



## ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY

MAY 2024

DOC POLICY NO: DSL/ESMP/001

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DEVELOPED BY:  
RATIO LEGAL PRACTITIONERS

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### EXECUTIVE SUMMARY

The purpose of this policy is to guide Diamond Stripes Limited in identifying, managing, and mitigating environmental and social risks across all operations. It ensures compliance with national regulations and international standards while promoting sustainability, stakeholder inclusion, and accountability.

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## DOCUMENT HISTORY AND SIGN OFF

### DOCUMENT HISTORY

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S/N	AUTHORIZING OFFICERS ROLE	JOB TITLE	NAME	SIGNATURE	DATE
1	Created	Associate, Ratio Legal Practitioners	Miracle Oluwafemi		10/05/24
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3.	Reviewed and approved	Managing Director, Diamond Stripes Limited.	Dr. George Nwangwu.		28/05/24

This sign-off authorizes the immediate implementation of this document.

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## **Glossary of Terms:**

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GRM - Grievance Redress Mechanism

SEP- Stakeholder Engagement Plan

GBV- Gender Based Violence

FMEnv- Federal Ministry of Environment

REA- Rural Electrification Agency

DSL- Diamond Stripes Limited

EIA- Environmental Impact Assessment

ESIA - Environmental and Social Impact Assessment

E & S Unit- Environmental and Sustainability Unit.

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## 1. INTRODUCTION

**Diamond Stripes Limited** (DSL) is committed to integrating environmental and social (E&S) management into all aspects of its mini-grid development activities. This organization-wide Environmental and Social Management Policy (ESMP) outlines the principles, commitments, and procedures by which Diamond Stripes Ltd. will identify, avoid, minimize, and mitigate adverse environmental and social impacts, and enhance positive outcomes.

## 2. SCOPE

All operations, projects, and activities of Diamond Stripes Ltd. will be conducted in compliance with this Policy, including design, development, construction, and operation of mini-grids. This Policy applies to all employees, contractors, and third-party affiliates of DSL.

## 3. PURPOSE

The purpose of this Environmental and Social Management Policy (ESMP) is to provide a structured and organization-wide framework that guides Diamond Stripes Limited in integrating environmental and social sustainability into all aspects of its operations.

## 4. OBJECTIVES

The objectives of this policy are to:

- i. Ensure compliance with all applicable environmental and social regulations and standards.
- ii. Identify, assess, and manage E&S risks across all project phases.
- iii. Minimize environmental impacts and promote resource efficiency.
- iv. Safeguard community welfare, human rights, and labor conditions.
- v. Engage stakeholders transparently and inclusively.
- vi. Provide fair and accessible grievance redress.
- vii. Strengthen internal capacity for E&S management.

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- viii. Promote sustainable development and long-term clean energy access.
- ix. Continuously monitor and improve E&S performance.

## 5. GOVERNANCE AND INSTITUTIONAL FRAMEWORK FOR E&S MANAGEMENT

Diamond Stripes Ltd. has established a clear institutional framework to oversee environmental and social performance. Responsibilities are distributed as follows:

- i. **Board/Senior Management:** The Board of Directors and senior management demonstrate leadership and commitment to E&S issues. They approve this ESMP Policy, allocate resources, review performance, and ensure integration of E&S considerations in strategic planning.
- ii. **E&S Manager/Team:** The Company will designate an Environmental & Social (E&S) Manager or Coordinator responsible for implementing the ESMS.
- iii. **Project Teams:** Project managers and field engineers are responsible for carrying out E&S screening, implementing mitigation measures, and collecting monitoring data during design, construction, and operation phases.
- iv. **Health, Safety, and Environment (HSE) Committee:** Where applicable, an HSE or E&S committee including representatives from across the organization will review E&S reports, investigate issues, and ensure follow-up on audits and stakeholder feedback.

### In carrying out its mandate, the E&S unit will:

- i. Implement the initial screening and risk categorization process for all new mini-grid projects.
- ii. Ensure preparation and approval of required E&S studies for all projects.
- iii. Develop and update E&S procedures.
- iv. Provide or coordinate training for company staff and contractors on E&S safeguards, including GBV/SEA awareness and codes of conduct.

## 6. ENVIRONMENTAL AND SOCIAL RISK IDENTIFICATION AND CATEGORIZATION

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## 6.1 Initial E & S Screening

Diamond Stripes Ltd. will assess environmental and social risks for every mini-grid project from the earliest planning stages. An Initial E&S Screening will be conducted before any site preparation or construction commences. This screening serves to:

- i. Confirm that the project site is not on the Exclusion List (**Annex A**)
- ii. Identify any potential environmental or social issues (e.g., need for land acquisition, presence of sensitive habitats, nearby communities) and opportunities for impact mitigation.
- iii. Gather baseline data on key parameters (land use, community composition, ecology, cultural sites, etc.).
- iv. Determine which permits and approvals (e.g. EIA clearance) may be needed under Nigerian law. As part of the screening, the E&S team will use standardized checklists and site assessments (**see Annex B**)

## 6.2 Risk Categorization

Based on the screening results, each project is assigned an E&S **Risk Category**.

Diamond Stripes adopts the REA/NEP categorization:

- i. **Category I (High Risk):** Projects with potentially significant environmental or social impacts. Examples include sites in or near sensitive habitats, projects requiring land acquisition or involuntary resettlement, and projects with large numbers of migrant laborers.
- ii. **Category II (Moderate/Low Risk):** Projects with no expected high-risk impacts; impacts are generally minor and site-specific.

For Category I projects, Diamond Stripes will prepare detailed impact studies and implement robust mitigation.

Category II projects require a simplified approach focusing on a plan. The categorization will be documented and reviewed by the E&S Manager before proceeding.

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## 7. ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

Diamond Stripes Ltd. will conduct an Environmental and Social Impact Assessment (ESIA) in line with the EIA Ac) and REA/FMEnv guidelines. The ESIA will:

- i. Describe the project (scope, design, location, life cycle phases).
- ii. Identify and evaluate the potential impacts on the environment and society during construction and operation. This will include air emissions, water resources, noise, waste, ecology, land use, cultural heritage, and socio-economic effects.
- iii. Pay special attention to issues like worker health and safety, community health, labor influx, and local livelihoods.
- iv. Propose measures to avoid or minimize negative impacts and enhance benefits.

The ESIA should be prepared by qualified experts and reviewed internally before external submission.

## 8. STAKEHOLDER ENGAGEMENT

Diamond Stripes Ltd. recognizes the importance of proactive engagement with stakeholders. The Company will develop and implement a Stakeholder Engagement Plan (SEP) for all projects. Key elements include:

- i. **Identification:** List all stakeholders, including affected communities, local governments, NGOs, laborers, and vulnerable groups (e.g., women, youths, elderly, people with disabilities, indigenous peoples).
- ii. **Consultation:** Provide timely information about projects (purpose, schedule, impacts).
- iii. **Participation:** Encourage stakeholder input into project design and mitigation measures. Hold public meetings, focus groups, and site visits.

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- iv. **Documentation:** Record all meetings and feedback. The SEP will describe how concerns raised are addressed or integrated.
- v. **Grievances:** Explain the Grievance Redress Mechanism in outreach activities.

This engagement will be ongoing, from planning through operation. The goal is to build trust and maintain constructive relationships with communities throughout the project life. Diamond Stripes will ensure vulnerable stakeholders (including women, youth, displaced persons, and minorities) have opportunities to express views, possibly through targeted focus groups or community representatives.

## **9. GRIEVANCE REDRESS MECHANISM (GRM)**

Diamond Stripes Ltd. will maintain a Grievance Redress Mechanism to address complaints or concerns from affected people in a timely and fair manner.

The GRM will:

- i. Be widely publicized using notice boards, community meetings, hotlines, and through the stakeholder engagement process.
- ii. Offer multiple reporting channels (in-person, phone, SMS, website) to suit different community members.
- iii. Be safe and confidential, especially for sensitive issues like GBV/SEA, the GRM will allow anonymous submissions and ensure confidentiality. Specialized protocols will be in place to refer GBV cases to appropriate support services.

The HR Department will manage the GRM. Records of all grievances, investigations, and resolutions will be kept. This data will inform continual improvement of project design and operations.

## **10. MONITORING, REPORTING AND EVALUATION.**

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Diamond Stripes Ltd. will monitor E&S performance throughout project implementation and operation:

- i. **Self-Monitoring:** During construction and operation, the company will regularly monitor compliance with the ESMP and legal requirements. Field teams will use self-monitoring checklists and issue periodic compliance reports.
- ii. **Third-Party Monitoring:** DSL will engage accredited third-party consultants to conduct periodic E&S audits and impact monitoring exercises.
- iii. **Key Indicators:** Monitoring will cover relevant indicators such as air and water quality, noise levels, worker health and safety incidents, biodiversity, land rehabilitation, resettlement outcomes, and any SEA/GBV incidents.
- iv. **Documentation:** All monitoring data, inspection findings, and corrective action records will be compiled in regular E&S reports.

## **11. GENDER-BASED VIOLENCE (GBV) AND SEXUAL EXPLOITATION AND ABUSE (SEA) SAFEGUARDS**

Diamond Stripes Ltd. has zero tolerance for GBV and SEA. DSL will implement specific safeguards to prevent and respond to such risks:

- i. **Code of Conduct:** All staff, contractors, and security personnel will sign and abide by a code of conduct that prohibits GBV/SEA and sexual harassment. Breaches will result in disciplinary action or contract termination.
- ii. **Training:** DSL will train its employees and contractor personnel on GBV/SEA awareness, reporting procedures, and the importance of respectful behavior in host communities.
- iii. **Reporting Protocols:** Confidential reporting channels will be established for GBV/SEA incidents. Trained personnel will handle disclosures sensitively and refer survivors to appropriate support services.
- iv. **Monitoring and Support:** The company will monitor the workforce and community interactions for GBV/SEA indicators (e.g. complaints) and include GBV/SEA questions in the Grievance Log.

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- v. **Community Engagement:** Engagement activities will include sensitization on GBV/SEA risks (e.g. in labor influx scenarios). Diamond Stripes will coordinate with local NGOs or government agencies to support survivors.

## 12. CAPACITY BUILDING AND TRAINING

Ensuring that staff and contractors have the knowledge and skills to implement this policy is essential. DSL will:

- i. Provide induction training to all new employees and contractors on the ESMS, site-specific ESMP, and relevant E&S procedures.
- ii. Conduct regular refresher training (at least annually) on key topics such as E&S screening, impact mitigation, health & safety, and GBV/SEA safeguards.
- iii. Develop training materials (manuals, presentations, videos) in English and local languages as needed.
- iv. Include E&S performance in staff performance evaluations for relevant positions.
- v. Build capacity of local stakeholders, where appropriate, through community workshops on project impacts and participatory monitoring.

All training activities and materials will be documented and updated over time.

## 13. COMPLIANCE WITH NIGERIAN REGULATIONS AND INTERNATIONAL STANDARDS

Diamond Stripes Ltd. will comply with all relevant national laws and regulations, including but not limited to:

- i. Environmental Impact Assessment Act and EIA Procedural Guidelines.
- ii. NESREA Act and sectoral environmental regulations (e.g. mining, forestry, agriculture if relevant).
- iii. Rural Electrification Act.
- iv. Labor laws National Gender Policy, Child Rights Act, and National Policy on Internally Displaced Persons as applicable etc.

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DSL will stay informed of updates to environmental and social regulations and standards.

#### **14. SUSTAINABILITY, BIODIVERSITY CONSERVATION, AND CLIMATE RISK INTEGRATION**

Diamond Stripes Ltd. commits to long-term sustainability in all operations. Key elements include:

- i. **Biodiversity:** Avoid or minimize impacts on biodiversity. Sites will be chosen to avoid critical habitats and protected areas. Any unavoidable impacts will be mitigated.
- ii. **Climate Resilience:** Assess and incorporate climate risks into project design (e.g. resilience to flooding, storms, droughts). The Company promotes renewable energy mechanisms which inherently contribute to climate change mitigation.
- iii. **Resource Efficiency:** Design mini grids for efficient land use and energy production, minimizing waste. Use the best available technology and sustainable practices in construction camps.
- iv. **Quality of Life:** The Company will strive to ensure that mini-grid projects enhance local quality of life while safeguarding environmental quality for future generations.

This Policy supports the Sustainable Development Goals related to clean energy, climate action, and community well-being.

#### **15. REVIEW AND UPDATES**

DSL commits to periodically reviewing and updating this Policy (at least every two years or as regulations change) to reflect evolving best practices and lessons learned. The Management will ensure accountability for the effective implementation of this Policy.

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#### **ANNEX A: EXCLUSION LIST FOR MINI-GRID SITE SELECTION**

Diamond Stripes Ltd. shall not consider mini-grid development on sites that involve any of the following conditions:

1. Sites within legally protected areas (e.g., national parks, reserves).
2. Sites designated as internationally recognized conservation zones (e.g., Ramsar, UNESCO Heritage).
3. Sites located in critical natural habitats or ecologically sensitive areas.
4. Flood-prone zones or lands within 35 meters of hydrological bodies.
5. Areas with unresolved land disputes or recent involuntary resettlements.
6. Locations with significant cultural, archaeological, or religious heritage.
7. Sites that may require forced eviction or involve land obtained through coercion.
8. Areas that would cause irreversible environmental degradation (e.g., mangroves).

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## **ANNEX B: INITIAL ENVIRONMENTAL AND SOCIAL SCREENING CHECKLIST**

### **Project Information:**

Name of Project: \_\_\_\_\_

Location: \_\_\_\_\_

### **Screening Questions:**

1. Is the site on or near an excluded area (see Annex A)? [Yes/No]
2. Will the project cause any displacement (physical/economic)? [Yes/No]
3. Is the land legally acquired or donated? [Yes/No]
4. Are there cultural or heritage resources nearby? [Yes/No]
5. Are there ecologically sensitive zones within 1 km? [Yes/No]
6. Is land use change involved (e.g., farmland, forests)? [Yes/No]
7. Are vulnerable groups present in the area? [Yes/No]

Mitigation Required: \_\_\_\_\_