

Cowater International's Environment and Climate Change Policy

Last Reviewed: 1 May 2022

Cowater International ("Cowater") is conscious of its social responsibilities with regards to effective stewardship of the environment. Our commitment to adopt best practices throughout our operations and practices is outlined in this Environment and Climate Change Policy.

1 Definitions

Contractor:	Anyone who has a contractual relationship with Cowater, including project staff, consultants, associates, etc.
Employee:	Any individual employed by Cowater and who specifically works out of a Corporate/Hub location.

2 Policy Statement

Our vision is to become recognized as a leader in environmental stewardship and in our approach to climate change through both our corporate operations, and in the services offered to our clients.

Cowater recognizes the risks that climate change poses to our efforts to support a better tomorrow for people and economies. We acknowledge two related facts: firstly, that climate change is a present and ongoing challenge to sustainable development; and secondly, that the development sector both contributes to building environmental sustainability and climate resilience, but also includes a high carbon cost in its operations.

Our emphasis is to support the shift towards a low-carbon economy through environmentally-smart corporate operations and projects that help protect natural resources and deliver additional environmental benefits, while also supporting employment and responsible growth.

We are committed to fostering a culture of environmental responsibility within our company to reduce our greenhouse gas emissions (GHG) and environmental impact over time; to ensure 100% compliance with donor requirements and local environmental laws in the countries where we operate; and to encourage continuous improvement both within the company, throughout our supply chain, and with our clients.

3 Guiding Organizational Commitments

We will contribute to long-term sustainability and effective stewardship of the environment through the following commitments:

- Reduce our carbon emissions progressively and achieve Net Zero by 2050;
- Comply with international best practices, donor requirements, country laws and policies, as well as our own environmental principles;
- Educate and raise awareness around environmental stewardship of Cowater employees, contractors, suppliers, customers and in the communities where we operate;
- Identify and mitigate environmental risks, both corporately and on a project basis, and monitor impact of our environmental actions; and
- Disclose and communicate our environmental goals and progress to all relevant

stakeholders and throughout our supply chain.

4 Guiding Programme Commitments

We will ensure that all projects have integrated best environmental practices to the extent feasible and appropriate to the project scope. We will deliver on this commitment by applying the following:

1. Plan: Engage early with communities, governments, and local stakeholders to increase our understanding of the local context and potential ways to generate environmental benefits; and enable proper mainstreaming of important environmental considerations and principles into strategy design as well as programme and project implementation.
2. Deliver: Provide technical support and capacity building to the Cowater team, partners and relevant stakeholders in order to promote environmental stewardship, support environmental protection and improvement, and ultimately ensure environmentally smart delivery.
3. Monitor, learn and adapt: Routinely monitor progress against environmental indicators, improve where necessary, and share learnings and best practice widely.

5 Responsibility and Authority

This Policy is issued under the authority of the Company's Chief Executive Officer and Executive Team and has been signed off and committed to as a standard document forming part of the Company's policies. The Company's senior management team will ensure development and implementation of appropriate performance and monitoring measures to ensure this environmental policy is implemented as it is intended. Through this Policy, Cowater has made a commitment to environmental best practices and prevention of pollution, and through a process of continuous review and improvement, we aim to ensure implementation of efficient and effective environmental practices. This policy will be reviewed regularly to ensure it reflects the most up-to-date environmental management best practices and approaches.

5.1 Annual Environmental Performance Reports

The Annual Environmental Performance Report will flag any environmental issues faced and identify actions taken to address them. The Report will assess performance from the past year and specifically identify any environmental weaknesses that were flagged during project implementation, what actions were taken and how to avoid any repeat in the future. The Report will further measure progress against environmental sustainability Key Performance Indicators (KPIs) identified in this Policy.

The Environmental Sustainability Committee will:

- Categorize the project's mitigation strategy (risk register);
- Coordinate with our supplier for the carbon calculator and offset programme;
- Review environmental management risks and issues on an annual basis, and as required;
- Define data collection tools and methods to measure progress;
- Prepare Guidelines on assessment of environmental risks at Inception Phase for Cowater projects;
- Analyze and prepare an Annual Environmental Performance Report;
- Inform and communicate results to staff, including consultations and discussions;
- Coordinate with the executive team to review this Policy; and

- Support Cowater staff in the implementation of this Policy.