

# VITALITE ZAMBIA LTD

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ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM POLICY



## Process Management

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## **ABOUT VITALITE ZAMBIA**

VITALITE Zambia is a limited company, following social enterprise guidelines in selling the most appropriate, affordable and acceptable products to the market while giving the best possible service. VITALITE strives to provide a novel way of generating business by providing opportunities to and training sales agents so they can become their own entrepreneurs, lifting themselves further than the traditional work structure.

### **VITALITE VISION**

Our aim is to create a brand known for positive change, lifting households across Zambia and the region out of energy poverty.

### **VITALITE MISSION**

To provide low-income households with high-quality distributed energy services. VITALITE sells Solar Home Systems (SHSs) and appliances to consumers on consumer finance, uses PAYGO technology to link energy service delivery to time-based payments.

To improve Access to electricity which will improve access to information. This will enable children to study in the evening, allow for charging of phones for communication, reduces fire hazards and emissions risks associated with the use of candles and kerosene lamps and improves indoor air quality - for starters.

In addition to these lifestyle impacts, productive use appliances can increase revenues of the households so as to create a livelihood impact.

### **1. Introduction**

VITALITE recognizes that it is confronted with environmental and social challenges. None of the challenges is insurmountable, but if not effectively assessed and managed, these could negatively impact customers and their communities, as well as the company's profitability, reputation, and prospects for future business. All of these risks, requirements, and pressures on the business are driving forces that motivated VITALITE to implement an Environmental & Social Management System.

The policy is binding on VITALITE, its directors/officers/employees and any individual or business with whom VITALITE transacts with.

### **2. Objectives**

VITALITE recognizes that the cornerstone of an effective ESMS is the set of policies that guide it. These policies summarize the commitment that the company has made to managing environmental and social risks and impacts. They establish the expectations for conduct in all related aspects of the business. The key objectives of this policy are to:

- Comply with applicable relevant laws and regulation.
- Comply with contractual requirements.
- Comply with reporting requirements.
- Ensure best practices.
- Ensure efficiency and effectiveness of operations.
- Improve our competitiveness and profitability.

## **2.1 General Compliance**

- Vitalite Zambia shall comply with all applicable laws, legislation, regulations and established national and international standards in the countries in which it operates, including but not limited to those relating to payment of taxes and/or social security contributions as well as anti corruption and anti-money laundering in accordance with the laws of the country in which Vitalite Zambia is domiciled, operates or where the Services are performed.

## **2.2 Ethical Standards**

- Vitalite Zambia shall respect and support the protection of internationally recognized human rights and not remain complicit in case of human right violations in relation to the Project or its operations, including within its supply chains. Vitalite Zambia commits to observe the highest ethical standards and act in accordance with International Human Rights Standards, and the United Nations Guiding Principles.

## **3. Identification of Risks and Impacts**

The primary objective of a risk assessment is to identify the potential negative environmental and social risks so that appropriate strategies can be developed to address the risks and their potential impacts. VITALITE shall establish and implement the following to identify potential negative environmental and social risks:

- VITALITE has a dedicated department to manage risks and internal assurance (Risk & Internal Assurance). This department is already working proactively identifying and managing risks, in which E&S risks are included. This department is responsible for identifying E&S risks and coming up with mitigation plans.
- Procedures for identification of E&S risks and impacts across all key activities. External experts involved as required.
- Basic identification and assessment of E&S risks and impacts are in place focused on select key activities.

## **4. Management Programs**

Management Programs shall be centered on action plans and improved procedures to avoid, minimize or compensate for the risks and impacts that shall be identified. VITALITE shall put in place the following plans to minimize identified risks:

- Procedures and responsibilities to address and mitigate E&S risks and impacts across all key activities are assigned. Primarily reactive.
- Informal programs or activities to mitigate E&S impacts.

## **5. Organizational Capacity and Competency**

VITALITE recognizes that a well-implemented ESMS is ultimately about trained, committed people. As such, VITALITE shall put in place the following to manage organizational capacity and competency:

*Roles, responsibilities and authorities to implement the ESMS*

- Management shall commit resources devoted to E&S management and training.
- All levels of VITALITE shall be involved in awareness training. E&S roles and responsibilities shall be assigned.

- Awareness training shall be provided at orientation and additional training is provided for EHS staff.
- All human resource policies shall be aligned with Human Rights Principles.
- Shall commit to Consumer Protection Principles set out by GOGLA.

## **6. Emergency Preparedness and Response/Occupational Health & safety plan**

VITALITE recognizes that even when a company has considered all the risks and put the appropriate management programs in place, accidents and emergency situations can still happen. As such, VITALITE shall ensure the following:

- That senior management, contract and temporary workers, participate in emergency risk assessment, preparedness planning and mock drills.
- Implementation of all regulatory requirements and industry best practices.
- That training is provided to all workers.

The following shall be the key considerations for occupational Health & Safety measures:

- Install ventilation systems and maintain them regularly to ensure they are working properly.
- Regular housekeeping and proper cleaning techniques.
- Use of personal protective equipment (PPE);
- Good hygiene practices (e.g. regular hand-washing)
- Provide personnel with appropriate protective equipment free of charge.
- Place washing stations close to the work area to encourage good washing practices.

## **7. Stakeholder Engagement**

VITALITE mostly has a positive impact through the creation of jobs, and providing access and affordability to life enhancing and productivity inducing products and services to underserved communities.

Key stakeholders are community-based agents – who rely on income generated through commissions through sales, employees, and customers – who rely on the service level of VITALITE to improve everyday lives.

VITALITE has a close engagement with agents and is tracking agent job satisfaction and agent servicing rate (to what extent the agent is supported). There are multiple channels for an agent to get support through a dedicated agent support hotline (whatsapp and call) and through the National Sales & Service organization. Regular agent health checks are also carried out.

VITALITE has made a commitment to the GOGLA Consumer protection principles, and is currently undergoing a work to adopt the principles and developing a work plan to improve (based on GOGLA self-assessment tool) customer experience. This workstream is managed by the COO.

As VITALITE has an important role in the communities that are serviced, its important that VITALITE consults and keeps an open dialogue with community leadership, to ensure their support and to hear about needs for products and services that could be valuable to the community. Through this channel VITALITE is also able to communicate impactful news that reaches the community, e.g., if VITALITE needs to close shop in the community or other higher-level impacts.

## 8. E-waste management plan

### 8.1 E-waste sources

The following table identifies potential sources of e-waste resulting from normal VITALITE business operations, and mitigation strategies.

Type	Source	Mitigation
Faulty or malfunctioning SHS components, Smartphones (PAYGO), other electronic products	Inventory	Quality assurance testing and repair of faulty parts.

Faulty or malfunctioning SHS components, Smartphones (PAYGO), other electronic products	Consumer (post-sale)	<p>Service team ensures SHS is fully operable over the warranty period through component repair or replacement. Out-of-warranty repairs offered at a fee, ensuring maximum system lifetime. For example, the battery might be at the end of its life cycle, so we can offer a replacement battery on a PAYGO payment plan and the system will continue working as the other components are not affected. Systems that are reclaimed are</p> <p>Reconditioned, where possible, for future resale thus minimizing e-waste.</p> <p>Wherever possible, components that are faulty are retained by field staff and returned to the head office to ensure e waste is not introduced to the landscape.</p>
Office computers, phones and other devices	VITALITE offices and staff	Proper maintenance by IT department. Resale to staff members or resale to other organizations.

In the case that e-waste must be disposed of, it will be sorted, labeled and recorded in the recycle/disposal data base before being taken to the waste disposal facility.

## 8.2 Responsibilities

- Management must be confident that new products, from all manufacturers, meet the VITALITE standard of durability.
- Manufacturers must be compliant with an accepted waste management standard (for example, fosera is Waste from Electrical and Electronic Equipment [WEEE] compliant).
- Technical must repair and or reuse components whenever possible. A disposal/recycle data base must be maintained highlighting what is to be disposed or recycled and why it is being disposed of and the date of disposal and recycle.
- The Sales and Agent Support teams must ensure that they carry sufficient quantities of fault forms.

## 8.3 Selection of Products

Management through the assurance from assessments carried out by tech must ensure that all products procured meet VITALITE standards of durability.

## 8.4 Repairs & Maintenance

- Technical must ensure that all warranty claim forms are up to date and readily accessible.
- Technical must ensure that all systems brought back from a customer are accompanied by the appropriate claims form and that it is filled out completely and accurately.
- Technical must ensure that all components are tested rigorously, as outlined in the Technician Checklist. All components that can be repaired must be repaired and reused. Systems or components that cannot be put back on the market must be used in a demo system.
- If a system is unable to be repaired due to an unfamiliar issue, the technician must prepare a failure and submit it to the manufacturer prior to recording it as a faulty component to be reclaimed or recycled.
- Technical must ensure that all completed claim forms are filed, organized by date received, and that the electronic database of repaired and faulty components is maintained.
- Technical must regularly prepare a warranty report which must be shared with the manufacturer and in order for spares to be organized and sent in a timely manner.
- Sales and support team must ensure customers adhere to product usage and product care advice from technicians in order to reduce the number of systems malfunction due to error in care and usage.

## 8.5 Storage

- In the situation that a satisfactory recycling process is not accessible, Technical will store the components that can no longer be reused until such a process is available.
- Components such as PCBAs, housings and cables separated and stored in batteries.
- VITALITE SHS use Lithium batteries and they are stored using the following guidelines;
- Damaged and dismantled battery cells will separated from the rest.
- Poles of batteries will be covered with insulation tape.
- Storage container is sealed with no leakages and is located on a point that has less heat from the sun.
- Batteries are stored with in plastic containers covered in sand.



## 8.6 Recycling

E-waste is sorted by component and then handed over to the recycling facility. A report is prepared and submitted to the relevant stakeholders.

## 8.7 Disposal

In the case that e-waste must be disposed of, for example where storage is limited and no recycling options are available, e-waste will be sorted and labeled before being taken to the municipal waste facility. This waste will be disposed of as per guidance by Zambia Environmental Management Authority.

## 9. External Communications and Grievance Mechanisms

VITALITE recognizes that it has social and environmental impacts in the community and that inquiries, concerns and complaints are bound to arise at times. The company will put in place the following to manage and response to inquiries, concerns and complaints;

The grievance mechanism procedure applies to all external stakeholders of our operations. This procedure does not cover grievances raised by internal stakeholders, such as employees, who are to refer to company internal grievance standard.

### 9.1 Definitions

Term	Definition
Grievance	An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants addressed by the company in a formal manner.
Grievance Handling Mechanism	A way to accept assesses and resolve community complaints concerning the performance or behavior of the company, its contractors, or employees. This includes adverse economic, environmental and social impacts.
Internal Stakeholders	Groups or individuals within a business who work directly within the business, such as employees.
External Stakeholders	Groups or individuals outside a business who are not directly employed by the business but are affected in some way from the decisions of the business, such as customers, agents, suppliers, community, NGOs and the government.

### 9.2 Grievance Reporting Channels

VITALITE will communicate this procedure to its external stakeholders to raise awareness and offer transparency of how stakeholders can voice their grievances. Various channels for external stakeholders

to vocalize their grievances formally include: Stakeholders can connect with the Human Resources & Training Manager Email;

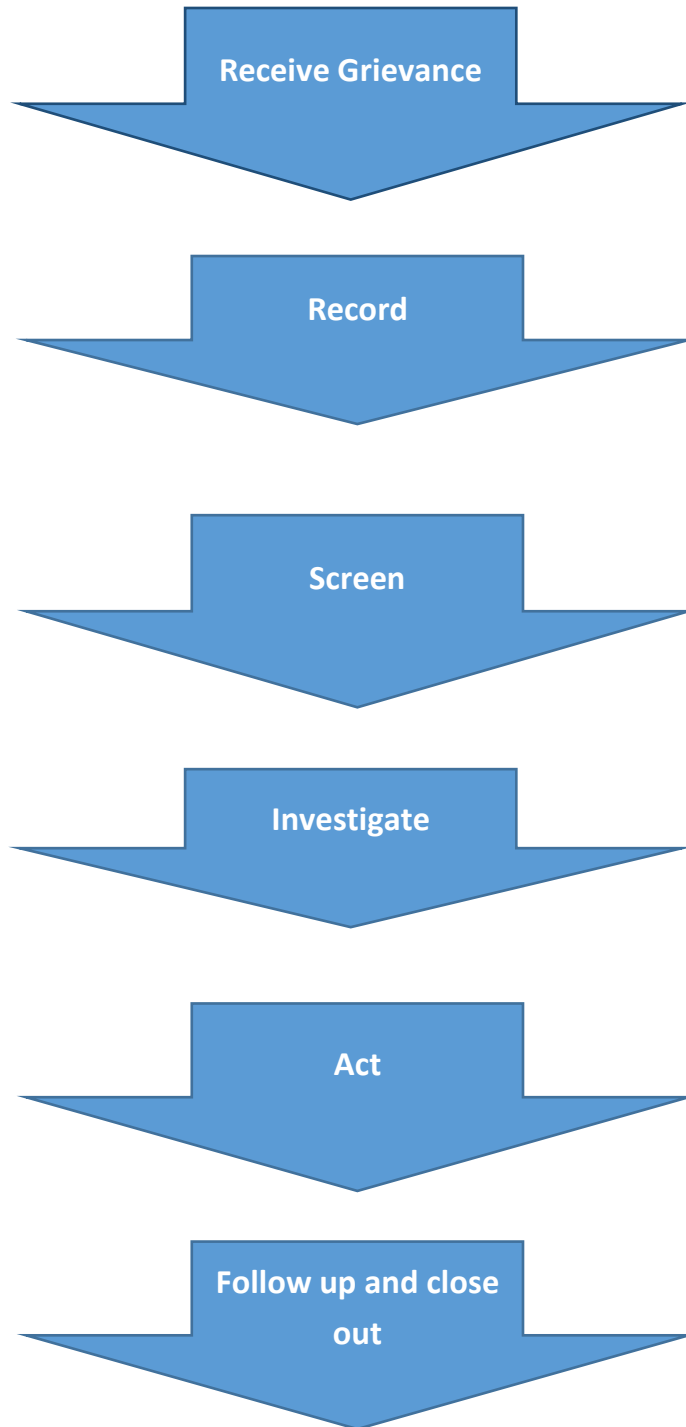
Mr. Akufuna Muyunda [grievance@vitalitegroup.com](mailto:grievance@vitalitegroup.com)

### 9.3 Roles and Responsibilities

Role / Position Title	Responsibility
<p>Grievance Committee</p> <p>(Team Comprises of Function heads of Human Resource, Business Analytics &amp; Risks, Management subject matter specialist)</p>	<ul style="list-style-type: none"> <li>• Employee investigating the grievance and liaising with the external stakeholder/s.</li> <li>• Developing resolutions and actions to rectify any issues.</li> <li>• Follow up and track progress of grievance.</li> </ul>
<p>Stakeholder Contact Officer (Human Resources &amp; Training Manager)</p>	<ul style="list-style-type: none"> <li>• Receive grievances and forward to Grievance Committee.</li> <li>• Makes sure the grievance mechanism procedure is being adhered to and followed correctly.</li> <li>• Maintains grievance register and monitor any correspondence.</li> <li>• Monitor grievances/trends over time and report findings to the Committee.</li> <li>• Document any interactions with external stakeholders.</li> </ul>
<p>Employees</p> <p>(Staff from Customer care, Business Analytics &amp; Risks, National Sales &amp; Service and any other staff)</p>	<ul style="list-style-type: none"> <li>• Receive grievances in person.</li> <li>• Report grievance to the Human Resources &amp; training Manager</li> <li>• May provide information and assistance in developing a response and close out of a grievance.</li> </ul>

#### 9.4 Grievance mechanism process

The figure below describes the process that will be used to resolve any grievances:



### **9.5 Electronic**

The stakeholder contact officer receives all grievances that come through via email. The stakeholder contact officer will review the grievance form and process the grievance in accordance to this procedure.

### **9.6 Record**

All formal grievances will be logged in the Grievance Register.

### **9.7 Acknowledge**

A grievance will be acknowledged, by the Human Resources & Training manager, within five working days of a grievance being submitted.

### **9.8 Investigate**

The Human Resources & Training Manager along with the employees is responsible for investigating the grievance. The investigation may require the team to make site visits, consult employees, contact external stakeholders and complete other activities. Records of meetings, discussions and activities all need to be recorded during the investigation. Information gathered during the investigation will be analyzed and will assist in determining how the grievance is handled and what steps need to be taken in order to resolve the grievance.

### **9.9 Act**

Following the investigation, the Human Resources & Training Manager will use the findings to create an action plan outlining steps to be taken in order to resolve the grievance. The Stakeholder officer is responsible for assigning actions, monitoring actions undertaken and making sure deadlines are adhered to. Once all actions have been completed and the team feels the grievance has been resolved, they will then formally advise the external stakeholder via their preferred method of contact.

### **9.10 Follow up and close out**

The Human Resources & Training Manager will make contact with the external stakeholder/s three weeks after the grievance is resolved. When contacting the external stakeholder, the stakeholder officer will verify that the outcome was satisfied and also gather any feedback on the grievance process.

**9.11 STORING OF GRIEVANCES**

All records, including grievance forms, investigation notes, interviews and minutes of meetings will be securely filed and confidentiality is maintained for all parties involved.

**Annexure – A - Grievance Register**

Stakeholder	Date received	Stakeholder Contact Officer	Grievance Description	Cause of the grievance	Outcome	If a resolution was offered, please indicate 'accepted' or 'not accepted'.	Remark

**10. Ongoing Reporting to affected Communities**

VITALITE recognizes communities will want to know what actions VITALITE has put in place to resolve the issues identified when engaging with them. As such, VITALITE shall establish the following to report to the affected communities

- Procedures for reporting, usually assigned to E&S staff. Reporting will be primarily reactive.
- Basic communications with affected communities, mostly limited to meetings.

**11. Monitoring and Review**

VITALITE recognizes that monitoring and review are critical, because this is how you check, adjust the system and improve. As such, VITALITE shall put in place the following to effectively monitors and review the system;

- Routine review of monitoring and supervision activities, including participation of workers. Corrective actions routinely implemented.
- Key E&S monitoring plans, with inspection and supervision activities. Primarily reactive and guided by external experts, customers and investors.