



## **SOURCE Global PBC – ESMS Disclosure**

This document describes the Environmental and Social Management System (“ESMS”) for SOURCE Global, PBC (“the Company” or “SOURCE Global”). It is the set of policies and procedures to identify, manage, and reduce environmental and social (E&S) risks and impacts associated with its activities funded with support from the Green Climate Fund. This document outlines an Environmental and Social Management System to ensure that its activities:

- Are environmentally and socially sustainable
- Are compatible with low carbon economic development
- Respect Human Rights in all forms, avoiding prejudice and discrimination
- Avoid adverse environmental and social impacts and, if such impacts are unavoidable, work to mitigate them

The ESMS adopts as a standard of for its environmental and social review process the IFC Performance Standards, EIB E&S Standards, the applicable World Bank Group Environmental, Health and Safety (EHS) Guidelines, and applicable Environmental and Social host country laws, regulations and permits in the countries in which it operates. Where host country environmental, health, safety and social standards differ from those of the IFC Performance Standards, Industry Sector Guidelines or international Labor Rights, SOURCE Global will apply the more stringent standard.

### ***Environment and Social Policy Statement***

Through its Vision & Mission Statement, *Perfecting Water for Every Person Every Place*, SOURCE Global makes a commitment to achieving sound environmental and social objectives and principles with its partners, customers and team. As we execute on this vision, our impact is felt in multiple environmental and social ways that have deep implications around the globe, and we take very seriously the way we run and govern our company to achieve our goals. We center our activities on the following core values to drive the strategic pillars that are the focus of our company.

Through its core product, SOURCE Global delivers measurable impacts on climate adaptation and improved resilience, contributes to several SDGs, with differentiated impacts on gender and reductions in GHG emissions. Hydropanels will have a direct, calculable reduction in GHG emissions through reductions in plastic water bottles, transportation-related emissions, and fossil fuel-powered purification processes used by large treatment plants.

SOURCE Global commits to identifying and assessing environmental and social risks related to human resource management, environmental management, occupational health and safety management, and community impacts and relations and ensures ongoing dialogue with internal and external stakeholders.

### ***Scope of ESMS***

To implement the Environment and Social Policy Statement above, SOURCE Global has developed a series of internal policies and procedures to address key areas such as:

- (i) Human resource management issues, including contractor management, worker discrimination, workplace Gender-Based Violence, including Sexual Exploitation, Abuse and Sexual Harassment and child labor issues, worker protection and occupational health and safety standards;
- (ii) Environmental management issues, including where applicable and relevant, resource efficiency, pollution control and prevention, biodiversity conservation and sustainable management of living natural resources; and



- (iii) Community impacts and relations issues, including, where applicable and relevant: site selection, impacts on, and respect of the rights of, indigenous peoples; impacts to community health and safety; resettlement; and impacts on cultural heritage sites and resources.

### ***Implementation***

While ultimate responsibility for the ESMS rests with the General Counsel and EVP, a team of key senior managers at SOURCE Global are play a role in implementing the ESMS including personnel in Manufacturing, Engineering, Legal, Supply Chain, Global Field and Service, the Chief Revenue Officer, and the Brand President. SOURCE Global acknowledges that its ESMS policies and processes are ongoing and dynamic in nature and will seek continual improvement of its ESG performance.

### ***Stakeholder Engagement***

SOURCE Global has created a process that applies at each installation site with mechanisms to identify and engage key stakeholders which can include customers, local tribes, councils, municipalities, business owners, through a formal process. Each project includes collaboration with local partners such as local government permitting offices, regional/national regulatory agencies, local government officials, community organizing groups, and local community members and customers to understand localized elements and SOURCE Global then builds projects to reflect that. SOURCE Global projects plans include consultation with all identified stakeholders, enumeration of all required regulatory compliance activities, and holding forums for information sharing/question answering with local stakeholders. This process prompts discussion around land use, community engagement and the water resource.

SOURCE Global documents its community consultation at each stage of the review which is also a critical aspect of the business process. Prior to any installation, community members receive individual hand-outs describing how the hydropanel system works and how to reach SOURCE Global with questions, comments or concerns and signs are also posted in public spaces. Additionally, SOURCE Global has several grievance channels for both employees and community stakeholders such as customers, users of water and people living in and around the water system, with formal procedures in place for follow-up and record keeping.

### ***Confidentiality***

The internal policies and procedures related to SOURCE Global's ESMS are considered business confidential given the financial and proprietary nature of the information. Disclosure of this information could cause harm to the Company's commercial and competitive positioning. Additional information is available upon request at <https://www.source.co/contact-us/>.