1. Introduction to Wind Garden Energy Project

The Wind Garden Energy Project (the Project) is an 86MW wind energy facility that, following construction, will consist of 21 wind turbines. Each wind turbine has a rated capacity of up to 6MW, with an overall nameplate capacity of 95MW. The Project is located approximately 15 km south-west of Makhanda, in the Eastern Cape Province of South Africa, on four farms totalling approximately 2,126 ha within the Cookhouse Renewable Energy Development Zone (REDZ).

Key project infrastructure includes the wind turbines and hardstands, internal access roads, underground cabling, switching stations and a substation, an overhead powerline to connect to the grid, and associated temporary construction infrastructure.

As part of an extensive Financial close process, the project has undergone a comprehensive Environmental and Social Due Diligence (ESDD), Climate Change Risk Assessment (CCRA), and Human Rights Screening (HuRA) process in line with Equator Principles requirements. As an outcome to this process NOA has undertaken to publicly disclose summaries of the findings of these processes.

2. Environmental & Social Due Diligence (ESDD)

Environmental and Social Due Diligence (ESDD) was undertaken for the Project, which has been classified as Category B under the Equator Principles framework. The ESDD reviewed the Project against the Equator Principles, the IFC Performance Standards and applicable South African requirements, and identified key actions to be managed through an Environmental and Social Action Plan (ESAP).

The ESDD identified that the Project ESMS framework and associated Project-specific documentation had not been availed for review at the time of the assessment, and a suite of management plans and procedures are therefore required to be developed and implemented prior to construction and/or operations.

Key ESDD findings and priority ESAP themes include:

- Management systems (PS1): Development of a corporate ESMS framework and a Project ESMS framework, including an E&S risk register, monitoring and reporting systems, and associated Project procedures/plans (e.g., Construction Environmental Management Plan (CEMP), Emergency Preparedness and Response, incident management and contractor management).

- Stakeholder engagement and grievance mechanism (PS1): A Stakeholder Engagement Plan (SEP) and a Non-Technical Summary (NTS) are to be prepared and disclosed, and a grievance mechanism that is accessible to stakeholders is to be established and implemented.
- Labour and working conditions (PS2): Labour management procedures and internal controls are required to support fair labour practices, worker welfare and accommodation (where applicable), and worker grievance management; contractor requirements should be aligned to Project standards and applicable law.
- Biodiversity (PS6): Ongoing refinement of biodiversity mitigation is required through the construction phase (including constraints mapping and no micro-siting in natural habitat), and the critical habitat assessment is to be updated to reflect the optimised layout and net gain requirements for relevant vegetation communities; specialist management plans (e.g., Ornithological Management Plan) are required.
- Community health, safety and security (PS4): A security risk assessment and associated Security Management Plan are required prior to the engagement of security personnel; traffic, access, and emergency response arrangements must be managed to minimise risks to local communities.
- Permitting and technical confirmations: The ESAP includes actions to confirm the status of appeals for the Environmental Authorisation (EA) amendments, and to obtain confirmations from the Civil Aviation Authority (including in relation to obstacle lighting), as well as updated specialist statements (e.g., shadow flicker and noise) reflecting the optimised layout and turbine specifications.

The Project has a settlement agreement which includes a reduction in turbine numbers to 21 turbines and pilot-activated radar system lights, as well as ongoing consultation; these commitments should be tracked through Project implementation.

3. Climate Change Risk Assessment (CCRA)

A Climate Change Risk Assessment (CCRA) was undertaken for the Project. Overall, the assessment concluded that planned controls are adequate to mitigate identified physical climate risks to tolerable levels, while additional recommendations have been provided to build climate resilience.

Key climate change considerations for the Project include:

- Extreme winds and changes in climate wind speeds: Climate projections at micro-scale are uncertain and wind conditions may vary with climate change.
    - Recommendation: re-evaluate wind speed projections every three to five years and integrate these into energy yield forecasting over the Project lifespan.
- Wildfire: Higher temperatures and drier conditions are likely to become more common, increasing wildfire risk.
    - Recommendation: ensure consistent maintenance of firefighting systems and equipment; current proposed control measures are deemed sufficient.
- Extreme heat: Average, maximum and minimum temperatures are projected to increase and heatwaves may become longer.
    - Recommendation: continuously monitor temperatures on site and re-evaluate projections every three to five years, factoring insights into budgeting, planning and strategy.

4. Human Rights Screening

A Human Rights (HuRi) Screening was undertaken for the Project to align development and operations with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and other applicable international standards. The screening was a high-level desktop assessment and included virtual interviews with NOA management personnel.

The HuRi Screening identified key human rights risk areas and provided recommendations to mitigate these, including:

- Community health risks – waste management (high salience): uncertainty regarding a waste disposal site can pose risks to local communities, farm workers/landowners, and Project employees.
    - Recommendations: identify and secure a suitable waste disposal site; provide oversight to ensure the selected waste management service provider adheres to the Project Waste Management Plan.
- Labour and working conditions risks (medium salience): risks to contractor employees where internal control systems and regulatory requirements for fair labour practices and good working conditions are not consistently implemented.
    - Recommendations: ensure Project Labour Agreement implementation and procedures covering tracking work hours/overtime, decent wages,

benefits, accommodation (where applicable), and fair termination practices.

- Supply chain risks: risks arising from contractor/supplier non-compliance with internal controls and national laws/regulations.
    - Recommendations: update Procurement Policy to integrate human rights considerations (including non-discrimination and prevention of child/forced labour); finalise and implement Contractor/Supplier Monitoring Procedure and regularly monitor supplier compliance.
- Security risks (medium salience): potential security risks affecting local farm residents/landowners, Project employees and security personnel.
    - Recommendations: update Site Security and Access Control procedures to include incident reporting and incorporate a security risk assessment; develop and implement appropriate mitigation measures based on assessment results.

For further information please contact us via email on info@windgarden.africa