation process is undertaken in a manner that is inclusive and culturally appropriate. We will tailor the consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.

## *Community engagement is central to the successful management of risks and impacts*

For projects with significant adverse impacts on affected communities, ContourGlobal will ensure

1. that the consultation process is free of external manipulation, interference or coercion, and intimidation;
2. that information is disclosed to participants in a timely manner; and
3. that information is relevant, understandable and accessible.

We will also strive for informed participation that involves organized and iterative consultation, leading to the incorporation into our decision-making process the views of the affected communities on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. We will document the process, in particular, the measures taken to avoid or minimize risks to and adverse impacts on the affected communities.

It is our policy to respond to communities' concerns related to the project. If we anticipate ongoing risks to or adverse impacts on affected communities, we establish a grievance mechanism to facilitate and reach resolution of the affected communities' concerns and grievances about our environmental and social performance. The grievance mechanism:

1. will be scaled to the risks and adverse impacts of the project;
2. will address concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and at no cost and without retribution; and
3. will not impede access to judicial or administrative remedies.

We will inform the affected communities about the mechanism in the course of its community engagement process.

**MONITORING** ContourGlobal's policy is to establish clearly defined procedures to monitor and measure the effectiveness of the Management Program, including the implementation of the Action Plan. In addition to recording information to track performance and establishing relevant operational controls, we use dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes. For projects with significant impacts that are diverse, irreversible, or unprecedented, we retain qualified and experienced external experts to verify our monitoring information. The extent of monitoring should be commensurate with the project's risks and impacts and with the project's compliance requirements. Monitoring should be adjusted according to performance experience and feedback. We will document monitoring results, and identify and reflect the necessary corrective and preventive actions in amendments to the Management Program. We will implement these corrective and preventive actions, and follow up on these actions to ensure their effectiveness.

**REPORTING** ContourGlobal's policy is to produce periodic assessments of the effectiveness of the Management Program, based on systematic data collection and analysis. The scope and frequency of such reporting will depend upon the nature and scope of the activities identified and undertaken in accordance with our Management Program and other applicable project requirements.

We will also disclose the Action Plan to the affected communities. We will provide periodic reports that describe progress with implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities, and on issues that the consultation process or grievance mechanism have identified as of concern to those communities. If the Management Program results in material changes in, or additions to, the mitigation measures or actions described in the Action Plan on issues of concern to the affected communities, the updated mitigation measures or actions will also be disclosed. These reports will be in a format accessible to the affected communities. The frequency of these reports will be proportionate to the concerns of affected communities but not less than annually.

As part of our project monitoring efforts, we continuously monitor our investments by:

- submitting periodic monitoring reports on our social and environmental performance as agreed with various financing partners and investors;
- reviewing project performance on the basis of our commitments in the Action Plan, as reported by our monitoring reports, and, where relevant, reviewing any performance improvement opportunities;
- working to address any changed project circumstances that would result in adverse social or environmental impacts;
- reporting publicly on our social, environmental and other nonfinancial aspects of performance.



# Summary

ContourGlobal is committed to promoting responsible environmental stewardship and socially responsible development. Our policy reflects our commitment to the United Nations Global Compact and to apply best practices in the areas of:

1. labor and working conditions
2. pollutions prevention and abatement;
3. community health, safety and security;
4. land acquisition and involuntary resettlement;
5. biodiversity conservation and sustainable natural resource management; and
6. indigenous people and cultural heritage.

To ensure we meet or exceed all standards set forth in our policy, we do not partner on projects with third parties where such party is not willing or is unable to comply with our social and environmental policies and procedures that implement these Principles. We seek business partners who share our vision and commitment to sustainable development, who wish to raise their capacity to manage their social and environmental risks, and who seek to improve their performance in this area. We actively manage our social and environmental risks to improve performance and enhance positive development outcomes while ensuring the costs of economic development do not fall disproportionately on the poor or vulnerable, the environment is not degraded, natural resources are managed efficiently and sustainably, and human rights are respected. We communicate transparently with the communities where we do business and with our stakeholders. It is our mission to be socially responsible and increase the sustainability of our business.

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