

ARCH EMERGING
MARKETS PARTNERS LIMITED



Environmental and Social Management System Manual

for the ARCH Cold Chain Solutions East Africa Fund LP

April 2020

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LIST OF ACRONYMS

AfDB	Africa Development Bank Group
ARCH	ARCH Emerging Markets Partners Limited
CCSEAF (or the Fund)	ARCH Cold Chain Solutions East Africa Fund
BAP	Biodiversity Action Plan
CHA	Critical Habitat Assessment
CITES	Convention on International Trade of Endangered Species
EIB	European Investment Bank
EMP	Environmental Management Plan
E&S	Environmental and Social
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESG	Environmental, Social and Governance
ESM	Environment and Social Manager
ESMMP	Environmental and Social Management and Monitoring Plan
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
IAC	Investment Advisory Committee
IFC	International Finance Corporation
IPP	Indigenous Peoples Plan
DFI	Development Finance Institution
OHSMS	Occupational Health and Safety Management System
PIAL	Prohibited Investment Activities List
RAP	Resettlement Action Plan

1 Introduction

1.1 Overview

This Environmental and Social Management System (“ESMS”) Manual has been developed for the ARCH Cold Chain Solutions East Africa Fund LP (“CCSEAF”, or the “Fund”) and will be implemented by ARCH Cold Chain Solutions Limited (the “Manager”).

CCSEAF’s Environmental and Social (“E&S”) Policy requires that an ESMS, aligned with good international industry practice (GIIP) and tailored to the needs of the Fund is implemented. As such, this document presents the ESMS Manual which outlines the roles and responsibilities in delivering the ESMS and the procedures that will be followed at each investment stage.

The ESMS will be reviewed at regular intervals (not less than annually) and where required amended to reflect learnings and to ensure it is relevant to CCSEAF activities.

1.2 Background of the Fund

The Fund will invest into temperature-controlled storage facilities and distribution operations (cold chain solutions) in East Africa.

The Fund’s focus will be on the development, financing, construction and operation of new cold chain solutions mainly covering the industries of Agriculture; Food Processing; Meat, Poultry and Seafood; Supermarkets and QSR; and Pharmaceuticals. The operations will be focused on but not limited to Kenya, Tanzania, Ethiopia, Uganda and Rwanda. The Fund will invest alongside one or more local Operational Partners with the aim of a minimum 75% shareholding in each country and the overall portfolio of countries.

The Fund will invest in each region through a country specific corporate entity. The general partner of the Fund will be ARCH Cold Chain Solutions East Africa General Partner LP (acting through its general partner, ARCH Cold Chain Solutions East Africa GP Limited) and the Manager will be the investment manager of the Fund.

ARCH Emerging Markets Partners Limited (the “Investment Advisor” or “ARCH”) will be the investment advisor to the Investment Manager of CCSEAF and will, through the investment advisory committee (“IAC”), provide investment recommendations to be made by the Fund. The team’s responsibility will continue through the development, financing, construction and operational period of the investments, up until the point that the Fund makes an exit.

1.3 Purpose and CCSEAF E&S Compliance Framework

The purpose of this ESMS manual is to document the CCSEAF’s approach to implementing the E&S Policy (See Section 2) and how it implements its management of Environmental and Social (“E&S”) risks and impacts throughout all phases of the project cycle.

As part of its commitment to sound E&S management, responsible operations and sustainable development, CCSEAF operates its ESMS in conformity with the requirements of the following development financing institutions (“DFI”) standards (CCSEAF’s E&S Compliance Framework):

- The International Finance Corporation’s (“IFC”) Performance Standards (2012);
- The World Bank Group (“WBG”) General Environmental, Health and Safety Guidelines (2007);
- The African Development Bank’s (“AfDB”) Integrated Safeguards System (“ISS”) (2013).

The ESMS is aligned in particular with IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and impacts and AfDB’s Operational Safeguard 1: Environmental and Social Assessment. These standards are the overarching safeguards that govern the process of determining a project’s environmental and social category and the resulting environmental and social assessment and management requirements: the scope of application; use of a strategic environmental and social assessment (where

appropriate); an Environmental & Social Impact Assessment (“ESIA”); Environmental and Social Management Plans (“ESMP”); Environmental and Social Due Diligence (“ESDD”); Environmental and Social Action Plan (“ESAP”) climate change vulnerability assessment; public consultation; community impacts; appraisal and treatment of vulnerable groups; and grievance procedures).

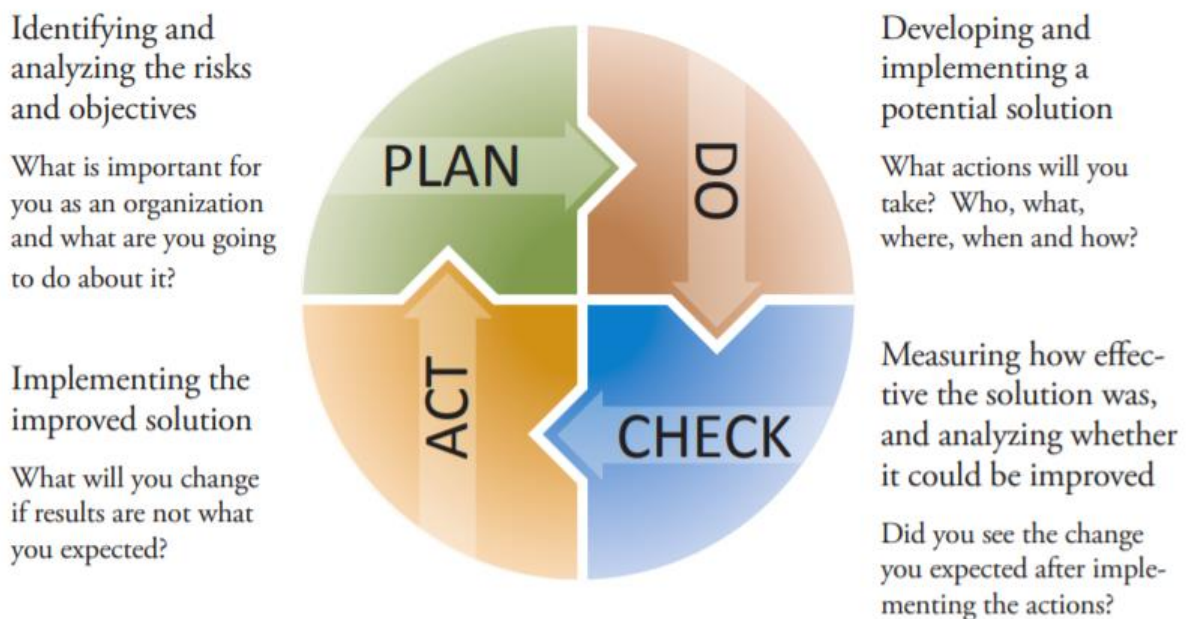
In addition to these DFI standards, the assessment and management of investments will comply with all applicable in-country national and local legal requirements.

1.4 Approach

The approach the ESMS takes is founded in the four principles of Plan-Do-Check-Act (“PDCA”) as specified in the globally recognised Good International Industry Practice (“GIIP”) standard - ISO 14001: Environmental Management Systems (2015)™.

Figure 1-1 outlines this approach and the ESMS has incorporated this within CCSEAF’s organisational structure and investment cycle. This relates to the following procedures outlined in Section 4:

1. Screening and assessment of the investments;
2. Implementing ESMPs, ESAPs and Portfolio Companies ESMSs;
3. Monitoring the actions in step 2;
4. Implementing corrective actions and reflecting these in the management plans.



Source: Environmental and Social Management System Implementation Handbook (IFC, 2015)

Figure 1-1: Plan-Do-Check-Act (PDCA)

1.5 Scope

The ESMS covers all phases of the project cycle from initial project assessment, project development, construction and operations, through to project exit (by CCSEAF) and covers the following actions:

- Initial assessment and screening;
- Categorization of potential E&S risks;
- Detailed project appraisal/due diligence and determination of the required E&S standards;

- Identification of all required mitigation, monitoring and management measures to ensure compliance with appropriate standards;
- Informed stakeholder consultation and engagement;
- Grievance mechanism;
- Inclusion of E&S requirements in project legal documentation;
- Monitoring of project performance to ensure compliance with standards through to project exit;
- Internal reporting on the E&S performance of financed projects to ARCH management; and
- External reporting to stakeholders.

1.6 Commitment to Continuous Improvement

The commitment to continuous improvement with respect to the management of E&S risk and impacts is stated in CCSEAF's E&S Policy, presented in Section 2 of the ESMS Manual. This objective is applicable to the CCSEAF's portfolio companies.

2 Environmental and Social Policy

CCSEAF's E&S Policy provides the commitment and framework from which this ESMS has been developed and is presented below. This is a controlled document that is reviewed at regular intervals and updated as needed to ensure that it remains aligned with good international industry practice (GIIP) and the standards followed by CCSEAF. Individual policies governing E&S issues for our portfolio companies, for example health and safety; worker conditions and rights; equality, diversity and inclusion, are developed separately. These will be mandated for the portfolio company to implement as part of their own ESMS.

CCSEAF's Policy is presented below. The E&S Policy is a separately controlled document and where there is conflict with the one in the ESMS the former takes precedence, i.e. if the E&S Policy is updated and not immediately reflected in the ESMS.

Overview

ARCH Cold Chains Solutions East Africa Fund ("CCSEAF") is committed to developing and operating best-in-class cold storage and logistics operations in its target countries in East Africa. Accordingly, our investment approach incorporates environmental and social considerations throughout the full investment cycle, from initial investment decision through to exit.

CCSEAF aims to contribute to sustainable development in East Africa and is committed to act in an environmentally sustainable, socially responsible, and ethical manner. We will actively manage our impacts and risks in relation to the environment, neighbouring communities, employee health and safety, and contractors and sub-contractors, and will engage ethically and transparently with all our stakeholders.

There is a severe shortage of cold storage solutions across East Africa resulting in large post-harvest food losses and a seasonally affected supply chains causing volatility in market pricing. The cold storage facilities and logistics operations developed by CCSEAF will result in positive development outcomes both directly, by reducing food losses and flattening market pricing, and also indirectly through businesses that will develop within the value chain. Food loss is a significant contributor to Green House Gases (methane) in Africa, therefore a reduction in food losses will also contribute to a reduction in Green House Gases. As such, from the offset CCSEAF's activities are geared towards positive environmental and social impacts.

We implement this policy through an environmental and social management system (ESMS) aligned to good international industry practice (GIIP).

Jared Irving, Managing Director, is responsible for the implementation of this Policy and it is communicated to all CCSEAF and portfolio company employees and business partners.

Scope of this Policy

This Policy applies to all CCSEAF employees, wholly owned companies, and majority-owned companies where CCSEAF has management control. Where there is no conflict with this policy, CCSEAF may adopt additional policies in order to meet local regulatory, lender or co-investor, customer or other stakeholder requirements.

Objectives

We will continually endeavour to enhance effective E&S management practices in all of our activities, products, and services with a special focus on the following considerations:

- Ensuring that applicable E&S requirements are met for all investments;
- Integrating environmental and social risk assessments into our investment due diligence processes;
- Ensuring appropriate consultation and transparency in our activities;
- Working together with the portfolio companies and business partners to put into practice applicable E&S requirements; and
- Actively seek investments with positive development benefits.

Policy Statement

Adherence to ARCH Emerging Market Partners Limited, ("ARCH EM") Sustainability Policy

We will adhere to ARCH EM's Sustainability Policy in its entirety and apply its core commitments across our investment portfolio:

- Comply with or exceed all applicable legislation and regulations in the countries we make investments;
- At minimum, exclude investment activities listed on the International Finance Corporation's (IFC) Exclusion List (2007) across all funds¹;
- Apply the IFC Environmental and Social Performance Standards (2012) and the World Bank Group (WBG) General Environmental, Health and Safety Guidelines (2007) to assess and manage E&S risks of our investments;
- Measure and report on ESG performance at regular intervals to our stakeholders, including CCSEAF's limited partners;
- Follow good international industry practice (GIIP) for the sectors and technologies in which we invest.

¹ IFC Exclusion List (2007): <http://www.ifc.org/exclusionlist>

Fund Specific E&S Standards and Guidelines

In addition to implementing ARCH EM's core commitments, CCSEAF will adhere to the following additional standards and guidelines:

- The African Development Bank Group's (AfDB) Integrated Safeguards System (2013);
- Membership conditions and guidance issued by the Global Cold Chain Alliance (GCCA).

Environmental and Social Management System ("ESMS")

CCSEAF operates an ESMS aligned to GIIP and the requirements of CCSEAF's limited partners. The ESMS formalises our organisational structure and procedures to manage E&S risks and impacts for our investments. A key commitment of our ESMS is that we will not invest in any Category A projects or companies, meaning "business activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented" (IFC, 2012)².

Our ESMS is reviewed at minimum annually to reflect any changes in internal processes or the standards that we apply.

Prohibited Activities List

Annex I to this policy presents our full prohibited activities list, building on ARCH EM's list. Investments are screened against this as part of our due diligence process outlined in the ESMS.

Environmental and Social Commitments

In all our investment activities we will:

- Ensure the sustainable and efficient use of resources;
- Prevent, or where this is not feasible minimise and mitigate, the release of pollutants to air, water and land;
- Minimise our contribution to climate change through the use of renewable power (solar) and minimising waste to landfill;
- Avoid or otherwise minimise and mitigate degradation of natural habitats, biodiversity and ecosystem services;
- Promote a culture of environmental stewardship by employees, portfolio companies, operational partners and contractors;
- Deliver positive contributions to the environmental conditions of the local area of our investments;
- Ensure that no hydrofluorocarbons (HFCs) or other ozone depleting substances listed under the Montreal Protocol and its Amendments are used in the facilities refrigeration technology;
- Where batteries are used in conjunction with roof-top solar, on disposal they will be sent to a licenced recycling facility;
- Cause CCSEAF's facilities to be certified to ISO 2200 Food Safety Management™;
- Provide a safe and healthy work environment for all of CCSEAF's employees and require the same of our portfolio companies;
- Treat all of CCSEAF's employees fairly and respect their dignity, well-being and diversity and require the same of our portfolio companies;
- Comply with the International Labour Organisation's Fundamental Conventions and the UN Declaration of Human Rights;
- Protect neighbouring communities from the impacts of our investment activities and prioritise them in the distribution of project benefits, for example employment;
- Provide additional support to vulnerable groups from our investment activities and identify and manage differing impacts on women and men, youth and elderly;
- Avoid physical and economic displacement, and where this is not possible identify land that is the least impacting and within a Category B profile;
- Identify and manage local and cultural community sensitivities through comprehensive stakeholder engagement.

Engagement and Disclosure

- Ensure that our interactions with stakeholders are inclusive, transparent and are relationship building driven;

² https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/es-categorization

- Ensure that planning of investment activities is done in consultation with affected communities;
- Provide mechanisms for stakeholders to raise issues and grievances; and
- Publicly disclose this Policy and ensure that it is communicated to key stakeholders.

Governance and Business Integrity

- Conduct all of our business dealings with honesty, integrity, fairness, diligence and respect;
- Have zero tolerance of bribery, corruption, fraud and unethical behaviour, whether under UK law or the law of any other country in which we operate;
- Seek to invest in businesses that commit to these values.

Development Impact

CCSEAF seeks to achieve positive development outcomes in the markets it serves through supporting the following UN Sustainable Development Goals:

- Goal 1&2 – End Poverty and Zero Hunger: through reducing post-harvest losses across East Africa by 2 to 3%;
- Goal 3 – Good Health & Well-being: designing facilities to be able to store essential pharmaceutical products for the region;
- Goal 5 – Promote Gender Equality and Empower Women: by being an equal opportunities employer and actively promoting the recruitment of women
- Goal 8 – Decent Work and Economic Growth: providing long-term employment aligned with the ILO's Fundamental Conventions and investing in workforce development
- Goal 13 – Climate Action: maximising renewable energy, reducing post-harvest losses, reducing waste and waste to landfill;

Commitment to Continuous Improvement

CCSEAF is committed to continuous improvement of its E&S Management. As such, this Policy and associated ESMS will be regularly reviewed and updated as required to reflect GIIP.

Policy Oversight and Implementation

This policy has been adopted by CCSEAF and is subject to frequent reviews and updates. Ultimate responsibility for this policy lies with the Managing Director with daily oversight of its implementation carried out by the ESG Director. All CCSEAF staff, its portfolio companies and business partners will contribute towards its success.

Date: 21st April 2020

3 Environmental and Social Roles and Responsibilities

3.1 E&S Organisational Structure

The roles and responsibilities within CCSEAF and related entities to implement the requirements of the ESMS are outlined in this Section.

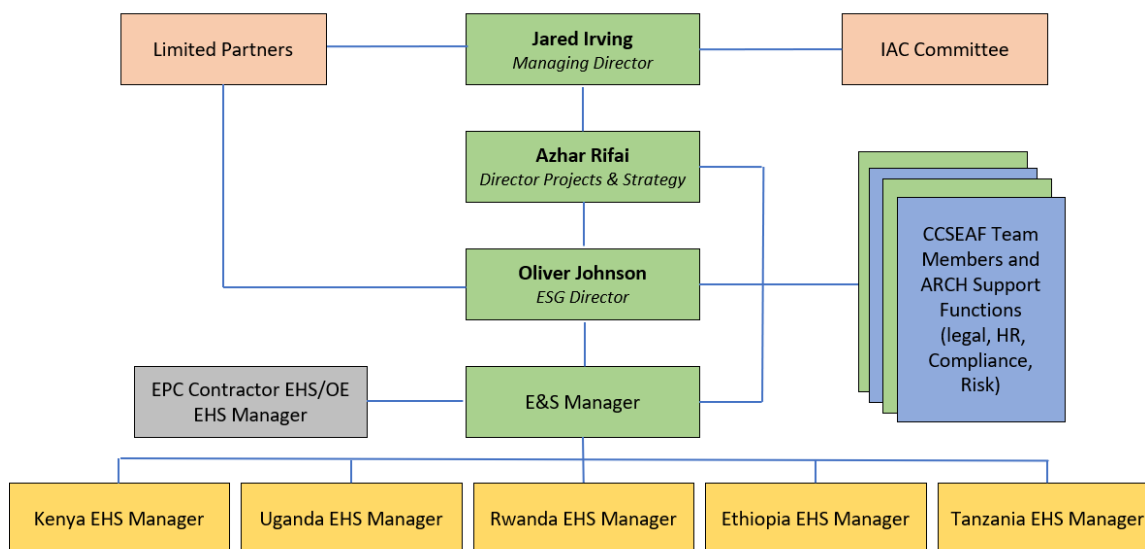


Figure 3-1: CCSEAF E&S Organisational Structure

Table 3-1: E&S Responsibilities of Key Staff and Committees

Person/Committee	ESMS Requirement	Other E&S Responsibilities
Jared Irving Managing Director	Knowledge and understanding	Ultimate responsibility for proposals to the IAC and for ensuring CCSEAF team discharge their respective E&S duties
Azhar Rifai Director, Projects and Strategy	Working knowledge	Responsibility for delivery of the facilities and oversight of all associated workstreams, including E&S.
Oliver Johnson ARCH ESG Director	In depth knowledge and implementation	Oversight of the ESMS implementation on a day-to-day basis, including E&S Manager activities
ARCH E&S Manager (appointed after Kenya facilities constructed) ¹	In depth knowledge and implementation	Day-to-day implementation of the ESMS with oversight from the ESG Director.
CCSEAF team members	Working knowledge	Actively involved in E&S issues insofar as they interact with their responsibilities for investments
IAC Committee	Awareness of, in relation to IAC process	Review and approval of the E&S workstreams for each country operation, including budgets required to complete them.
Limited Partners	Review of ESMS as part of DD.	Receive and review performance reports and updated via the LP Advisory Committee (LPAC)

¹ The planning and construction of the first two facilities in Kenya does not require additional E&S resources at the fund level over and above the ESG Director who will assume the E&S Manager responsibilities during this time. The E&S Manager will be appointed as these facilities move into operations and the fund expands into other target countries.

Person/Committee	ESMS Requirement	Other E&S Responsibilities
Portfolio Companies (SPVs) (facility operators) – through the Facility EHS Manager	Understand the requirements of CCSEAF to reflect in the SPV ESMS	Develop the SPV ESMS and associated management plans to reflect the ESMP and the risks and impacts identified.
Owners Engineer (OE) EHS Manager	Working Knowledge	Supervision of the EPC Contractor and reporting into the ESM if facility EHS Manager not appointed to carry out this role
EPC Contractor EHS Manager	EPC Own ESMS reflecting requirements of ESMP	EPC EHS Manager responsible for all EHS/OHS oversight during construction and reporting into the OE or Facility EHS Manager

3.2 Responsibilities for Key Personnel and Organisations

3.2.1 Managing Director

The Managing Director has ultimate responsibility for the implementation of the E&S Policy and the investments that are presented to the IAC for approval.

3.2.2 Director of Projects and Strategy

The Director of Projects and Strategy has overall responsibility for the delivery of the proposed investments in each country from an implementation perspective, ensuring that they are on schedule and budget. Therefore, delivery of the E&S Workstreams falls within their remit.

They will work closely with the ESG Director and ESM to ensure that all E&S aspects are discharged in accordance with the procedures outlined in Section 4.

3.2.3 ESG Director

The ESG Director provides oversight of all E&S aspects for CCSEAF. Until the first two facilities are constructed and operational the ESG Director will carry out the ESM's responsibilities, after which a full time ESM will be appointed. Responsibilities include:

- Oversight of the ESM's responsibilities ensuring that their responsibilities are discharged in accordance with the procedures outlined in this ESMS;
- Review of all deliverables to ensure they are in line with the E&S Compliance Framework;
- Liaison with Fund Management and as required with the IAC to resolve any issues;
- Contact point for E&S matters with Fund stakeholders, including Limited Partners.

3.2.4 Environmental and Social Manager

The Environmental and Social Manager ("ESM") will be responsible for the implementation of the ESMS into pre-investment screening and due diligence, and post-investment monitoring and management, both at the Fund level and also at the portfolio company level.

The ESM's responsibilities include the following:

- Overall management of the ESMS ensuring that it is operated, maintained, updated and resourced as needed.
- Ensuring that the various procedures and documents associated with the ESMS are kept up to date, and to recommend any changes/updates as needed.
- Conduct pre-investment screening of all proposed investments, in accordance with the Fund's E&S policy and procedures. This would include scoping of studies in accordance with in-country and CCSEAF's E&S Compliance Framework, procurement of competent consultants, reviewing the ESIA, Environmental and Social Monitoring and Management Plan ("ESMMP"), and the Environmental and Social Action Plan ("ESAP"), if these documents are available.

- Conduct site visits to complete environmental and social screening, including key stakeholder engagement.
- Post-investment ensure that any identified potentially significant E&S risks are disclosed to stakeholders and that the ESIA has been made publicly available following a comprehensive consultation process.
- Ensure that E&S requirements are included in the relevant legal and contractual documentation for the project.
- Preparation of an E&S project deliverables for the IAC, identifying the key E&S risks and how these will be managed by the investee to comply with the E&S Policy.
- Assist in project presentations with potential CCSEAF investors and other external parties as required.
- Prepare, compile and present project related environmental and social progress and performance statistics on a quarterly and annual basis, or as required.
- During the development of the project, be the lead contact on E&S matters with potential contractors, EHS Managers and project consultants.
- Develop policies and associated communication documentation, contribution to presentations and investor material, as required
- Interface with the Fund team to discuss ongoing Corporate Social Responsibility (CSR) obligations and opportunities.

3.2.5 Facility EHS Manager

The Facility EHS Manager will be responsible for implementing the facility ESMS, ensuring that it meets the Fund's requirements and reporting regularly to the ESM. Responsibilities will include:

- Overall management of the facility ESMS ensuring that it is operated, maintained, updated and resourced as needed.
- Ensuring that the various procedures and documents associated with the ESMS are kept up to date, and to recommend any changes/updates as needed.
- Regular reporting to the ESM, including monthly updates and incident reporting.
- Daily inspections and reporting of issues to the Facility General Manager.
- If appointed prior to construction assuming the responsibilities of the OE EHS Manager

3.2.6 EPC Contractor EHS Manager

The Contractor will be required to appoint a qualified EHS Manager throughout the construction phase. The EPC EHS Manager responsibilities will include:

- Daily inspections of the site;
- Site inductions for all employees, sub-contractors and other people/organisations entering the site;
- Responsibility for developing and implementing the EPC Contractor's ESMP;
- Training of employees and sub-contractor employees on the ESMP;
- Daily toolbox talks covering the activities taking place on that particular day;
- Weekly meetings with the OE EHS Manager/Fund ESM;
- Incident reporting and monthly reporting on performance against the ESMP requirements.

3.2.7 Owner's Engineer EHS Manager (where required)

For the construction phase of each facility it is likely that the Fund will require support to oversee the EPC Contractors activities. This will certainly be the case if the facility EHS Manager has not been appointed. The OE EHS Manager will:

- Carry out daily inspections of the site and EPC Contractor activities;

- Report on all cases of non-conformity with the EPC Contractors ESMP;
- Attend weekly meetings with the EPCs EHS counterpart and the fund’s ESM;
- Submit regular monitoring reports (monthly) to the fund’s ESM.

3.3 E&S Actions within the Fund’s IAC Process

Table 3-2 outlines the key E&S actions and deliverables in the IAC process. The IAC is the committee made up of representatives from the Investment Advisor and Independent Experts. In line with a typical fund structure, an IAC pack is presented at each IAC including E&S deliverables which are reviewed and discussed at the meeting. The Fund cannot proceed to next phase in the investment development until the IAC approves both the deliverables for this step and the budget to complete them. There are three key IAC meetings during the investment decision process:

- Initial IAC – after the team has originated the investment and completed its screening, an Initial IAC is called to review the screening documents and approve the investment moving to detailed due diligence stage, including the budget required
- Primary IAC – upon completion of the due diligence, typically an ESIA or an ESDD in the case of an existing business, the IAC reviews these in tandem with other investment documents and approves the Fund team to negotiate the investment agreements;
- Final IAC – the investment agreements are presented to the IAC for final consideration following which the Manager considers the investment and provides its approval for the Fund to be finally bound to invest. The investment then commences covering key phases of construction, operation and exit.

Once the investment moves into this last IAC phase there are monthly updates to the IAC during which time E&S monitoring reports are provided including incident reporting and monthly EHS reports.

Table 3-2: E&S Actions and Deliverables in IAC Process

	Investment Origination	Initial IAC	Primary IAC	Final IAC	Construction, Operations and Exit
E&S Actions & Deliverables	<ul style="list-style-type: none"> • Desktop review of available information and imagery • Site visit • Meetings with stakeholders 	<ul style="list-style-type: none"> • Screening Report • Budget and Scope for E&S Due Diligence 	<ul style="list-style-type: none"> • E&S Due Diligence Report (ESIA, ESDD) • Budget and Scope to implement ESMP/ESAP 	<ul style="list-style-type: none"> • Input of E&S including legal agreements: land acquisition, EPC. • Budget for monitoring and set up of SPV E&S requirements 	<ul style="list-style-type: none"> • Monitoring and corrective actions: EPC, SPV. • Set-up of ESMS and resourcing for SPV • Monthly update reporting to IAC • Preparation and input into exit process

4 Environmental and Social Management Procedures

4.1 Overview

This section sets out the environmental and social procedures that will be following during each stage of the investment cycle, from initial screening through to eventual Fund exit (see Figure 4-1). The procedures cover two types of investments that will be carried out by the Fund:

- Greenfield developments – new facilities and logistics operations developed by CCSEAF. This type of investment will make up the total or majority of the Fund’s activities;
- Investments in existing cold chains businesses where opportunities exist in target countries. For example, this may entail converting existing warehouse facilities to partial or complete cold storage.



Figure 4-1: Investment Cycle

Templates for the relevant checklists and reports are contained in the Appendices, as outlined in Table 4-1.

Table 4-1: List of Appendices

Appendix	Description
Appendix A	Investment Screening Checklist
Appendix B	General Outline of an ESIA
Appendix C	Template for ESAP
Appendix D	General Outline of a Resettlement Action Plan
Appendix E	General Outline of an Indigenous Peoples Plan
Appendix F	Summary Outline of an ESDD
Appendix G	Template for Annual E&S Monitoring Report (Portfolio Company)
Appendix H	Template for Annual E&S Monitoring Report (Fund)

4.2 Initial Screening

4.2.1 Objective

To assess whether the investment proposition is in line with CCSEAF’s E&S Policy and associated standards to determine whether the investment proposition can proceed to the next stage of full E&S Due Diligence.

4.2.2 Procedural Requirements for Investment Screening

This section deal with the screening of greenfield developments and investments in existing cold chains businesses.

4.2.2.1 Assessment against Prohibited Activities List

The nature of the potential investment is to be compared against the Fund’s Prohibited Activities List (refer to Section 5). If the operations of the potential investment includes any of the businesses or activities listed as excluded in the Fund’s Prohibited Activities List, consideration of the investment opportunity must not proceed.

If the potential investment does not include any of the businesses or activities listed as excluded in the Fund’s Prohibited Activities List, the further assessment procedures outlined below should be undertaken.

4.2.2.2 *Screening against E&S Standards and Investment Categorisation*

During investment screening, the ESM (or equivalent qualified person) will work through the prospective opportunity to assess the likely environmental and social impacts. Using the investment Screening Checklist (Appendix A) as a guide to determine the significance of potential impacts.

The nature of the E&S screening required will depend on not only on the stage of the process as outlined in the Investment chart above, but also on the stage of overall development of the facility/country if investing in an existing business. For example, a facility/country that is in a very early stage of development may have very little environmental and social information whereas a project in advanced development may already have a completed ESIA and other related documentation. However, the same principles to screening apply before determining whether to carry out a full E&S due diligence and its scope.

As part of the investment screening, the ESM will identify the environmental and social categorisation of the project in line with the IFC and AfDB definitions as follows:

- **Category A/Category 1:** Business activities with potentially significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented;
- **Category B/Category 2:** Business activities with potentially limited adverse environmental or social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and
- **Category C/Category 3:** Business activities with minimal or no adverse environmental or social risks and/or impacts.

Each potential investment needs to be assessed according to its own E&S risk aspects and on an individual basis. The differentiating factors between CCSEAF's investments are likely to be whether it is greenfield or investment in an existing operation and the local E&S conditions where the facility is located. Outside of this, the risk profile of the investments envisaged, i.e. the facility construction and operations, are similar in nature.

As outlined in CCSEAF's E&S Policy, the Fund will not carry out investments that are determined to be Category A/Category 1. Therefore, if the screening determines the investment is in this Category (or during the detailed due diligence phase) the investment will not be taken forward. It is unlikely that the investments will fall into a Category C/Category 3, meaning that investments taken forward will be Category B/Category 2 thereby necessitating an ESIA for new facilities and an ESDD, including ESIA if one has not already been performed, for an existing business investment.

4.2.3 **IAC Procedure**

The initial screening is carried out prior to the Initial IAC. The ESM will prepare a report guided by the Screening Checklist that is included in the Initial IAC pack. This will provide information on expected risks and impacts from the investment, how these will be taken forward, the project categorisation, the level of due diligence required and the estimated budget to complete this.

4.3 **Detailed E&S Due Diligence of Investments**

4.3.1 **Objective**

To identify all risks and impacts of the investment and define management plans to address these. The detailed due diligence phase, whilst low risk, may also identify risk and impacts associated with the investment that mean it cannot be taken forward. The overall objective is to de-risk the investment to take it forward to formalised legal agreements between the implementing parties.

4.3.2 **Procedural Requirements for Due Diligence**

Upon approval from the Primary IAC for an investment, CCSEAF will undertake a detailed due diligence.

This will typically take one of two forms:

- Greenfield investment - an ESIA carried out by a consultant to in-country legal requirements and CCSEAF's E&S Compliance Framework;

- Existing business investment – an ESDD carried out by the ESM or a consultant.

The procedures for each are dealt with in turn below.

4.3.2.1 *ESIA for Greenfield Investment*

Post-screening phase and approval at Initial IAC, the ESM will:

- Include E&S requirements into the investment permit register;
- Develop a terms of reference (ToRs) for the ESIA on the basis of the potential risks and impacts identified during screening;
- Procure a consultant, registered with the in-country competent authority, to carry the ESIA in accordance with the ToRs;
- Work with the ESIA consultant and provide the link between them and the design consultant to ensure the ESIA reflects the facility design and operations;
- Attend key stakeholder engagement activities to represent the facility developer;
- Upon completion of the draft ESIA disclose in line with the disclosure requirements outlined in Section 6;
- Obtain the required permits from the competent authority;
- Write a summary of findings and provide the full reports to the IAC for review and approval to proceed with including the requirements in the legal agreements – land lease/sale agreement, EPC Contract, SPV formation.

4.3.2.2 *ESDD for Existing Business Investment*

The due diligence process for an existing business requires an assessment of the available documentation (e.g. ESIA, ESMP, monitoring reports) and permits as well as a capacity assessment of the existing E&S management processes in place. As such, the ESDD carried out by the ESM will comprise:

- Interviews with key team members at the company, including ESM, EHS Manager, HR, Operations Manager, key suppliers/client accounts
- Site visit to their premises to review their operations and compare what they are doing on the ground to the documentation/interviews;
- Compiling an ESDD report involving a gap analysis of the companies E&S Management against CCSEAF's E&S Compliance Framework;
- Compiling an ESAP to close any gaps and including these either as CPs to the legal agreements or actions to be completed within a specified timeframe thereafter.

CPs to legal agreements will cover material E&S risks that could affect the commercials of the investments, for example a lapsed environmental permit, or result in reputational risk for CCSEAF and its investors.

4.3.3 **IAC Procedure**

The findings from the ESIA or ESDD will be submitted to the Primary IAC alongside the ESM's conclusions and recommendations on whether the investment meets the E&S Policy and can be taken forward (from an E&S perspective) to the Final IAC stage.

4.4 **Investment Decision and Agreement**

4.4.1 **Objective**

To ensure that E&S requirements and commitments are captured in the relevant investment agreements including the necessary clauses around breach of these requirements.

4.4.2 Procedural Requirements for Investment Agreements

Upon successful completion of the due diligence phase and primary approval by the IAC to proceed, the CCSEAF team will draft and negotiate legal agreements with relevant parties. The ESM will ensure that E&S requirements are captured in each, typically:

- The ESMP as an annex to the EPC Contract as well as Health, Safety, Environment and Social (HSES) requirements as a Schedule to the contract in line with CCSEAF's Compliance Framework;
- For an existing business investment, inclusion of the ESAP in the legal agreements as well as HSES requirements as a Schedule to the contract in line with CCSEAF's Compliance Framework.

The legal agreements will include provisions in case of a material breach of the E&S requirements, whereby corrective actions will be implemented within a certain timeframe and should these not occur financial penalties incurred until they are resolved, e.g. withheld disbursements.

4.4.3 IAC Procedure

The legal agreements, including E&S provisions, are submitted to the Final IAC for approval. The IAC makes a recommendation to the Manager, the Manager considers and makes a final investment decision and subject to such decision the investment proceeds to the implementation phase during which time the Fund will monitor the entities responsible for this.

4.5 Investment Monitoring

4.5.1 Objective

Monitoring of EPC Contractors and Portfolio Companies performance against the E&S requirements set out in the legal agreements and implementation of corrective actions where these are not followed, or issues arise.

4.5.2 Procedural Requirements for Investment Monitoring

4.5.2.1 Construction Phase Monitoring

The Fund will appoint an EPC Contractor to carry out the construction of the cold storage facilities. The EPC Contractor will develop a Construction ESMP ("C-ESMP") and resource this in line with the framework ESMP completed as part of the ESIA. The C-ESMP will be reviewed and approved by the ESM during the preparation and mobilisation period prior to construction works commencing.

The Fund, either through the appointment of the Facility EHS Manager at this stage or through an OE EHS Manager, will monitor the performance of the EPC Contractor (as per the responsibilities set out in Section 3.2) and report at regular intervals to the ESM (weekly calls and monthly reports). The reporting will be based on performance indicators agreed in the C-ESMP and incident reporting. Where a serious incident is reported, the OE will report this in short form to the Fund on the day of the incident with a full investigative report completed within three days. The Fund will in turn report this to its investors, including corrective actions taken.

During the construction period the ESM (or an appointed consultant) will carry out an audit of the EPC Contractor's compliance with the C-ESMP. Where non-compliance issues are identified, a corrective action plan will be compiled with a timeframe to close the gaps.

4.5.2.2 Portfolio Company Monitoring

For each country, an SPV will be set up and resourced to carry out and manage the operations of a facility(ies) (or in the case of an existing business the company will already be set up). In each case, the entity will implement an ESMS (or upgrade their existing ESMS in line with the ESAP) in accordance with CCSEAF's Compliance Framework and the legal agreements.

The ESM will develop the portfolio company ESMS in coordination with the EHS Manager and the management team.

The following monitoring activities will be undertaken.

- After an Investment is approved, the ESM shall communicate with the portfolio company and confirm at regular intervals that the portfolio company is undertaking the obligations in compliance with the E&S Compliance Framework as detailed in the investment agreement. Where an ESAP has been agreed, progress against this will be monitored.
- For all investments, the ESM (or qualified consultant) shall visit the site to monitor the implementation and compliance with the E&S Compliance Framework. For all related facilities and/or business activities that already exist, the ESM (or other designated officer) will visit the site to monitor the implementation and specify corrective actions where necessary.
- The portfolio company's EHS Manager will submit monthly reports to the ESM outlining monitoring completed during this period, issues and incidents that have arisen and corrective actions implemented.
- The Fund will promptly report to the IAC any actual or potential breach of the compliance requirements after becoming aware of it.
- The Fund shall as promptly as possible, and in any event no more than 5 days, after becoming aware of any activity by a portfolio company that does not comply with the E&S Compliance Framework such portfolio company to implement a corrective action plan. If the portfolio company does not implement a corrective action plan, the Fund shall use all its commercially reasonable endeavours to redress this, including financial penalties or in the most extreme cases sale of the portfolio company.
- The portfolio company should be required to notify the ESM of any serious incident within 2 calendar days of its occurrence. The Fund shall as soon as reasonably practicable and in any event within 5 calendar days after becoming aware of the occurrence, notify the investors of any. As soon as reasonably practicable thereafter, the Fund shall specify in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep the Investors informed of the on-going implementation of those measures.
- The Fund shall as promptly as possible, but in any event no later than 30 May following the previous financial year, provide investors with a copy of an annual Environmental, Social and Governance Performance Report (suggested outline of which is contained in Appendices J and K) which shall contain an attestation that the Fund and the General Partner are each in compliance with the E&S Compliance Framework.
- The Manager shall discuss the annual Environmental & Social Performance Report at the next LPAC meeting, held after the report has been provided to Investors.

4.5.3 Reporting

The ESM will complete the following reporting to investors:

- Incident Reporting – any series E&S incident² will be reported within 5 (five) days after the Fund becomes aware of the occurrence and with a further 5 (five) business days a more detailed report outlining: the nature of the incident, accident or circumstance and the impact arising therefrom; the measures being taken, or plans to be taken, to address them and prevent any future similar event;
- Quarterly reporting – reporting of E&S performance covering the active portfolio including key actions during the period and a summary of any incidents that have occurred.
- Annual Reporting - no later than 30 May following the previous financial year, provide investors with a copy of an annual Environmental & Social Performance Report (suggested outline of which is

² A serious incident is one that is material social, labour, health and safety, security or environmental incident including any environmental and social claim, serious accident, loss of life, material breach of law, material effect on the environment or circumstance with respect to any portfolio company or in relation to any portfolio company operations having, or which could reasonably be expected to have, any material adverse effect or a material adverse impact on the implementation or operation of the portfolio company operations in compliance with the Environmental and Social Requirements

contained in Appendices H and I) which shall contain an attestation that the Fund and the General Partner are each in compliance with the E&S Compliance Framework

4.5.4 IAC Procedure

The ESM will provide input into the monthly IAC update, including any incidents or material E&S actions that have taken place in the previous month.

4.6 Exit

4.6.1 Objective

Ensure that the Fund's investment has been realised in conformance with the E&S Compliance Framework and has added value through implementation of the E&S Policy to present an attractive and low risk investment opportunity.

4.6.2 Procedural Requirements for Exit

At a reasonable time prior to planned exit and in line with other fund workstreams, the ESM will prepare an E&S Exit Plan. The E&S Exit Plan will include the following considerations:

- Initial E&S screening of potential investors;
- KYC, including anti-bribery and money laundering checks in compliance with ARCH Policy;
- Examination of the preferred investors track record on E&S issues and management;
- Interview with the preferred purchases management in terms of their intentions going forward for E&S management of the asset in question.

4.6.3 IAC Procedure

The ESM will compile a screening report of the potential investors to the IAC.

5 Prohibited Activities List

The Fund will not invest in the following business or activities, which are termed Prohibited Investment Activities List (“PIAL”);

1. Category A or Category 1 investments, as defined by the IFC³ and AfDB⁴
2. Production or activities involving harmful or exploitative forms of forced labour⁵/ harmful child labour⁶.
3. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
4. Any business relating to pornography or prostitution.
5. Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES).
6. Production or use of or trade in hazardous materials such as radioactive materials, unbounded asbestos fibres and products containing PCBs.
7. Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying national and EU regulations but for the avoidance of doubt, use of waste as a fuel in district heating is not excluded.
8. Unsustainable fishing methods (i.e. drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing)
9. Production or trade in ozone depleting substances⁷ and other hazardous substances subject to international phase-outs or bans.
10. Destruction of Critical Habitats⁸.
11. Production and distribution of racist, anti-democratic and/or neo-Nazi media.
12. Tobacco (including its production), if it forms a substantial part of a Project's primary financed business activities.
13. Production of alcoholic beverages and luxury consumer goods.
14. Live animals for scientific and experimental purposes, including the breeding of these animals.
15. Ammunition and weapons, military/police equipment, infrastructure or correctional facilities, prisons, and other goods used for military or paramilitary purposes.

³ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/es-categorization

⁴ AfDB Integrated Safeguards System (2013)

⁵ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

⁶ Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition, any labour that is performed by a person which has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies compulsory school attendance or the minimum age for working to be higher; in such cases, the higher age will be applied for defining harmful child labour.

⁷ Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in 'holes in the ozone layer'. The Montreal Protocol lists ODs and their target reduction and phase-out dates.

⁸ Critical habitats are a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union ('IUCN') classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

16. Projects which have the effect of limiting people's individual rights and freedoms or violating their human rights.
17. Gambling, casinos and equivalent enterprises or hotels hosting such facilities.
18. Commercial concessions over, and logging on tropical natural forest; conversion of natural forest into a plantation.
19. Purchase of logging equipment for use in tropical natural forests or high nature value forest in all regions; and activities that lead to clear cutting and/or degradation of tropical natural forests or high nature value forest.
20. New palm oil plantations.
21. Any business with a political or religious content.
22. Production of alcoholic beverages, tobacco, and luxury consumer goods.
23. Production, trade in, or use of:
 - a. nuclear reactors and related products, radioactive materials (except in the case of medical materials and quality-control equipment where the radioactive source is in small quantities and is adequately shielded), combustible elements not exposed to irradiation (cartridges for reactors);
 - b. unbonded asbestos fibres or other products with bonded asbestos as a dominant material; or
 - c. harmful substances that are subject to international phase-outs or bans (including pharmaceuticals and pesticides classified as Class Ia (extremely hazardous); Class Ib (highly hazardous); Class II (moderately hazardous); and ozone-depleting substances.
24. Speculative trade or investment in platinum, pearls, precious stones, gold and related products.

6 Disclosure of Information and Grievance Redress Mechanism

6.1 Overview

This section presents the procedures followed by the Fund in relation to information disclosure and the management of grievances via the Grievance Redress Mechanism (GRM).

6.2 Disclosure of Information

The Fund will disclose information at varying intervals to different stakeholders. The reporting to key fund stakeholders has been outlined in the Environmental and Social Management Procedures in Section 4. Information disclosure in this case relates to the Fund and Portfolio Company's disclosing information externally (i.e. not IAC, LPs) and the types of E&S related documents that are regularly disclosed. Stakeholder engagement is an ongoing activity and will be formally defined in the project/facility stakeholder engagement plan (SEP) – see Section 6.2.1. These include:

- ESMS disclosure – the ESMS will be disclosed for a period of 30 days minimum and posted on the portfolio companies' websites and that of potential Limited Partners (if they so choose), in line with AfDB's disclosure requirements;
- ESIsAs will be disclosed in conformance with in-country requirements and the Fund's E&S Compliance Framework for Category B investments. Disclosure requirements will typically involve: electronically on the Fund's website, hard copies in accessible public area locally to the investment (and advertised), public hearings where pertinent.
- ESAPs will be disclosed on the portfolio company's website for a period of 30 days minimum;
- Portfolio Company's E&S Policy and ESMSs will be disclosed on their website for a period of not less than 30 days.

6.2.1 Stakeholder Engagement

The framework for stakeholder engagement for each country operation will be defined under the SEP, guided by the following principles:

- Providing key project information to stakeholders through means that are accessible at all levels, from neighbouring communities to the international level;
- Regular meetings with stakeholders, conducting all discussions in good faith and in a two-way manner;
- Providing mechanisms for stakeholders to raise issues and grievances (see section 6.3) and for feedback to be provided in a thorough and timely manner.

The SEP is a 'living' document that will be updated as the project evolves, in accordance with key milestones, to ensure full stakeholder participation in project decision-making. A key underpinning of the SEP is the stakeholder mapping exercise undertaken at the beginning of the project. At this point, project stakeholders will be identified and categorised in terms of their level of interest/impact and level of influence on the project. From this, the frequency and type of stakeholder engagement will be defined. Additional stakeholders will be identified during the stakeholder engagement process and included in the process accordingly.

6.3 Grievance Redress Mechanism (GRM)

The availability of an effective and adequate GRM is important in the management of grievances from the local community and other stakeholders, including employees and EPC employees, for the smooth implementation of the investments. The grievance mechanism is an integral part of the stakeholder engagement plan developed for each investment.

A grievance is a formal notified complaint made by people who feel they have been adversely affected by activities associated with survey work, construction, operation and decommissioning of the investment. A

grievance mechanism is established to ensure that such complaints are addressed in good faith, through a transparent and impartial process and in a timely manner. It also provides a mechanism for stakeholders to continue to engage with the portfolio company and is an important risk management system in turn.

For each portfolio company, the GRM will reflect both the scale of impacts and expected risks of the investment. The GRM will be advertised locally and on the portfolio company website. Where literacy levels are low in the region grievances can be made verbally and recorded by the EHS Manager. It also includes an independent, objective appeal mechanism, which will not impede access to judicial or administrative remedies. As such, the GRM implemented will have three levels of grievance management:

1. Direct lodging and resolution with the portfolio company – local communities, workers and other stakeholders will have the opportunity to lodge grievances directly with the company. The grievance can be received either electronically, via a GRM form or verbally and recorded on a GRM form. The EHS Manager will record the grievance in the grievance register where its progress and close out will be monitored. The EHS Manager, in consultation with the relevant person or department responsible for the nature of the grievance raised, will attempt to resolve this with the complainant directly. A response will be provided by the company within 7 days of the grievance being raised.
2. Where it is not possible to resolve the grievance between the two parties, the grievance will be referred to a grievance committee which will involve two representatives from the company and two external representatives related to the grievance lodger to mediate. The aim is that a resolution can be put forward by the committee that is acceptable to both parties.
3. Where it is still not possible to resolve the grievance through the committee the complainant can resort to justice through the in-country legal mechanisms.

The grievance register will be managed by the EHS Manager in consultation with the Fund's ESM.

7 Capacity Building & Training

7.1 Overview

The ESM is responsible for ensuring current and planned resource requirements (including financial requirements), needed to update and maintain the ESMS to meet current GIIP, are identified and included in the annual ESMS budget and training requirements including training of the Fund's investment teams, Partners and Officers, as deemed necessary.

The sub-sections below outline what is typically foreseen in each case.

7.2 Fund Team

All CCSEAF personnel will be required to undergo training on E&S matters, relevant to their position and role. Training foreseen as follows:

- E&S induction training for all new joiners to the CCSEAF team on the E&S Compliance Framework, E&S Policy and ESMS;
- Annual E&S refresher training for all CCSEAF team members tailored to the core business activities and relating to investment and country specific risks;
- All key personnel involved in the E&S Management outlined in Section 3 will undertake the European Investment Bank ("EIB") online training course that was developed by the Frankfurt Business School and covers the following units;
 - **Unit 1:** Introduction to Environmental & Social Impacts, Risks and Opportunities for Financial Intermediaries.
 - **Unit 2:** Environmental & Social Risks and Impacts
 - **Standard 1** covers key aspects related to the 'Assessment and Management of Environmental and Social Impacts and Risks'
 - **Standard 2** looks at 'Pollution Prevention and Abatement'
 - **Standard 3** deals with the protection and conservation of 'Biodiversity and Ecosystems'
 - **Standard 4** covers 'Climate Related Standards'
 - **Standard 5** explains issues related to the identification, management and protection of 'Cultural Heritage'
 - **Standard 6** deals with the issue of 'Involuntary Resettlement'
 - **Standard 7** looks at the 'Rights and Interests of Vulnerable Groups'
 - **Standard 8** covers the complex issue of 'Labour Standards'
 - **Standard 9** is dealing with 'Occupational and Public Health, Safety and Security'
 - **Standard 10** finally, explains the requirement of 'Stakeholder Engagement'
 - **Unit 3:** Presenting the key issues and steps of an Environmental & Social Management System (ESMS) and putting into practice the standards of Unit 2
 - **Unit 4:** Consists of two case studies that allow course participants to apply their newly acquired knowledge

7.3 EPC Contractor

Similarly, to the Fund team, the EPC Contractor Management and EHS Manager will be given an induction to the Fund's E&S Compliance Framework. Subsequent to that, the EPC Contractor's EHS manager will draft a training programme for their staff and submit this to the ESM. Training will typically include:

- Site induction for all new joiners and sub-contractors, in particular pertaining to their specific work;

- Daily toolbox talks relating to the specific activities that will take place that day;
- As needed in response to issues identified on site and corrective actions.

7.4 Portfolio Company

Each Portfolio Company's management and EHS Manager will be required to undertake an E&S induction from the ESM of the Fund's E&S Compliance Framework. Thereafter, the company's EHS Manager will carry out, guided by a training programme:

- New joiner induction on the company's ESMS and Occupational health and Safety Management System (OHSMS);
- Tailored E&S training for the position being hired. For example, for truck drivers this will entail the requirements of the transport management plan that the facility implements;
- Annual refresher training, particularly relating to any changes that have occurred to the management systems/plans;
- Toolbox talks and re-fresher training for specific tasks.

8 ESMS Budget

A high-level budget to implement the ESMS is outlined in Table 8-1.

Table 8-1: ESMS Budget

ESMS Requirement	Estimate Budget (USD)
Fund E&S Personnel and Operating Costs:	
ESG Director	Confidential (current hire)
E&S Manager	60,000 - 80,000 p.a.
Travel Costs	5,000 development phase, 2,000 annually thereafter.
Facility Development:	
Investment screening	Internal (ESM)
ESIA (incl. public hearings)	60,000
Environmental Licence	Variable per country, unlikely to exceed 5,000
ESAP	Internal (ESM)
SPV Policies, ESMS/OHSMS and GRM	Internal (ESM + Facility EHS)
Legal Agreements	Internal (ESM)
Investment Monitoring and Reporting	Internal (ESM)
Administrative costs (printing materials/translations etc)	1000
Facility Construction:	
OE EHS Supervision (if not undertaken by Facility EHS Manager)	30,000 – 40,000 p.a.
EPC EHS Manager and ESMS/C-ESMP/OHSMS	Included in EPC Contractor Price
Facility Operations:	
Facility EHS Manager	40,000
Training and professional qualifications/certifications	20,000 first year, 5,000 thereafter p.a.
Monitoring and Reporting	Internal (EHS Manager and ESM)

Appendix A: Investment Screening Checklist

Project Name:		Location:		
Investment description:				
E&S Status	<i>State status of ESIA studies, documents available for review, etc.</i>			
Project Category (A, B, C)	<i>On the basis of the information compiled in this checklist</i>			
Prohibited Investment Activities List				
Screening question	Yes	No	Comment	Risk
A Investment Siting: Is the Investment area adjacent to or within any of the following environmentally sensitive areas?				
Cultural heritage site?				
1. Legally protected area (core zone or buffer zone)?				
2. Wetland?				
3. Mangrove?				
4. Estuarine?				
5. Special area for protecting biodiversity?				
B Potential Environmental Impacts:				
6. Will the Investment cause... Impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?				
1. Disturbance to precious ecology (e.g. sensitive or protected areas)?				
2. Alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?				
3. Deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?				
4. Increased air pollution due to construction and operation?				
5. Noise and vibration due to construction or operation?				

6. Poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?				
7. Creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?				
8. Risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during construction and operation?				
9. Risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?				
10. Generation of solid waste and/or hazardous waste?				
11. Use of chemicals or hazardous materials?				
12. Generation of wastewater during construction or operation?				
13. Any environmental risks associated with the development or operation of associated facilities? E.g. power, water, waste disposal?				
C Potential Social Impacts:				
7. Will the Investment Cause...				
1. Involuntary resettlement of people? (physical displacement and/or economic displacement). Provide details.				
2. Will people lose access to natural resources, communal facilities and services, even temporarily?				
3. Will access to land and resources owned communally (or by the state) be restricted, even temporarily?				
4. Disproportionate impacts on the poor, women and children, Indigenous Peoples, or other vulnerable groups?				
5. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the investment area?				
6. Community safety risks due to both accidental and natural causes, especially where the structural elements or components of the Investment are accessible to members of the affected community or where their failure could result in injury to the community throughout construction, operation, and decommissioning?				
7. Social conflicts if workers from other regions or countries are hired?				

8. Large population influx during construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?				
9. Any social risks associated with the development and operation of associated facilities, e.g. legacy resettlement issues, unresolved community grievances, legacy construction issues.				
8. Additional Information:				
Signed (Name/Signature)				
Date				

Appendix B: General outline of an Environmental and Social Impact Assessment (“ESIA”)

An ESIA is required for all environment category A and B investments. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical ESIA report contains the following major elements listed below. The substantive aspects of this outline will guide the preparation of ESIA's, although not necessarily in the order shown.

Executive Summary

This section describes concisely the critical facts, significant findings, and recommended actions. This section may also be referred to as a “Non-Technical Summary” which is normally the primary part of the ESIA that is initially made publicly available during the ESIA disclosure process.

A. Policy, Legal, and Administrative Framework

This section discusses the applicable safeguard requirements, national laws, regulations and standards on environment, health, safety, involuntary resettlement and land acquisition, Indigenous Peoples, physical cultural resources and other social aspects.

B. Description of the Investment

This section describes the proposed investment; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the investment (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the investment's layout and components, the investment site, and the investment's area of influence.

C. Description of the Investment's Environment (Baseline Data)

This section describes relevant physical, biological, and socioeconomic conditions within the study area. It also looks at current and proposed development activities within the investment's area of influence, including those not directly connected to the investment. It indicates the accuracy, reliability, and sources of the data.

D. Anticipated Environmental Impacts and Mitigation Measures

This section predicts and assesses the investment's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental and social media, and physical cultural resources in the investment's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, trans-boundary, and cumulative impacts as appropriate.

E. Analysis of Alternatives

This section examines alternatives to the proposed investment site, technology, design, and operation (including the “no investment” alternative) in terms of their potential environmental and social impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular investment design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

F. Information Disclosure, Consultation, and Participation

This section describes the process undertaken during investment design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders. It also summarises comments and concerns received from affected people and other stakeholders and how these comments have been

addressed in investment design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples. It also describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during investment implementation.

G. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

H. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during investment implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions together with an overall Environmental and Social Action Plan. It includes the following key components (with the level of detail commensurate with the investment's impacts and risks):

Mitigation:

- (i) identifies and summarises anticipated significant adverse environmental impacts and risks;
- (ii) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
- (iii) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the investment.

Monitoring:

- (i) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits, and definition of thresholds that will signal the need for corrective actions; and
- (ii) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.

Implementation arrangements:

- (i) specifies the implementation schedule showing phasing and coordination with overall investment implementation;
- (ii) describes institutional or organisational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organisational changes; and
- (iii) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
- (iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

J. Conclusion and Recommendation

This section provides the conclusions drawn from the assessment and provides recommendations.

K. Appendices

Various appendices may be included in the ESIA, including baseline and survey data and other reference information.

Appendix C: Template for an Environmental and Social Action Plan

Project
Environmental and Social Action Plan
DATE

N	Action	Deliverable	Owner/Responsible	Proximity	Date	Status	Comments
1						Not Started	
2						Not Started	
3						Not Started	
4						Not Started	
5						Not Started	
6						Not Started	
7						Not Started	
8						Not Started	
9						Not Started	
10						Not Started	
<i>Insert new rows above this line</i>							

Appendix D: General outline of a Resettlement Action Plan

A resettlement action plan (“RAP”) is required for all investments with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

This section provides a concise statement of investment scope, key survey findings, entitlements and recommended actions.

B. Investment Description

This section provides a general description of the investment, discusses investment components that result in land acquisition, involuntary resettlement, or both, and identifies the investment area. It also describes the alternatives considered to avoid or minimise resettlement. It includes a table with quantified data and provides a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

- (i) discusses the investment’s potential impacts, and includes maps of the areas or zone of impact of investment components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment;
- (iii) summarises the key effects in terms of assets acquired and displaced persons; and
- (iv) provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) definition, identification, and enumeration of the people and communities to be affected;
- (ii) description of the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) discussion of the investment’s impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) identification of gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

This section:

- (i) identifies investment stakeholders, especially primary stakeholders;
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the investment cycle;
- (iii) describes the activities undertaken to disseminate investment and resettlement information during investment design and preparation for engaging stakeholders;
- (iv) summarises the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- (vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during investment implementation.

F. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

This section:

- (i) describes national and local laws and regulations that apply to the investment and identifies gaps between local laws and these policy requirements; and discusses how any gaps will be addressed.
- (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and sets out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- (iv) describes the land acquisition process and prepares a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and.
- (iii) outlines opportunities for affected persons to derive appropriate development benefits from the investment.

I. Relocation of Housing and Settlements

This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularise tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

This section:

- (i) identifies livelihood risks and prepares disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or special funds within the investment;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

K. Resettlement Budget and Financing Plan

This section:

- (i) provides an itemised budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items);

- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (considering both physical and cost contingencies), plus replacement costs; and
- (iv) includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of NGOs, if involved, and organisations of affected persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management.

M. Implementation Schedule

This section includes a detailed, time bound implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the investment schedule of civil works construction and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the investment for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

Appendix E: General outline of an Indigenous Peoples Plan

An Indigenous Peoples plan (“IPP”) is required for all investments with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

A. Executive Summary of the Indigenous Peoples Plan

This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Investment

This section provides a general description of the investment; discusses investment components and activities that may bring impacts on Indigenous Peoples; and identifies the investment area.

C. Social Impact Assessment

This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in context of the investment;
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend;
- (iii) identifies key investment stakeholders and elaborates a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of investment preparation and implementation, taking the review and baseline information into account;
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the investment. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live;
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples’ perceptions about the investment and its impact on their social, economic, and cultural status; and
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimise, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the investment.

D. Information Disclosure, Consultation and Participation

This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during investment preparation;
- (ii) summarises their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in investment design;
- (iii) in the case of investment activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the investment activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and

(v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimise, mitigate, and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples group.

G. Capacity Building

This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the investment area; and (b) Indigenous Peoples organisations in the investment area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

This section describes the mechanisms and benchmarks appropriate to the investment for monitoring and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organisations and NGOs in carrying out the measures of the IPP.

K. Budget and Financing

This section provides an itemised budget for all activities described in the IPP.

Appendix F: Summary outline of an investment Due Diligence Report

A. Introduction

1. Investment description: investment title, type of investment, location and setting, amount, size (production capacity, number of staff, etc.).
2. Environmental and social categorization and rationale.
3. Applicable Environmental and Social Requirements.

B. Scope of Review and Methodology

1. Documents reviewed (e.g. environmental assessment reports, involuntary resettlement plan, Indigenous Peoples plan, or environmental and social compliance audit reports, copies of permits/licences, etc.).
2. Methodology adopted (e.g. site visit, inspection report, etc.).

C. Compliance and Liability (by relevant safeguard requirements applicable for the specific investment, examine environmental and social issues and compliance)

Examine issues in terms of environmental, involuntary resettlement and Indigenous Peoples impacts, mitigation measures to address these issues (or corrective action plan for existing facilities) and compliance status with applicable environmental and social safeguard requirements set out herein and national laws, regulations, and standards:

(i) Environmental Safeguards

1. appropriate identification of major anticipated environmental impacts and risks;
2. adequacy of environmental assessment (for category A and Category B investments, including the adequacy of alternative analysis);
3. compliance status with applicable requirements for (i) information disclosure; (ii) consultation with affected people and other stakeholders; (iii) occupational and community health and safety, biodiversity conservation and sustainable natural resource management, and physical cultural resources; and
4. adequacy of mitigation measures and EMP (mitigation measures, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(ii) Involuntary Resettlement Safeguards

1. appropriate identification of major anticipated involuntary resettlement impacts and risks (including both physical displacement and economic displacement);
2. adequacy of assessment of social impacts, information disclosure and consultation with affected people and other stakeholders;
3. adequacy of compensation and benefits for displaced persons;
4. adequacy of resettlement plan (measures to enhance or restore the livelihoods of displaced persons, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any; and
5. private sector responsibilities under government-manages resettlement.

(iii) Indigenous Peoples Safeguards

1. appropriate identification of major anticipated impacts on Indigenous Peoples (including potential impacts on traditional or customary lands under use; relocation of Indigenous Peoples from traditional and customary lands, and impacts on cultural resources);
2. adequacy of information disclosure and meaningful consultation;
3. broad community support, where applicable;
4. adequacy of measures to avoid adverse impacts; and

5. adequacy of Indigenous Peoples plan (benefit sharing, measures to mitigate and minimise adverse impacts, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(iv) Adequacy of grievance redress mechanism arrangements.

1. Recommend mitigation measures, or corrective action plans, if gaps are identified:
2. For existing facilities including investments under construction, examine whether the Portfolio Company paid pollution charges or fines/penalties for non-compliance in the last two years in accordance with national laws, whether the Portfolio Company is exposed to potentially significant liabilities, such as those arising from known or suspected land/groundwater contamination, major accidents and incidents related to the company's past or ongoing operations, and state further actions required/planned by the Portfolio Company, in particular actions to address any non-compliance problems and liabilities. Also examine whether there are complaints from the public or local communities regarding the Portfolio Company's environmental and social performance.
3. State any risk control or mitigation measures to be taken by the Portfolio Company, such as conditions, loan covenants, or monitoring and reporting requirements.

D. Other Investment Specific Issues, if any

E. Conclusion and Recommendations

Appendix G: Annual Environmental and Social Monitoring Report Template (for Portfolio Companies)

A. Investment Name and Summary Information

- (i) Location
- (ii) Scale/size/capacity
- (iii) Reporting period covered by this monitoring report (month/year)
- (iv) Specification of investment stage (design, construction, operation or closure stage)
- (v) Key developments and any major changes in investment location and design, if any

B. Relevant Environmental Permits or Compliance Certificates

- (i) Issued by government agency(ies) (include name of agency)
- (ii) Issuance dates and duration of validity
- (iii) Permit conditions and renewal requirements
- (iv) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)

C. Grievance Redress Mechanism

- (i) Date established and description of organisational arrangements
- (ii) Complaints, grievance, or protests received from local communities, recorded dates and organisations involved, actions taken to resolve grievances; any outstanding issues and proposed measures for resolution

D. Occupational and Community Health and Safety

- (i) Training programs carried out
- (ii) Incidents⁹ recorded, including date, scale of damage and injury¹⁰, if any; authorities in charge of investigation/recording, and media or community reactions, if any; action taken to respond to the incident; and any outstanding issues and proposed measures
- (iii) Other health and safety events or out-reach activities

E. Environmental Management Capacity

- (i) Number of staff, qualifications and experience in environmental management
- (ii) Awareness of: (i) environmental issues, (ii) health and safety, (iii) national environmental laws and regulations, and (iv) applicable environmental safeguard requirements to the Fun
- (iii) Training programs carried out
- (iv) Assessment of environmental management capacity needs (including planned capacity building programs)

F. Stakeholder Consultation

- (i) Details of information disclosure and consultations, if any, with affected people, local communities, civil society groups, and other stakeholders
- (ii) Details of approach/methodology on addressing the concerns and issues raised at consultations

G. Compliance with Applicable Environmental Safeguard Requirements as defined in the Fund's ESMS

Implementation of EMP (citing changes in the EMP, where warranted) at construction or operation phase, focusing on mitigation measures and monitoring program. Attach copies of monitoring reports. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented.

H. Other Information and Feedback

⁹ Including incidents that have caused damage on the environment or to human health, and/or attracted attention of outside parties (e.g., fire, explosion, chemical or oil spill, and pollution release).

¹⁰ Including fatalities, serious injuries (requiring emergency treatment or hospitalization), lost time accidents (requiring more than one day off work to recover), and incidents involving compensation claims.

Please list any other information that the Fund should be aware of. This may relate to broader environmental matters, community initiatives within your company, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly processes.

Name and Signature

Name:

Date:

Position:

Phone:

Signature:

E-mail:

Appendix H: Annual Environmental and Social Report Template for the Fund

PART A – Report Template (to be used as a guide, specific format and layout may vary)

A. Introduction

(i) Brief company and investment description / summary information on status of investment / overview of E&S aspects of investment and associated documentation / investment and development history.

B. Physical Progress of Investment Components with Resettlement and Indigenous Peoples Impacts

(i) List of investment components with resettlement and Indigenous Peoples impacts and progress updates (including engineering progress, and ground clearing, land acquisition and structure demolition progress).

C. Scope of Resettlement Impacts and and/or Impacts on Indigenous Peoples

(i) Actual scope of land acquisition and resettlement (including the methodology to determine the actual scope of land acquisition and resettlement, and comparison with the scope of impacts in resettlement plan(s)).

(ii) Actual impacts on Indigenous Peoples (including the methodology to determine the actual scope of impacts on Indigenous Peoples, and comparison with the scope of impacts in Indigenous Peoples plan(s)).

D. Institutional Arrangements

(i) Key organisations involved in resettlement plan and/or IPP implementation

(ii) Progress of activities implemented by other organisations

(iii) Specific implementation arrangements for Indigenous Peoples

E. Compensation Rates, Payment and Assistance Delivery

(i) Compensation rates for land, resettlement subsidies, standing crops, and trees

(ii) Compensation for buildings and allowances for relocation

(iii) Allocation and utilisation of resettlement compensation

(iv) Payment delivery to affected village groups and individuals

(v) Assistance delivery to affected Indigenous Peoples

F. Status of Land Acquisition, Resettlement, and Reconstruction

(i) Housing relocation and reconstruction

(ii) Provision of replacement agricultural and/or commercial land

(iii) Restoration of affected public infrastructure and facilities

(iv) Restoration of land used for construction-related activities

(v) Implementation progress of income restoration activities

(vi) Support to vulnerable groups

(vii) Implementation progress of specific measures for affected Indigenous Peoples

G. Status of Provisions for Indigenous Peoples

(i) Culturally appropriate beneficial measures for each affected Indigenous Peoples group

(ii) Mitigative measures for each affected Indigenous Peoples group

(iii) Capacity building measures for Indigenous Peoples communities in the investment area

(iv) Broad community support, where required

H. Consultation and Disclosure Activities and Grievance Procedures

- (i) Consultations on compensation standards and fees, relocation options, etc.
- (ii) Specific consultations conducted with Indigenous Peoples on the investment, its impacts and assistance to Indigenous Peoples
- (iii) Any good faith negotiation to resolve major disagreements with Indigenous Peoples
- (iv) Grievances received, and actions taken to address them

H. Grievance Redress Mechanism

- (i) Date established and description of organisational arrangements
- (ii) Grievances reported and resolution processes (e.g., nature of grievance, recorded dates and organisations involved, actions taken to resolve grievances, and media or community reactions (if any))

I. Compliance with Applicable Social Safeguard Requirements as Defined in the Section II B of the Fund's ESMS

J. Concerns and Work Plan

- (i) Concerns encountered, solutions provided, and good practices established
- (ii) Work plan (staffing, training, and work schedules)

A. Name, designation and Signature

**** End of Document****