Social and Environmental Standards Policy

1. Introduction

Shabeel Group is committed to sustainable development and corporate responsibility. This Social and Environmental Standards Policy sets forth the company's commitment to integrating social and environmental factors into its decision-making and operational processes. We believe in fostering long-term value creation for our communities, partners, employees, and the environment.

2. Objectives

- To integrate environmental sustainability and social responsibility into all operations.
- To ensure compliance with local, regional, and international standards in environmental and social practices.
- To promote a culture of continuous improvement in environmental stewardship and community engagement.
- To minimize the negative impacts of our operations on society and the environment, with a focus on Somalia's unique challenges.

3. Scope

This policy applies to all employees, contractors, suppliers, and partners of Shabeel Group. It encompasses all activities conducted in Somalia, as well as international projects. The policy covers:

- Organizational activities, including daily operations, procurement, and human resources.
- Interactions with external stakeholders, including communities, customers, suppliers, and government bodies.
- Environmental impact considerations, particularly in ecologically sensitive areas.

4. Social Standards

4.1. Community Engagement

We recognize the importance of building and maintaining positive relationships with local communities. This involves:

- **Inclusive Dialogue:** Actively engaging with communities through regular consultations to understand concerns and incorporate their views into decision-making.
- **Employment Opportunities:** Prioritizing local hiring and developing capacity-building programs to benefit the community.
- **Respect for Culture:** Ensuring that our operations respect local cultures and traditions, particularly in rural or indigenous areas.
- **Community Grievance Mechanism:** Establishing a transparent and accessible grievance mechanism to address community concerns promptly.

4.2. Human Rights

Shabeel Group upholds the principles of human rights in all aspects of its operations. This includes:

- **Non-discrimination:** Ensuring that our recruitment, hiring, and operational processes are free from discrimination based on race, gender, religion, or ethnicity.
- **Child and Forced Labour:** Strictly prohibiting any form of child labour or forced labour in any of our operations or supply chains.
- **Conflict Zones:** As we operate in Somalia, we acknowledge the potential for operations in conflict-affected areas. We will take extra measures to prevent our activities from exacerbating tensions.

4.3. Health, Safety, and Well-being

- **Workplace Safety:** Maintaining a safe working environment for all employees, with regular safety training, hazard assessments, and provision of necessary safety equipment.
- **Local Health Initiatives:** Supporting community health programs, such as clean water access and sanitation initiatives, particularly in underserved regions.
- **Security Concerns in Somalia:** Implementing security measures, particularly in high-risk areas, to protect both employees and the communities around our projects.

5. Environmental Standards

5.1. Environmental Impact Assessments

Shabeel Group ensures that environmental impact assessments (EIA) are conducted before any major project is initiated. These assessments will:

- **Evaluate Ecological Risks:** Identify potential risks to ecosystems, including flora, fauna, and biodiversity in project areas.
- **Mitigation Plans:** Include robust environmental management and mitigation strategies that align with local laws and international standards.

5.2. Sustainable Resource Use

Our commitment to resource sustainability includes:

- **Water Conservation:** In Somalia, where water scarcity is a significant issue, we prioritize water conservation through efficient water use and wastewater recycling systems.
- **Energy Efficiency:** Minimizing energy consumption by adopting energy-efficient technologies, promoting the use of renewable energy sources like solar power, and conducting energy audits.
- **Sustainable Procurement:** Ensuring that all procured goods and services meet high environmental standards, including the use of environmentally friendly materials and suppliers with sustainability certifications.

5.3. Waste Management

Effective waste management systems are implemented across all operational sites. This includes:

- **Waste Reduction:** Prioritizing practices that reduce waste generation at source.
- **Recycling Programs:** Introducing recycling programs for paper, plastic, and metal, and promoting waste segregation.
- **Hazardous Waste Management:** Ensuring that hazardous waste, such as electronic waste or industrial chemicals, is disposed of according to best practices, including using certified disposal contractors.

5.4. Environmental Monitoring

Shabeel Group continuously monitors the environmental performance of its operations. Regular environmental audits are conducted to ensure that:

- **Compliance with Local Regulations:** Adherence to the Somali Environmental Act and other local environmental laws.
- **Ongoing Monitoring:** Implementing monitoring systems that measure air and water quality, soil health, and biodiversity in project areas.
- **Corrective Action Plans:** When environmental standards are not met, corrective actions are taken, and environmental remediation is applied where necessary.

6. Climate Action and Resilience

As climate change poses significant risks to communities and businesses, Shabeel Group is committed to mitigating its carbon footprint and building resilience to climate-related risks.

- **Greenhouse Gas (GHG) Emissions:** We will measure and reduce GHG emissions across our operations by adopting low-carbon technologies and operational efficiency.
- **Disaster Preparedness:** Ensuring that our facilities and operations are resilient to climate-related hazards such as flooding, drought, and storms, particularly in climate-vulnerable Somalia.
- **Climate-Smart Technologies:** Promoting the use of climate-smart agriculture and green technologies in partnership with local communities to enhance their adaptive capacities.

7. Risk Management and Due Diligence

Incorporating both social and environmental factors into our risk management framework ensures that:

- **Environmental Risks:** Projects with high environmental risks, such as those near protected areas or involving hazardous materials, are identified early and managed through comprehensive environmental mitigation strategies.
- **Social Risks:** Identifying social risks such as community displacement or disruption of livelihoods and mitigating these through compensation plans, alternative livelihood programs, and capacity-building initiatives.

8. Monitoring, Evaluation, and Reporting

8.1. Monitoring Compliance

Shabeel Group's compliance with this policy will be monitored regularly. Key performance indicators (KPIs) related to social and environmental impacts will be tracked, including:

- **Social KPIs:** Employment opportunities created, number of community engagements, grievances addressed.
- **Environmental KPIs:** Water and energy usage reductions, waste recycling rates, and carbon emissions.

8.2. Internal and External Reporting

- **Internal Reporting:** Monthly and quarterly reports on social and environmental performance will be submitted to senior management.
- **External Reporting:** Annual reports will be made available to stakeholders, including donors, investors, and community partners.

9. Training and Capacity Building

Shabeel Group is committed to ensuring that all employees, contractors, and partners are trained on the importance of social and environmental responsibility. Training programs will cover:

- **Environmental Awareness:** Focusing on the importance of environmental protection, sustainable resource use, and best practices for waste management.
- **Social Responsibility:** Raising awareness about community engagement, human rights, and health and safety.

10. Accountability and Governance

To ensure compliance with this policy, Shabeel Group has established clear governance structures:

- **Policy Oversight:** The Corporate Responsibility Department will oversee the implementation and enforcement of this policy.
- **Accountability:** Employees and contractors will be held accountable for any violations of this policy, and regular audits will be conducted to ensure compliance.
- **Continuous Improvement:** This policy will be reviewed annually and updated to reflect changes in the regulatory landscape and best practices in sustainability.

11. Conclusion

Shabeel Group is dedicated to promoting sustainable development and upholding the highest standards in social and environmental responsibility. Through continuous improvement and commitment, we aim to minimize our environmental impact and create positive social outcomes in Somalia and beyond.

Employee Acknowledgement:

I, _____, have read, understood, and agree to abide by the Shabeel Group's Social and Environmental Standards Policy.

Signature: _____

Date: _____