



Environmental and Social Management System

EuroMena III LP

As Amended in March 2023

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1. Background

This Environmental & Social Management System (“ESMS”) details the policy, procedures and workflow that will be followed in investments made by EuroMena III LP (the “Fund”) further to the Effective Date under the management and administration of Gilles de Clerck (the “ESMS Manager”) and assisted by any qualified designed officer.

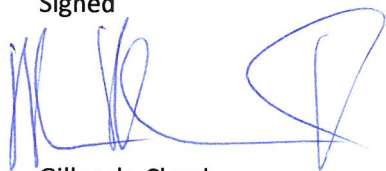
2. Policy

The Fund continuously endeavors to ensure effective Environmental & Social management practices in all its activities with a special focus on the following:

- Ensuring that all activities undertaken by the Fund are consistent with the Applicable Requirements outlined later in this document
- Ensuring that all investments are reviewed against the Applicable Requirements
- Financing investments only when they are expected to be designed, built, operated and maintained in a manner consistent with the Applicable Requirements
- Making best efforts to ensure that all investments are operated in compliance with the Applicable Requirements on an ongoing basis, during the life of the Fund’s investment
- Ensuring transparency in its activities
- Ensuring that the management and the shareholders of the portfolio companies understand the policy commitments made by the Fund in this area

This policy will be implemented and communicated to all employees of the Fund at the Effective Date.

Signed



Gilles de Clerck

Effective Date

31 March 2023

3. Applicable Requirements

The Fund will ensure that all investments are reviewed and evaluated against the following Environmental & Social requirements:

- The E&S provisions of the LPA of EuroMena III LP and the related provisions of the side letters
- The applicable national laws on environment, health, safety and social issues and any standards established therein
- The World Bank EHS Standards
- The IFC Environmental and Social Performance Standards
- The CDC Code of Responsible Investment
- The IFC, EIB, DEG, Proparco, and CDC Exclusion Lists

4. Procedures

4.1. Pre-Investment

a) Step 1: Check that the target portfolio company's operations are not included in the Exclusion Lists

Documents Required:

Preliminary info on the company and screening checklist as per EuroMena III investment process

Tool:

Exclusion lists in Appendix A1, A2, A3, A4, and A5

Outcome:

If the target portfolio company activities are on any of the exclusion lists: the prospective target portfolio company will be informed of the matter, and further consideration of investment will be terminated.

If the company's activities are not on the exclusion lists: Proceed to Step 2

b) Step 2: assign an Environmental & Social Category

i. Real Sector:

Category A (High Risk) :

Projects with potential significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented.

Category B (Medium Risk):

Projects with potential limited adverse social and/or environmental impacts that are few in number, site-specific, largely reversible, and readily addressed through mitigation measures.

Category C (Low Risk):

Projects with minimal or no adverse social and/or environmental impacts

ii. Financial Institutions Sector (“FI”):

Category FI-1 (High Risk):

FI’s existing or proposed portfolio includes, or is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented

Category FI-2 (Medium Risk):

FI’s existing or proposed portfolio comprises, or is expected to comprise, business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.

Category FI-3 (Low Risk):

FI’s existing or proposed portfolio includes financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.

Tool:

Categorization List as per Appendix B

Outcome:

- If the target company is assigned the high and medium risk categories, a qualified consultant with an experience in IFC Performance Standards’ will be appointed to conduct the Environmental & Social Due Diligence (“ESDD”). When applicable, the ESMS Manager will make sure to embed in the scope of the terms of reference (“ToR”) with the consultant (See Appendix G) the key considerations as stated by the CDC Group toolkit (Investee company/group structure, the physical assets, labor, supply chain, and time). The ESMS Manager and/or ESMS Officer will make sure to work closely with the consultant and accompany him/her on some site visits to ensure the ESDD is conducted in accordance with Applicable Requirements.

The close monitoring of the due diligence will provide the ESMS Manager and/or the ESMS Officer with the appropriate skills to conduct due diligence processes on low-risk target companies and to undertake rigorous routine monitoring of the E&S action plan implementation at companies post investment.

The target portfolio company must be able to demonstrate compliance with the Applicable Requirements. Demonstration of compliance must be to the ESMS Manager satisfaction, although the opinion of third parties such as regulatory agencies or the IFC might be considered from time to time. Where compliance

cannot be demonstrated, a corrective action plan based on the outcome of the questionnaire and the ESDD must be agreed by the target portfolio company in order for the investment to proceed. The plan must specify all of the necessary actions to bring a project into compliance. A target completion date for each specified action must also be agreed in agreements signed with the investee. The ESMS Manager and/or ESMS Officer will also facilitate the follow-up on the action plan with the target companies' management pre and post investment.

- If the target company is assigned the Category C or FI-3: Proceed with regular investment process after completion of the E&S questionnaire in Appendix D2.

c) Step 3: Ensure that legal agreements refer to the Applicable Requirements

All investment agreements will contain appropriate environmental representations, warranties, and covenants requiring that investments be in compliance with all material respects with host country environmental, health, safety and social requirements embodied by state general laws and implementing agencies, and conducted in accordance with Applicable Requirements taking into consideration the E&S Guiding Template for Legal Drafting stated in Appendix E.

4.2. Post-Investment:

Annual E&S report will be performed on all portfolio companies as per the provisions of the LPA, based on the annual E&S questionnaire and on the outcome of the follow-up carried out by the ESMS Manager and/or ESMS Officer and assisted by the Fund's team. Moreover, E&S matters will be discussed closely during board meetings of target portfolio companies on a quarterly basis or as necessary.

In addition to the annual E&S report, the following will be provided by each portfolio company depending on its categorization:

Real Sector:

- Category A:** E&S questionnaire (As per Appendix D.1), frequency: Annually
Corrective action plan follow up and update, frequency: Bi-Annually
- Category B:** E&S questionnaire (As per Appendix D.1), frequency: Annually
Corrective action plan follow up and update, frequency: Bi-Annually
- Category C:** E&S questionnaire (As per Appendix D.2), frequency: Annually

Financial Institutions:

- Category FI-1:** E&S questionnaire (As per Appendix D.1), frequency: Annually
Corrective action plan follow up and update, frequency: Bi-Annually
- Category FI-2:** E&S questionnaire (As per Appendix D.1), frequency: Annually
Corrective action plan follow up and update, frequency: Bi-Annually
- Category FI-3:** E&S questionnaire (As per Appendix D.2), frequency: Annually

The table below summarizes the different management guidelines (pre and post investments) of portfolio companies depending on the risk category of the company:

CategoryRisk	Comments
<ul style="list-style-type: none"> ■ Category A/ High risk Deals 	<ul style="list-style-type: none"> ■ Due Diligence Conducted by consultant ■ Quarterly informal follow up (calls, visits, meetings) conducted by ESMS Manager and/or ESMS Officer ■ Annual reporting (template in Appendix D1) ■ Annual site visit by ESMS Manager and/or ESMS Officer
<ul style="list-style-type: none"> ■ Category B/ Medium risk deals 	<ul style="list-style-type: none"> ■ Due Diligence Conducted by consultant ■ Quarterly informal follow up (calls, visits, meetings) conducted by ESMS Manager and/or ESMS Officer ■ Annual reporting (template in Appendix D1) ■ Annual site visit by ESMS Manager and/or ESMS Officer
<ul style="list-style-type: none"> ■ Category C/ Low risk deals 	<ul style="list-style-type: none"> ■ Due Diligence Conducted by consultant. It is intended that such due diligence will be conducted by the ESMS Manager and the ESMS Officer when appropriate ■ Quarterly informal follow-up call with companies conducted by ESMS Manager and/or ESMS Officer ■ Annual reporting (template in Appendix D2) ■ Annual site visit by ESMS Manager and/or Officer if judged necessary

Note: The ESMS Manager and/or ESMS Officer will be assisted by the Fund's investment team member responsible of the target company

5. Organization and Responsibilities

Gilles de Clerck is the ESMS Manager. The ESMS Manager will have oversight on social and environmental issues, will ensure resources are made available for environmental and social management, and will sign the company's annual environmental performance report. The responsibilities of the ESMS Manager also include:

- During due diligence, the evaluation of environmental compliance of a target portfolio company with Applicable Requirements through a prepared questionnaire. The Fund will make sure that the selected consultants conducting the due diligence process will be qualified with an experience in IFC Performance Standards and have the adequate skills to run the ESDD. In that regard, the Fund will request and assess the CVs of the consultants to be assigned on the due diligence. The ESMS Manager and/or ESMS officer will do their best effort to accompany the consultant during the site visits.
- Supervising and monitoring investments in the portfolio against on-going compliance with the Applicable Requirements. The ESMS Manager will be assisted by the ESMS Officer who will assess the compliance of the portfolio companies to Applicable Requirements through a regular reporting process, informal quarterly follow-up calls and visits to the premises of the companies when judged necessary. The Fund will do its best effort so that the target companies proactively report any serious incidents that result in loss of life, severe permanent injury or severe permanent damage to health, a material adverse environmental or social impact, or material breach of law relating to environmental or social matters including financial irregularities and promote corrective actions.
- Reviewing and preparing an annual environmental and social performance report, based on the annual performance reported by the portfolio companies.

- Reviewing the ESMS as appropriate and at least once every 18 months. The updated version of the ESMS, if any, will be reported to the supervisory committee of the Fund.
- Ensuring that all investment decisions are supported by appropriate due diligence documentation.
- Ensuring that appropriate environmental representations, warranties, and covenants are incorporated in the legal documentation of the transaction that also includes the action plan. The template in Appendix F gives guidance on the expected content of the action plan.
 Note that the template will be adapted to each target company's profile and according to the judgment of the consultant.
 Moreover, an E&S section will be included in the legal documentation signed with the target company to make sure the partners abide by the Fund's E&S requirements. For this matter, an E&S Guiding Template for Legal Drafting is attached in Appendix E as a guidance on the expected provisions in the legal documentation.
- Ensuring that the above procedures are implemented for each investment, and that records of environmental reviews are maintained.

Hend Zayed, the ("ESMS Officer") will assist the ESMS Manager with all the above responsibilities. The ESMS Officer will be provided with proper training to ensure all above skills are properly acquired.

The Investment Committee of the Fund constitutes a committee which considers and determines proposals formulated by the investment managers. The ESMS Manager is a member of the investment committee and will make sure to present the outcome of the ESDD to other investment committee members and to highlight any perceived red flags. The investment committee will make sure to found its investment decision based on a satisfactory ESDD.

6. Resources and Capabilities

The ESMS Manager and/or ESMS Officer will work with management to ensure that adequate resources have been committed to allow for the effective implementation of the environmental policy and procedures of the Fund.

The ESMS Manager will ensure that adequate ongoing training is provided to the ESMS Officer as well as all the investment team members to make sure investment practices are conducted in a manner compliant with the Applicable Requirements in the best way possible. Such ongoing training will be undertaken on a yearly basis and sourced from E&S experts.

The below table summarizes the key roles and responsibilities of the Fund team:

Responsibility	Added Value	Key Outputs*
<ul style="list-style-type: none"> ESMS Manager 	<ul style="list-style-type: none"> E&S Responsibility Oversight of E&S on deal Management of E&S Department 	<ul style="list-style-type: none"> Approval of risk/ priority rating (pre-investment) Management of ToR/ contract/ consultants (pre-investment) Supervision of the ESDD (pre-investment) Approving E&S action plan (pre-investment) Approval of comments to be included in Investment Committee paper (pre-investment) Negotiation of key points (pre-investment, any matter that might occur post-investment) Drafting of E&S Legal Clause (pre-investment) Oversight of monitoring (post-investment: follow-up calls on a quarterly basis, quarterly monitoring of action plan, monitoring of reporting dues)
<ul style="list-style-type: none"> ESMS Officer 	<ul style="list-style-type: none"> E&S Responsibility Oversight of E&S on deal 	<ul style="list-style-type: none"> Assisting in screening: identifying high-level "deal killers" (pre-investment) Providing input on risk/ priority rating (pre-investment) Assist in ToR/ contract/ manage consultants (pre-investment) Supervision of ESDD including site visit (pre-investment) Guidance in drafting E&S Action Plan (pre-investment) Provide input on comments to be included in Investment Committee paper (pre-investment) Guidance on E&S legal clause drafting (pre-investment) Negotiation of key points (pre-investment, any matter that might occur post-investment) Monitoring (post-investment: follow-up calls on a monthly basis, quarterly monitoring of action plan, monitoring of reporting dues)
<ul style="list-style-type: none"> Investment Team 	<ul style="list-style-type: none"> Overall Deal Responsibility 	<ul style="list-style-type: none"> Screening: identifying high-level "deal killers" (pre-investment) Providing input on risk/ priority rating (pre-investment) Assist in ToR/ contract/ manage consultants (pre-investment) Assist in the ESDD (pre-investment) Assistance in drafting of E&S Action Plan (pre-investment) Drafting of comments to be included in Investment committee paper (pre-investment) Negotiation of key points (pre-investment, any matter that might occur post-investment) Monitoring (post-investment: follow-up calls on a monthly basis, quarterly monitoring of action plan, monitoring of reporting dues)
<ul style="list-style-type: none"> Investment Committee 	<ul style="list-style-type: none"> Check and Balance 	<ul style="list-style-type: none"> Sign off (pre-investment) Review of ESDD main results (pre-investment)
<ul style="list-style-type: none"> Consultants and E&S Experts 	<ul style="list-style-type: none"> Technical Input Training 	<ul style="list-style-type: none"> ESDD execution (pre-investment) Other E&S support, if applicable (pre-investment, post-investment) Training to E&S manager, E&S Officer, and Investment team (ongoing)

*The Investment Team and/or ESMS Officer Key Outputs will be reviewed and approved by the ESMS Manager

7. Records to be Maintained

Records of both E&S due diligence of target companies and monitoring of portfolio companies will be maintained. In addition, a register of the E&S training will be recorded by the ESMS Manager.

8. Appendices

8.1. Appendix A1: IFC Exclusion List

The Fund does not finance the following projects:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB, wildlife or products regulated under CITES
- Production or trade in weapons and munitions
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests

8.2. Appendix A2: EIB Exclusion List

Type of activities	Type examples	Comments/clarifications
Ammunition and weapons, military/police equipment or infrastructure		Includes explosives and sporting weapons
Projects which result in limiting people's individual rights and freedom, or violation of human rights		The EIB Statement of Environmental and Social Principles and Standards, in particular: 6; 46; and 47
Projects unacceptable in environmental and social terms	Projects in protected areas, Critical Habitats and Heritage Sites, without adequate compensation/mitigation	The EIB Statement of Environmental and Social Principles and Standards, in particular: 58; 71; and 72
Ethically or morally controversial projects	Sex trade and related infrastructure, services and media; Animal testing*); Gambling and related equipment, hotels with in-house casinos; Tobacco (production, manufacturing, processing, and distribution)	* Existing EIB practice; Activities involving live animals for experimental and scientific purposes are eligible insofar as in compliance with the "Council of Europe's Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes" (Strasbourg, 18.3.86), EU directives (i.a. Council directive 86/609/EEC)
Activities prohibited by <u>national</u> legislation (<u>only</u> where such legislation exists)	Genetically Modified Organisms (GMO); abortion clinics; nuclear energy; etc.	Applicable national law

EIB Loans under Specific Mandates Outside the EU	
All the above types of investments are excluded. Moreover, loans under the mandates may be further restricted to specific sectors and activities to comply with the Bank's lending policies, as agreed by the Board of Directors, as well as priorities attached by the respective EU Co-operation objectives or the Lending Mandate	<ul style="list-style-type: none"> - European Parliament and Council Decision of 13/07/2009 (633/2009/EC) - ACP-EU Partnership Agreement (Cotonou, 23.06.2000, revised 25.06.2005 & 22.06.2010) - EIB Board decisions

Other Exclusions
<p>Certain costs, such as recoverable VAT, are excluded.</p> <p>The Bank does not finance projects with a political or religious content.</p>

Intermediated Operations (incl. through Funds)

All the above exclusions apply. Additional activities may be excluded (on the basis of side-letters agreed).

8.3. Appendix A3: DEG Exclusion List

The fund (partnership) and any parallel partnership will not finance any activity, production, use of, trade in, distribution of or involving:

- Forced labor or child labor
- Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
 - Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
 - Destruction of High Conservation Value areas
 - Radioactive materials and unbounded asbestos fibres
 - Pornography and/or prostitution
 - Racist and/or anti-democratic media
- In the event that any of these following products form a substantial part of a project's primary financed business activities:
 - a. Alcohol beverages (except beer and wine)
 - b. Tobacco
 - c. Weapons and munitions; or
 - d. Gambling, casinos and equivalent enterprises

8.4. Appendix A4: Proparco Exclusion List

- Forced labour¹ or child labour²
- Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a. Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - b. Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - c. Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
- Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
- Destruction³ of High Conservation Value areas⁴
- Radioactive materials⁵ and unbounded asbestos fibres
- Pornography and/or prostitution
- Racist and/or anti-democratic media
- In the event that any of these following products form a substantial part of a project's primary financed business activities⁶:
 - a. Alcohol beverages (except beer and wine)
 - b. Tobacco
 - c. Weapons and munitions; or
 - d. Gambling, casinos and equivalent enterprises

¹ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions

² Persons may only be employed if they are at least 15 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply

³ Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the areas's ability to maintain its role is lost

⁴ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see <https://www.hcvnetwork.org>)

⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other

⁶ For companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio

8.5. Appendix A5: CDC Exclusion List

Any of the following activities¹:

- Production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements such as certain:
 - a. hazardous chemicals, pharmaceuticals, pesticides and wastes²
 - b. ozone depleting substances³
 - c. endangered or protected wildlife or wildlife products⁴; and
 - d. unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometers in length
- Production of, or trade in, arms (i.e. weapons, munitions or nuclear products, primarily designated for military purposes)
- Production of, use of, or trade in, unbonded asbestos fibres
- Production of, or trade in, radioactive materials⁵; or
- Prostitution
- Any businesses, if any of the following activities represents a substantial portion of such business⁶:
 - a. gambling, gaming casinos and equivalent enterprises;
 - b. tobacco or tobacco related products⁷; or
 - c. pornography

¹ Report on Governance for South Africa (<http://african.ipapercms.dk/IOD/KINGIII/kingiiiireport/>).

Guidance is also provided in the DFI Toolkit on Corporate Governance: http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/corporate+governance/cg+development+framework/cg+dfi+documents.

² As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants (“POPs”), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, see www.pic.int; the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int and WHO Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous); or Ib (highly hazardous) http://www.who.int/ipcs/publications/pesticides_hazard/en/; as may be amended from time to time.

³ As specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, see www.ozone.unep.org, as may be amended from time to time.

⁴ As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna (“CITES”), see www.cites.org, as may be amended from time to time.

⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment in which the radioactive source could reasonably be considered to be trivial or adequately shielded.

⁶ For companies, “substantial” means more than 10 % of their consolidated balance sheets or earnings. For financial institutions, “substantial” means more than 10% of their underlying portfolio volumes.

⁷ Except, in the case of tobacco production only, with an appropriate timeframe for phase out.

8.6. Appendix B: Categorization Table

Rating of Environmental and Social Matters

Rating risks: the Environment		
Risk category	Description of category	Examples
Category A High risk	A proposed investment is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented.	<ul style="list-style-type: none"> • Large dams and reservoirs • Forestry (large scale) • Agro-industries (large scale) • Industrial plants (large-scale) • Major new industrial estates • Extractive industries, including mining, major oil and gas developments and major pipelines • Large ferrous and non-ferrous metal operations; • Large port and harbour developments • Developments with large resettlement components • Large thermal and hydropower development • Projects that include the manufacture, use or disposal of environmentally significant quantities of pesticides or herbicides • Manufacture, transportation and use of hazardous and/or toxic materials • Domestic and hazardous waste disposal operations
Category B Medium risk	A proposed investment is classified as Category B if its potential adverse impacts on environmentally important areas including wetlands, forests, grasslands and other natural habitats are less adverse than those of Category A investments but more adverse than Category C investments. These impacts are site-specific; few if any of them are irreversible and in most cases mitigating measures can be designed more readily than for Category A investments.	<ul style="list-style-type: none"> • Agro-industries (small scale) • Electrical transmission • Aquaculture • Renewable energy (except large hydroelectric power projects) • Tourism (including hotel projects) • Rural water supply and sanitation • Rehabilitation, maintenance and modernisation projects (small scale) • Manufacture of construction materials • General manufacturing • Telecommunications • Greenfield projects in existing industrial estate
Category C Low risk	A proposed investment is classified as Category C if it is likely to have minimal or no adverse environmental impacts.	<ul style="list-style-type: none"> • Advisory assignments • Media and information technology • Life insurance companies • Securities underwriters and broker/dealers • Technical assistance

Rating of Environmental and Social Matters (FI)

Risk Category	Description of category	Examples
<p style="text-align: center;">FI-1: High risk</p>	<p>FI's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.</p>	<p>Universal bank with significant exposure to project finance and long-term corporate loans.</p>
<p style="text-align: center;">FI-2: Medium risk</p>	<p>FI's existing or proposed portfolio comprises, or is expected to comprise, business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.</p>	<ul style="list-style-type: none"> • Universal banks where there is limited portfolio exposure to higher risk transactions in high- and medium-risk sectors • SME Banks • Leasing Companies where the assets leased are for corporate use
<p style="text-align: center;">FI-3: Low risk</p>	<p>FI's existing or proposed portfolio includes financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.</p>	<ul style="list-style-type: none"> • Microfinance institutions (MFIs) • Student Loans • Mortgage finance • Retail consumer leasing Finance

8.7. Appendix C: Environmental and Social Due Diligence Guidelines

An ESDD is the record of the Fund's review of a project at the time of appraisal that ensures that a project is meeting and is expected to continue to meet the Applicable Requirements and is based on all or some of the following:

- Review of information in the public domain to check for any social and/or environmental controversies/news related to the target portfolio company
- Review of the target portfolio company social and environmental documents
- Engage with discussions with the management team
- Engage in site visits to the premises of the target company and engage in discussions with management there
- Some E&S knowledge will be required along with knowledge of the technical aspects in the target portfolio company's industrial sector and may require the use of an external consultant if the target portfolio company operations are complex and its risk category is medium to high. Industry sector E&S information is available in the following:
 - a. World Bank Pollution Prevention and Abatement Handbook available on http://documentacion.ideam.gov.co/openbiblio/bvirtual/001083/Course2/Lecturas/handbook98/air_emissions.pdf
 - b. IFC Sector guidelines available on http://www.ifc.org/wps/wcm/connect/4754bd004b812242b7e9ff1a9cb3fd3c/SectorSpecificEHSGuidelines_Applicability.pdf?MOD=AJPERES
 - c. EIB Statement of Environmental and Social Principles and Standards dated 2013 together with the EIB Environmental and Social Handbook referred to therein, available on http://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf
 - d. CDC's Toolkit guidance:

Each ESDD report should include an action plan to be implemented by the target company pre or post-investment and to be included in the legal documentation of the relevant transaction.

8.8. Appendix D.1: E&S Questionnaire Template (I) - High and medium risk companies
Template for categories A, B, FI-1 and FI-2 companies

**Environmental, Health, Social and Governance Questionnaire to Portfolio
Companies**

I- Company Information

Name of the Company:

Location:

Industry:

Period covered:

Date:

Name of the person filling this survey:

Contact details:

Part I: Environmental, Health and Social

II- Financial Information

a. **Please fill the below information for the period in local currency**

Revenues (Percentage of export)	
Cost of Sales (Percentage of raw materials imported)	
EBITDA (Earnings before Interest Tax Depreciation and Amortization)	

Interest Paid	
Corporate Tax	
Value Added Tax	
Total Debt	
Total Asset	
Total Equity	
Dividends Distributed	

III- Human Resources Information

a. Please fill the below information for the period

Total number of employees at start of period	
Total number of lay-offs for the period (employees dismissed for reason)	
Total departures for the period (employees who resigned)	
Number of jobs created	
Total number of employees at the end of the period	
Total number of employees under 25 years of age	

Total Permanent Employees	
Female Permanent Employees	
Male Permanent Employees	
Total Temporary Employees	
Female Permanent Employees	
Male Permanent Employees	
Total Salaries paid	
Total salaries paid for female employees	
Total salaries paid for male employees	
Total amount spent on trainings	
Total Number in Top Management positions	
Females in Top Management positions	
Total Number of BOD members	
Female BOD members	

b. Human Resources Policy and Management

- Does the company have an HR policy that is consistent with requirements of the national law? (please comment if No)

- Was the policy recently updates? (if yes please highlight these changes in the comments section below)

- Is this Policy clearly understandable and easily accessible to all employees? (please comment if No)

- Does the company have policies and procedures for managing and monitoring the performance of third party employers in terms of labor and working conditions? (please comment if No). Please describe the process to ensure such matter

- Has the company established a grievance mechanism for workers to review and address employee complaints?

- Was there any grievance filed from workers/employee? (if yes please elaborate on the matter)

- Was there any reduction in the number of employees? (if yes please elaborate on the matter)

- Is any lay-off currently or will potentially be a cause for litigation? (if yes please elaborate on the matter)

c. Working Conditions and Terms of Engagement

- Has the company documented and communicated in understandable way working conditions and terms of employment to all workers directly contracted (including information on working hours, rest days, overtime procedures, wages, frequency of payments and sick and maternity leave, vacations)?

- Are the terms and working conditions in accordance with any collective agreement (if applicable)?

- Does the company provide accommodation to its workers? If so, does the company put in place and implement policies on the quality and management of the accommodation and provision of basic services?

- Does the company ensure non-discrimination and equal opportunity? How is this matter ensured and verified?

- Please describe if during the period the company has had any the following events?
 - o A direct or potential material negative impact on the employee health and safety, work safety and impact on adjacent communities
 - o Events that have or could lead to legal repercussions on the company
 - o Any strikes performed by employees or syndicate against the company in relation to employment

- Please describe if during the period there were any work related death, serious injuries or work stoppage to employees or non-employees at the company

IV- Environmental, Health and Social Risks and Impacts

- Does the company have an overarching Policy (statement) defining the environmental and social objectives and principles guiding the company's E&S performance? Was this policy updated during the period? If so, please provide such updates

- Does the company have an Occupational Health and Safety manual? Was this manual recently updated? If so, please provide such updates

- Did the company perform a training during the period for occupational health and safety? If so, please provide details

- Does the company have a system/procedure to screen, identify, analyze, and assess the potential risks and impacts related to its business activities/projects? Was this system/procedure recently update? If so, please provide updates

- Please describe if during the period the company has had any the following events?
 - o A direct or potential material negative impact on the environment (example: inadequate industrial/waste management, excessive noise or air pollution, community health and safety risk)
 - o Events that have or could lead to legal repercussions on the company
 - o Any complaint or actions against the company by person, people, community, authorities in matters related to environment, health and social risk

V- Social Initiatives

- Did the company initiate socially responsible initiatives during the period? if so, please describe these initiatives.

- What is the budget/amount spent on social initiative for the period?

IX- Compliance and Regularities

- Has your company been associated with the following issues in the previous year?

<input type="checkbox"/> Non-compliance with national environmental, health & safety or labour laws and regulations	<input type="checkbox"/> Fatalities or serious injury
<input type="checkbox"/> Non-compliance with E&S international standards (Worldbank/IFC/EIB/DEG), policies and guidelines (projects with high risks)	<input type="checkbox"/> Strikes (with or without violence) or other labour disputes
<input type="checkbox"/> Non-compliance with covenants or other legal agreements	<input type="checkbox"/> Legal Action
<input type="checkbox"/> Non-compliance with an agreed Environmental and / or Social Action plan	<input type="checkbox"/> Fines, penalties or increased permit charges
<input type="checkbox"/> Complaints from regulatory agencies, interest groups, or local communities	<input type="checkbox"/> Negative attention on the part of the media or non-governmental organizations
<input type="checkbox"/> Implementation by clients of new technologies, processes or procedures which have improved the environmental, health & safety or labor-related performance (for example reduction of emissions of GES, social policies, ...)	<input type="checkbox"/> Positive reports by media or non-governmental organizations about projects of clients

If yes on the above, please provide details

Please share any ESG challenges / obstacles your company has faced or is facing

X- Action Plan

- Please attach the updated ESG Action plan that was shared with this questionnaire

Appendix D.2: E&S Questionnaire Template (II)- Low risk companies

Template for categories C and FI-3 companies

Environmental and Social Questionnaire

Name of the Company:

Location: Date:

Name of the person filling this survey:

Contacts:

I- Assessment and Management of Environmental and Social Risks and Impacts

<i>Policy</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company have an overarching Policy (statement) defining the environmental and social objectives and principles guiding the company's E&S performance?				
- Is this Policy backed by the top management of the company?				
- Does this Policy specify who within the company is responsible for Policy implementation?				
- Was this Policy communicated to all employees of the company?				

<i>Identification of Risks and Impacts</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company have a system/procedure to screen, identify, analyze, and assess the potential risks and impacts related to its business activities/projects?				
- Is an emergency preparedness and response system an integrated part of the company's risk management system?				

<i>Organizational Capacity and Competency</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Has the company designated specific in-house personnel, including management representative, with clear lines of responsibility and authority for E&S issues?				
- Do the delegated personnel possess the knowledge, skills, and experience to implement the E&S policy and to follow established procedures?				
- Has the company allocated resources to support its E&S functions?				
- Does the company have relevant training programs in place for the E&S personnel?				

<i>Monitoring and Review</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company have procedures in place to track and evaluate E&S performance of its operations?				
- Does the company have a procedure to evaluate and record results of its monitoring activities?				

II- Labor and Working Conditions

<i>Human Resources Policy and Management</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company have an HR policy that is consistent with requirements of the national law?				
- Is this Policy clearly understandable and easily accessible to all employees?				
- Does the company have policies and procedures for managing and monitoring the performance of third party employers in terms of labor and working conditions?				
- Has the company established a grievance mechanism for workers to review and address employee complaints?				
- Is there a person responsible to review complaints and follow up on them in a timely and transparent manner?				

<i>Working Conditions and Terms of Engagement</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Has the company documented and communicated in understandable way working conditions and terms of employment to all workers directly contracted (including information on working hours, rest days, overtime procedures, wages, frequency of payments and sick and maternity leave, vacations)?				
- Are the terms and working conditions in accordance with any collective agreement (if applicable)?				
- Does the company provide accommodation to its workers?				
- If so, does the company put in place and implement policies on the quality and management of the accommodation and provision of basic services?				

<i>Non-Discrimination and Equal Opportunity</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company have documented transparent procedures to ensure that employment decisions are not made on the basis of personal characteristics unrelated to job requirements?				
- Does the company have any preferential employment policies in place?				

<i>Occupational Health and Safety</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company provide its workers with a safe and healthy work environment?				
- Where applicable does the company provide workers with and mandating that workers use personal protective equipment (PPE)?				
- Has the company established and implemented occupational health and safety procedures in line with good international industry practices to prevent accidents, injury, and disease?				
- Does the company track and report on rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities?				
- Does the company have training programs in place for workers on occupational health and safety?				
- Does the company have a fire, life and safety plan?				

III- **Safety and Security**

<i>Emergency Preparedness and Response</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company's emergency preparedness and response plan take into account risks and impacts from company's activities to local communities?				
- Did the company inform affected communities of significant potential hazards and emergency procedures in an appropriate manner?				

<i>Security Personnel Requirements</i>	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>Comments</u>
- Does the company engage security personnel to provide security services at their facilities?				

- If so, do the contract provisions include guidelines on how security personnel shall interact with communities in close proximity to the facility?				
- Is security personnel armed?				
- If so, has the company provided training on the appropriate conduct towards workers and the nearby communities?				

IV- Social Initiatives

- Did your company initiated socially responsible initiatives? if so, please describe these initiatives.

XII - Compliance and Regularities

- Has your company been associated with the following issues in reporting period:

<input type="checkbox"/> Non-compliance with national environmental, health & safety or labour laws and regulations	<input type="checkbox"/> Fatalities or serious injury
<input type="checkbox"/> Non-compliance with E&S international standards (Worldbank/IFC/EIB/DEG), policies and guidelines (projects with high risks)	<input type="checkbox"/> Strikes (with or without violence) or other labour disputes
<input type="checkbox"/> Non-compliance with covenants or other legal agreements	<input type="checkbox"/> Legal Action
<input type="checkbox"/> Non-compliance with an agreed Environmental and / or Social Action plan	<input type="checkbox"/> Fines, penalties or increased permit charges
<input type="checkbox"/> Complaints from regulatory agencies, interest groups, or local communities	<input type="checkbox"/> Negative attention on the part of the media or non-governmental organizations
<input type="checkbox"/> Implementation by clients of new technologies, processes or procedures which have improved the environmental, health & safety or labor-related performance (for example reduction of emissions of GES, social policies, ...)	<input type="checkbox"/> Positive reports by media or non-governmental organizations about projects of clients

If yes on the above, please provide details :

.....

Please share any E&S challenges/obstacles your company has faced or is facing

.....

8.9. Appendix E: E&S Guiding Template for Legal Drafting

Definitions:

“Applicable Requirements” mean the following Environmental & Social requirements

- The E&S provisions of the LPA of Euromena III LP and the related provisions of the side letters
- The applicable national laws on environment, health, safety and social issues and any standards established therein
- World Bank EHS Standards
- IFC Environmental and Social Performance Standards
- CDC Code of Responsible Investment
- The IFC, EIB, DEG, Proparco, and CDC Exclusion Lists

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water) and built environment;

"Environmental Law" means any applicable law, rule or regulation (including international treaty obligations) concerning the Environment and natural resource management applicable in each jurisdiction in which the Company carries on business.

"E&S Action Plan" means an environmental and social action plan defining actions, responsibilities, budgets, deliverables, and a timeframe for the measures required to remedy any known non-compliances with the Applicable Requirements in the business activities of the company, including the establishment of an appropriate E&S Management System.

“E&S Breach” means the breach by the company of any obligation in clauses [...] and [...] and Schedule [...];

"E&S Claim" means any claim, proceeding or investigation by a person in respect of any E&S Laws.

"E&S Committee" means a committee of the board comprising [three] directors of which [one] must be a director appointed by the investors;]

“E&S Licenses and Permits” means Environmental Laws and Social Laws and the terms of any permits, licenses, consents, approvals or other authorizations held by the company under Environmental Law or Social Law;

"**E&S Management System**" means a management system, appropriate to the size and nature of the business and satisfactory to the investors which is designed to (1) ensure a systematic approach to compliance with Applicable Requirements, (2) monitor progress against the E&S Action Plan, (3) provide a mechanism to assess environmental, social and governance risks and address those risks, (4) monitor and report on progress and (5), to the extent possible, involve stakeholders;]

"**Exclusion List**" means the list of included in the ESMS of EuroMena III LP Appendices.

"**IFC Performance Standards**" means the International Finance Corporation (IFC) 2012 Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety (EHS) Guidelines) which may be downloaded from the IFC website:

- (a) IFC Performance Standards: <http://www.ifc.org/PerformanceStandards>; and
- (b) World Bank Group EHS Guidelines: <http://www.ifc.org/EHSGuidelines>;

"**ILO Convention**" means a convention of the International Labour Organisation (ILO), the tripartite United Nations agency, whose conventions may be downloaded from the ILO website: <http://www.ilo.org/global/standards/lang--en/index.htm>;

"**Social Law**" means any law, rule or regulation (including international treaty obligations) applicable in the jurisdiction of the Country concerning (i) labour, (ii) social security, (iii) the regulation of industrial relations (between government, employers and employees), (iv) the protection of occupational as well as public health and safety, (v) the regulation of public participation, (vi) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (vii) the protection and empowerment of indigenous peoples and ethnic groups, (viii) the protection of cultural heritage, and (ix) all other laws, rules and regulations providing for the protection of employees and citizens, including the payment of wages which meet or exceed industry.

Clause 1: Compliance with law

Each group company must comply with the Applicable Requirements of the ESMS of EuroMena III LP and as amended by time to time by the Fund, as well as by E&S Laws.

Clause 2: Incorporate an E&S Management System (ESMS)

The company must appoint senior operational officer(s) or other appropriate personnel satisfactory to the investors to be responsible for the implementation, operation and maintenance of the ESMS and must notify the investors in writing immediately of the removal or replacement (for whatever reason) of that person. Different officers or personnel may be responsible for different aspects of the ESMS.

- (a) The company must implement, maintain and continuously improve the ESMS, including deploying employees of sufficient expertise and seniority as is necessary for this purpose.
- (b) The ESMS must be supervised by [the board][the E&S Committee with at least one member being a board member][a named director satisfactory to the investors][a director appointed by the investors]. Supervision of the ESMS must include:
 - (i) overseeing implementation of the E&S Action Plan;
 - (ii) quarterly reports to the board on any material issue that has arisen as a result of the operation of the ESMS since the last meeting and an explanation as to how it is being dealt with;
 - (iii) ensuring that the group has the systems and resources (including employees of sufficient expertise and seniority) to understand and determine the applicability of the Applicable Requirements to the group and monitor the underlying E&S Laws, IFC Performance Standards and ILO Conventions for applicable changes;
 - (iv) examining policies and procedures relating to the Applicable Requirements and their implementation and making recommendations for their improvement to the board;
 - (v) considering [Bi-Annually] reports from management on the implementation of the E&S Action Plan;
 - (vi) considering E&S assessment reports on new projects or acquisitions where [the reports advise that][in the investors' reasonable opinion] there is a material risk that the transaction, if consummated, would cause the group to be in breach of the Applicable Requirements]; [and]
 - (vii) appointing consultants to investigate alleged breaches of the Applicable Requirements or the related policies and procedures of the group.

Clause 3: E&S breaches and claims

The company must inform the Fund in writing immediately upon becoming aware of:

- (a) any E&S Claim being commenced or threatened against the company or any facts or circumstances which will or are reasonably likely to result in such an E&S Claim being commenced;
- (b) any written notice or other allegation received by, or brought to the attention of, the company to the effect that the company has breached any Applicable Requirement;

- (c) any enquires from government enforcement authorities concerning any act that may constitute a Financial Crime by or on behalf of the company.

If the Fund notifies the company that it believes that there may have been a breach of the Applicable Requirements, the company must cooperate in good faith with the Fund in determining whether a breach has occurred. The company must respond promptly and in reasonable detail to any request for information from the Fund and provide documentary support for the response if requested.

Clause 4: Serious incidents

The company must notify the Fund of the following events promptly, but in any event within 3 days after their occurrence. The company must supply to the Fund within 14 days of the event a report incorporating, in each case, details of (1) the nature of the incident and the on-site and off-site effects and (2) any action the group Company [*and/or the Client*] proposes to take in order to remedy the effect of the event. The Company must keep the investors informed about the progress of any remedial action.

The events are any of the following which affect any employee, customer, supplier or other person who has dealings with, or is affected by the activities of, a group company or which occur on or nearby any site, plant, equipment or facility of any group company:

- (a) an incident resulting in death or permanent injury to any person;
- (b) any other incident which has a material negative impact on the environment or the health, safety and security situation (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination); and
- (c) any incident of a social nature (including without limitation any violent labour unrest or dispute with local communities), which has or is reasonably likely to have a material negative effect on the social and cultural context.

Clause 5: Breach of E&S obligations

- (a) If the investors consider that an E&S Breach has (or may have) have occurred, the investors shall inform the Company of their suspicions and shall have the right to appoint consultants to investigate the possible breach. Thereafter, the investors and the Company shall meet to discuss possible remedies for the E&S Breach. Provided that [the investors have reasonable grounds for their suspicions][the appointment has been approved by the E&S Committee], the reasonable cost of appointment of the consultants shall be reimbursed by the Company.

- (b) Other than in relation to Irremediable E&S Breaches, if there is an E&S Breach the Company shall have a defined period (as agreed by the investors and not to exceed a maximum period of six months) in which to remedy the E&S Breach in the manner agreed between the investors and the Company.
- (c) If the E&S Breach is remedied to the investors' satisfaction within the defined time period or the same is waived by the investors, then the E&S Breach shall lapse.

Clause 6: E&S reporting

- (a) The Company must, as soon as it is available, but in any event no later than [45] days after each financial year end, deliver an environmental and social report. The report must set out in detail the progress the Company has made towards implementing the E&S Action Plan and include certain measures of development impact.

Clause 7: Inspection rights

- (a) The Company must permit the Fund team members unrestricted access to each Group Company at all reasonable times and on reasonable notice to:
 - (i) meet with senior management of the Company to discuss any questions or issues in relation to the Applicable Requirements;
 - (ii) investigate any failure to comply with or implement the Applicable Requirements (including the non-implementation of any E&S Action Plan);
 - (iii) inspect and to take copies and extracts from the books, accounts and records of each Group Company; and
 - (iv) view the premises of each Group Company.
- (b) The Company must reimburse the Fund on demand for all reasonable costs and expenses (including consultancy costs and any travel expenses) incurred in connection with any justified meetings, investigations or inspections made under clause 7.

8.10. Appendix F: Template and Guidance of an E&S Action Plan

E&S Performance Standards	Actions	Priority Low, Medium, High	Deliverables	Responsibility	Deadline	Estimated Cost

8.11. Appendix G: Terms of Reference for Environmental and Social Due Diligence Assessment

[The Fund] requires the services of an independent environmental and social consultant (“a Consultant”) to perform an environmental and social due diligence (“ESDD”) assessment of a proposed investment in **[describe]** company (“the Company”).

The following Terms of References are applicable to the execution of the requested services.

(a) Description of the Project

[Insert description].

(b) Objective

The requested services are to support **[The Fund]** investment decision and follow-up approach by independently assessing and verifying the Project against the reference framework elaborated in Section [3], identifying compliance gaps, necessary mitigation and follow-up actions.

(c) Reference Framework

The reference framework will be the Applicable Requirements of the Fund

- The E&S provisions of the LPA of EuroMena III LP and the related provisions of the side letters
- The applicable national laws on environment, health, safety and social issues and any standards established therein
- The World Bank EHS Standards
- The IFC Environmental and Social Performance Standards
- The CDC Code of Responsible Investment
- The IFC, EIB, DEG, Proparco, and CDC Exclusion Lists

(d) Team

The assignment has to be carried out by suitably qualified independent environmental and social experts, with appropriate background and experience in the sector and region.

(e) Scope of Work and Tasks

The scope of work comprises the independent assessment of all material environmental and social aspects of the Project, within the framework stipulated in Section [3].

Specifically, this work will entail (*examples below*):

- 1) [Review the Company’s environmental and social programs and management systems, and implementation, and **[assess compliance with / benchmark them against]** the Reference Framework];
- 2) Assess the capacity of the **[Company/Project]**, identifying gaps to compliance and recommending actions as necessary with implementation prioritisation;
- 3) Reviewing and, where necessary, recommending improvements to the **[Environmental and Social Impact Assessments (ESIAs) / Other documents]** and the proposed environmental and social management plans for **[the Project]**; and
- 4) Prepare an Environmental and Social Action Plan (ESAP) describing the actions to be implemented to achieve compliance with the Applicable Requirements within a reasonable timeline
- 5) Conduct a review to identify from publicly available media sources if there are any potential environmental and/or social issues, including NGO attention/campaigns, or items that may lead to reputational risks to the Company and/or CDC Group plc.]

(f) Reporting and Deliverables

The Consultant will provide (*examples below*):

- 1) [*Preliminary Summary of Principal Findings* – shortly after conclusion of the site reconnaissance, the Consultant will provide a concise back-to-office report focusing on principal findings and identified risks, impacts and opportunities. A meeting/conference call will be scheduled between **[The Fund]** and the Consultant to discuss the principal findings and the timeline for preparation of the ESDD report; and
- 2) *Environmental and Social Due Diligence Report* – the Consultant will provide a detailed report fully reflecting the scope of work. Where compliance gaps with the Reference Framework and/or opportunities for value addition through E&S improvements have been identified these will be presented in Environmental and Social Action Plans (using a tabular format substantially similar to the example presented in Annex A)].

(g) Timeframe

[Insert].

(h) Proposal

The proposal for the ESDD should contain the sections listed below:

- 1) **Scope of Work:** The scope of work should include a description of the specific activities that will be performed in order to accomplish the required tasks identified in Section 5. This should include any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc. If the Consultant feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as “Optional Tasks”.
- 2) **Project team and qualifications:**
This should include the name of the principal staff members and any sub-contractors, and a

brief description of their role within the project team. Qualifications of staff should include relevant technical capabilities, specific previous project experience similar to this Project, specific in-country experience and knowledge, specific language skills.

3) Estimated costs:

A total lump sum cost estimate (not to be exceeded), in US Dollars, must be provided for the required scope of work. A breakdown of the estimated costs by task must also be presented (i.e. tabular format) and should include Direct Labour Costs (number of hours or days per staff and their associated unit costs) and Indirect Labour Costs (i.e. travel, per diem, sub-contractors, etc.)

4) Conflicts of interest:

As part of the proposal, the Consultant shall also confirm that they do not have a conflict of interest and that they are able in a position to provide an adequate, accurate and objective review.