Matanataki

Matanataki Pte Ltd
and
Matanataki Pacific Fund 1

Environmental and Social Management System

Table of Contents

Appendices

A: ESGI Policy (including Exclusion List)
B.1. Risk Categorisation Tool Template
B.2: Inherent Sector Risks
C: Initial ESG Screening Checklist
D: Example Terms of Reference ESDD and, Terms of Reference for Impact and Gender Review
E.1: ESDD questionnaire (deskbased)
E.2 : SEAH questionnaire
F: Generic ESDD Table of Contents
G.1: Guidance ESIA and ESMP
G.2: Guidance and Table of Contents: Biodiversity Action / Management Plan,
G.3: Guidance and Table of Contents Voluntary Land Transaction, Relocation and Livelihood Restoration Plan,
G.4: Guidance and Table of Contents Stakeholder Engagement Plan,
G.5: Indigenous Peoples Plan template
H: Gender Due Diligence Questionnaire
I: Table of Contents Gender Gap Assessment
J: ESAP Template
K: ESG Legal Clauses Drafting Guide
L: Whistleblowing Policy
M: MPL Complaints Procedure
N: Emergency Procedures Response Plan Elements
O: Indigenous Peoples Planning Framework

Acronymns

AML	Anti Money Laundering
BREF	EU Best Available Technique Reference document
DRI	Director of Regenerative Impact
EDFI	European Development Finance Institution
EIB	European Investment Bank
EU	European Union
EHS	Environment Health and Safety
EPRP	Emergency Preparedness and Response Plan
E&S	Environment and Social
ESAP	Environmental and Social Action Plan
ESG	Environment Social Governance
ESGI	Environment Social Governance and Impact
ESMS	Environment Social Management System
ESS	Environmental and Social Standards
FPIC	Free Prior Informed Consent
GAP	Gender Action Plan
GBVH	Gender Based Violence and Harassment
GCF	Green Climate Fund
GFCR	Global Fund for Coral Reefs
GIIP	Good International Industry Practice
IAP	Impact Action Plan
IFC	World Bank Group International Finance Corporation
IFC PS	IFC Performance Standards
IFPS	Initial Fiduciary Principles and Standards
ILO	International Labour Organization
IMC	Investment Management Committee
IMMS	Impact Measurement and Management System
IPCC	Intergovernmental Panel on Climate Change
IPPF	Indigenous Peoples Planning Framework
IRIS+	Global Impact Investing Network free access platform for managing impact
KPIs	Key performance Indicators
LPs	Limited Partners
MPF1	Matanataki Pacific Fund 1
(M)SME	(Micro) Small Medium Enterprise
OECD	Organisation for Economic Cooperation and Development
PICS	Pacific Island Countries
SEAH	Sexual Exploitation Abuse and Harassment
TA	Technical Assistance
UN FAO	United Nations Food and Agriculture Organization
UN PRI	United Nations Principles for Responsible Investment
UN SDG	United Nations Sustainable Development Goals
WBG	World Bank Group

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Environmental and Social Management System

1.0 General Introduction

1.1 Purpose and Scope

This Environmental and Social Management System (ESMS) has been developed for use by Matanataki Pte. Ltd. (MPL), Portfolio Advisor to Enyorra Private Equity Pte. Ltd. (the Fund Manager), and the Matanataki Pacific Fund 1 (MPF1). It contains the procedures for the management and integration of environmental and social aspects into investment activities of MPL and for MPF1. The ESMS and associated procedures manage the residual environmental and social risks after the programme vulnerability assessment and investment eligibility criteria have been applied by the investment team (feasibility study). The procedures are implemented by the Environmental and Social, and Impact team at MPL and the investment team of MPL. The procedures apply to all investments made into Matanataki funds where Matanataki Pte Ltd is the Portfolio Advisor.

The ESMS has been prepared with reference to the International Finance Corporation (IFC) Guidance Note on Financial Intermediaries 2023, IFC Performance Standards (PS) and Good International Industry Practice (GIIP) in particular, described by international lending partners. The ESMS has also been designed such that vulnerability reduction is central, reflecting GCF's Environmental Social Safeguards and Gender Policy among others.

Application of the ESMS policies and procedures ensures that MPL continually improves its Environmental and Social (E&S) performance through the control and management of E&S risks through the investment cycle (pre-screening through to exit) and by identifying opportunities for positive impact.

This ESMS should be read in conjunction with:
- Investment Management Standard Operating Procedures
- Impact Measurement Management System (IMMS)
- Compliance Manual – contains many of the policies referenced below

Policies
- Environmental, Social Governance and Impact (ESGI) Policy
- Climate Policy
- Biodiversity Policy
- Animal Protection Policy
- Child Protection Policy
- Code of Business Ethics and Conduct
- Conflict of Interest Policy
- Fraud & Corruption Prevention and Investigation Policy (also covering whistleblowing)
- Respect in the Workplace Policy (also covering sexual harassment)
- Whistle Blower Policy
- Gender Impact and Roadmap Guideline
- Human Rights Policy
- Indigenous Peoples Policy
- Data Protection and Privacy Policy

This ESMS will be reviewed at least once per year or when significant business process changes occur, to ensure the information contained herein is current and applicable.

This document should not be copied or distributed in any form without prior written consent from the Environmental, Social Governance Impact (ESGI) Partner.

1.2 Environmental Social Governance Impact (ESGI) Policy Requirements

The MPL and MPF1 ESGI Policy is provided in Appendix A. The policy reflects the ESGI commitments of MPL and of the Fund Manager, Enyorra Private Equity Pte. Ltd.

For the purposes of the ESGI Policy and ESMS, "G", Governance is considered as the governance of Environmental (E) and Social (S) matters.

To deliver on the strategic goals of i. impactful investments ii. improving climate resilience and the health of coral reefs and iii. improving ESG risk management throughout the lifecycle of the investment, the following requirements will be applied to all investments:

- Compliance with national laws, regulations and international conventions and declarations on environment, labour, health and safety, social aspects and any standards that may be referenced therein.
- IFC Performance Standards (IFC PS).
- World Bank Group Environment Health and Safety (WBG EHS) General Guidelines and Good International Industry Practice standards (GIIP).
- Universal Declaration on Human Rights.
- International Labour Organization (ILO) Fundamental Conventions
- ILO Fundamental Principles and Rights at Work and ILO Basic terms and Conditions of Work (amended 2022).
- ILO Indigenous and Tribal Peoples Convention 1989 (#169)
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
- UN (6) Principles of Responsible Investment (UNPRI),
- 2 X Challenge Criteria.

And where applicable:
- UN FAO Principles for Responsible Investment in Agriculture.
- WBG EHS General Guidelines and sector applicable guidelines e.g. for Agribusiness, Waste Management and Tourism.
- IFC's Good Practice Handbook on E&S risks in agro-commodity supply chains.

Impact measurement and monitoring will be aligned with the IMP/ IRIS+ Five Dimensions of Impact framework.

Fund-specific requirements will be included within the Policy as these evolve. Specific Requirements for the Matanataki Pacific Fund 1 (MPF1) are presented in Section 3.0 of the ESGI Policy. Notably these include:
- European Investment Bank (EIB) Environmental and Social Standards (EIB ESS) 2022
- Green Climate Fund (GCF) Initial Fiduciary Principles and Standards (GCF IFPS) 2014
- GCF Interim Environment and Social Safeguards of the Fund 2014 (GCF ESS)).
- To operate in a manner consistent with GCF's Revised Environmental and Social Policy 2021, GCF's Indigenous People's Policy (2018) and GCF's Information Disclosure Policy.

Each fund and its portfolio will apply applicable GIIP and EU Best Available Technique Reference Documents (BREFs) for pollution abatement.

The ESGI Policy, ESMS and associated safeguard instruments have been designed to align with the Green Climate Fund's Revised Environmental and Social Policy (2021), including its requirements relating to environmental and social risk categorisation, financial intermediary operations, stakeholder engagement, grievance mechanisms, information disclosure and the application of the GCF interim Environmental and Social Standards.

It is noted that both the EIB's ESS and the GCF ESS Policy build on IFC Performance Standards, for example climate risks are considered in terms of physical and transition risks with the dimensions of environmental and social vulnerability.

The Fund-specific requirements will be reviewed periodically dependent upon the investor base of the Fund and if necessary, supplemented with the written approval of existing Fund investors.

Note on the Application of GCF Environmental and Social Safeguards and Gender Policy

Within the SIDs context, MPFI applies the GCF ESS and Gender Policy. In practice, this means that environmental and social risk management procedures go beyond regulatory compliance and financial materiality, and explicitly considers E&S vulnerability as a core risk dimension. Climate-related risks are assessed not only in terms of physical and transition risks to the investment, but also in terms of differential impacts on vulnerable groups, including women, Indigenous Peoples, informal workers, and climate-exposed communities.

Sexual Exploitation, Abuse and Harassment (SEA/SH) and Gender-Based Violence and Harassment (GBVH) are recognised as material, cross-cutting risks under GCF policy. These risks are therefore integrated into screening, due diligence, contractual requirements, incident management, and grievance mechanisms, and are not treated solely as part of gender programming or training.

1.3 Exclusion List

Reflecting on our Vision and Principles MPL and funds will not invest in companies, sectors or industries identified in our Exclusion List (Appendix B of ESGI Policy).

In addition to the MPL ESGI Policy Exclusion List, MPF1 will not finance activities:

- classified as Category A under the GCF Revised Environmental and Social Policy, i.e. activities involving significant adverse environmental and social impacts that are diverse, irreversible or unprecedented;
- that would be inconsistent with applicable GCF policies and standards;
- that would result in involuntary resettlement.

1.4 Organisation and Capacity

The Matanataki Internal ESGI Organisation is shown in Figure 1. The Roles and Responsibilities are further described within this section.

ESGI Partner is the nominated General Partner of Matanataki Pte Ltd and on the MPL Board of Directors. The ESGI Partner oversees the implementation of the ESMS and ensures that the procedures are integrated into the business and investment processes of Matanataki Pte Ltd and the funds. The ESGI Partner is responsible for communicating with investors and various stakeholders in addition to the Lending Partners' Investment Advisory Committee. The ESGI Partner has Stop / Go / Pause authority for each transaction for E&S reasons.

The *Director of Regenerative Impact (DRI)* and *ESG Manager* report to the ESGI Partner.

- The *Director of Regenerative Impact* is responsible for the design and implementation of achievable measurable and regenerative land and marine practices for Matanataki funds. The DRI leads the design, implementation, and continual refinement of regenerative land, marine, and watershed strategies across the Fund's pipeline and portfolio, ensuring these are practical, measurable, and aligned with MPF1's climate resilience and social equity mission.

- The *ESG Manager's* primary role is to identify, mitigate and manage ESG risks and identify impact (Gender) opportunities within the portfolio from pre-investment considerations, through the investment period and at exit.

The ESG Manager and DRI will work closely together and with the investment teams to ensure effective ESG risk management and realization of investment impact and value addition.

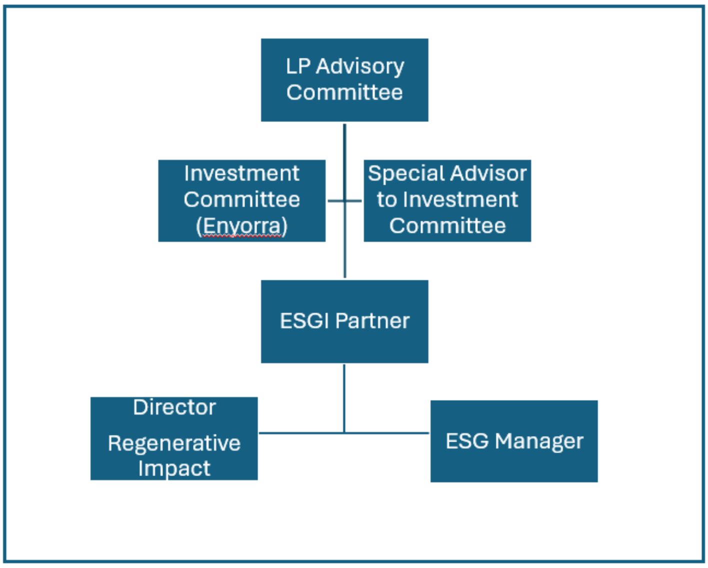

Figure 1: Matanataki Internal ESGI Organisation

The ESGI Partner is responsible for:

- Reviewing and agreement on the final ESG risk categorisation;
- Working with the investment team in negotiation and agreement of the ESAP and Impact plans, to ensure that these are appropriate to the risks and impacts identified;
- Sign-off the ESG inputs on IMARS, Enyorra's proprietary management software, or Trinity, Matanataki's proprietary management software or proprietary Excel™ data management tool;
- Sign-off of the ESG assessment and analysis in the Confidential Information memorandum (draft and final) presented to the Investment Committee; and
- Sign-off any ESG related conditions precedent or conditions subsequent for each investment prior to disbursement.
- Represent ESGI art the Investment Committee deliberations. Depending upon the topics, the ESGI Partner may ask the DRI or ESG Manager to attend the Investment Committee.

The DRI is responsible for:

- Identifying and shaping impact opportunities in line with MPL policy, MPF1's strategy, and investee business models, including through watershed and ecological assessments and the design and integration of regenerative approaches into pipeline company business plans.
- Working through due diligence and investment processes to refine impact theses, define goals, metrics, and targets with the ESG and Impact workflows, and including these within the investment committee materials and decision-making.
- Appointing and managing specialist consultants for project scoping, technical studies, due diligence, monitoring, and adaptive management of regenerative interventions.
- Supporting negotiations and agreement of legal documentation so that impact objectives and Regenerative Impact or action plans are embedded in investment terms and post-investment governance.
- Leading post-investment implementation of regenerative business practices with portfolio companies, providing senior guidance to owners and managers and using impact data to iterate and improve strategies over time.
- Overseeing and interpreting impact data with the Impact Associate, ensuring robust collection, analysis, and fund-level learning, and communicates results to fund leadership, investment committees, and other stakeholders; supports the refinement and continual improvement of regenerative design and implementation at the portfolio level.
- Designing and delivering training and knowledge-sharing for internal investment teams, portfolio company representatives, and community partners on regenerative practice, systems change, climate resilience, and social equity.

- Representing MPL and the Fund with external stakeholders, including investors, communities, and at responsible investment and impact forums, as a senior voice on regenerative and impact practice in the Pacific.

The ESG Manager is responsible for:

- Review, update, maintain and implement the Environmental and Social Management System (ESMS);
- Completing early stage and detailed ESG risk screening for each investment opportunity and accordingly, assign risk categories for each investment;
- During due diligence, conduct site visits, assess gaps against the Fund's E&S requirements / policies and identify opportunities for value addition and impact, and the development of appropriate Environmental and Social Action Plans (ESAPs);
- Appointment and management of specialist consultants, including for complex E&S due diligence and / or monitoring.
- Contributing to the evaluation of investment proposals, including via investment committee papers and meetings.
- Supporting negotiations with portfolio companies to ensure that ESG rights are embedded in legal agreements, including ESAPs (where appropriate);
- Post-investment, working with investees to develop, implement or otherwise improve their ESG management systems, policies and procedures, including the implementation of ESAPs (where relevant);
- Regular monitoring of investee compliance with MPL and the Fund ESG requirements and policies, including the implementation of agreed action plans and/or by attendance of ESG sub-committees of boards (as required);
- Development and delivery of ESG training programmes both for internal investment teams and for investee company representatives;
- Representing MPL and or the fund for ESG matters in communications or meetings with external stakeholders when requested by the ESGI Partner;
- Work on ad hoc projects. For instance, external communications on E&S, such as an annual E&S report and case studies highlighting E&S value addition; and
- Report serious violations, incidents, including safeguarding incidents, to LPs.

Investee E&S Organisational Capacity and Responsibilities

Portfolio companies receiving investment from MPF1 will be required to maintain organisational capacity proportionate to the nature, scale and risk profile of their operations and identified environmental and social risks and impacts.

As part of the environmental and social due diligence process, MPF1 will assess whether portfolio companies have appropriate governance arrangements, staffing, competencies and resources, including financial, to implement applicable environmental and social requirements, ESAPs, grievance mechanisms and monitoring obligations.

Portfolio companies will be expected to designate an appropriate management representative with responsibility for environmental and social performance and to allocate sufficient financial and human resources to implement and monitor environmental and social measures. For investments with more complex environmental and social risks, additional specialist expertise may be required, either through appropriately qualified internal personnel or external advisers.

MPF1 will provide oversight, guidance and capacity-building support, where appropriate, but responsibility for day-to-day environmental and social management remains with the portfolio company.

External Resources

External data resources will be utilised by the ESGI team. These form key components of the ESGI Toolbox. The data resources include, but are not limited to, those developed by ILO, IFC, DFIs, the IPCC and various NGOs including WWF. Specific resources are referenced in Section 2 and within the appendices to this document. These may be supplemented where new material and data sets become available.

Additionally local resources that may be accessed include those relating to local biodiversity, historical land-use and ownership, and indigenous peoples of the Pacific Island Countries (PICs).

Where needed external consultants or other specialist topic advisors will be appointed for specific roles or assignments for the management of ESGI. Such activities will include:

- Specialist topic training to be provided to MPL or fund personnel, or fund investee companies;
- Due Diligence of potential investments which are considered High Risk (A) and Medium Risk (B) (refer to Section 2);
- Delivery and implementation of specialist reports and studies required as part of the ESAPs, project requirements (e.g. Environmental Social Impact Assessments), Impact programmes including Gender Action Plans (GAPs), or Corrective Action Plans (CAPs) through the period of investment;
- External monitoring as maybe required depending on the risk category, due diligence recommendations and agreed ESAP.

Decision-making authority on environmental and social risks

The ESGI Partner holds independent authority to approve, pause, or reject any investment on environmental and social grounds.

Where a material environmental or social issue arises close to investment approval or during negotiations, the matter must be escalated to the Investment Committee with a clear recommendation from the ESGI Partner. If required, the ESGI Partner may elevate the issue to the Board. Investment approval cannot proceed unless the identified risks are adequately mitigated or an explicit waiver is approved by the Investment Committee and documented.

1.5 Capacity Building and Budget

To ensure effective implementation of the ESMS, it is necessary to allocate resources to prepare and distribute documentation and materials, train the team on the ESMS and Impact management. A budget for the ESGI and investment teams will be allocated to cover any potential costs; where possible Matanataki will seek investor TA support for this. MPL ensures the provision of training for all staff to fulfil their relevant responsibilities in relation to the implementation of the ESMS.

Relevant ESG training needs are identified through a structured process during annual performance reviews, jointly conducted by staff and their line managers. This ensures continuous capacity building aligned with evolving ESGI standards, stakeholder expectations, and MPL's sustainability strategy. Identified needs are consolidated and integrated into the annual sustainability training plan.

While general training needs are identified for all employees, more technically oriented training programmes (e.g., environmental risk assessment, supply chain due diligence, human rights compliance, impact measurement, gender, and GBVH/SEAH) are prioritised for ESGI staff. These are aligned with evolving regulatory frameworks, international standards (e.g., IFC Performance Standards, OECD Guidelines), and investor expectations.

Typical training will include but will not be limited to:

ESGI Team	*Investment Team*	*Portfolio Company*
In-person DFI training provided by external consultants on E&S requirements of specific topics including but not limited to:	In-house training on ESMS procedures, ESGI policy and related policies	Delivered by ESGI team on specific topics, including but not limited to, environment, occupational health and safety, social and labour conditions, risks of forced and child labour,

ESGI Team	*Investment Team*	*Portfolio Company*
• cross-cutting vulnerability assessments, • climate change • GBVH and SEAH	Specific ESG or Impact topics including but not limited to: • cross-cutting vulnerability assessments, • climate change • GBVH and SEAH GRM contact person will receive training on GBVH and SEAH in the context of GRM process.	GBV and SEAH, climate change, regenerative agricultural methods.
DFI ESG training webinars and workshops		External, technical assistance, on specific topics such as climate change and adaptation, gender, occupational health and safety.
IFC Sustainability Training and E-Learning Program (STEP) (https://olc.worldbank.org/content/sustainability-training-and-e-learning-program-step-self-paced)		
Frankfurt School's e-learning Master Class on EIB Environmental and Social Sustainability Management (https://www.frankfurt-school.de/home/international-advisory-services/fsdf-e-campus/EIB-ESSM)		

1.5 ESMS Review and Updates

This ESMS will be reviewed at least once per year or when significant business process changes occur, to ensure the information contained herein is current and applicable.

The Fund-specific requirements will be reviewed periodically dependent upon the investor base of the Fund and if necessary, supplemented with the written approval of existing Fund investors.

2.0 *Environmental and Social Risk Management*

2.1 *Process Overview*

ESGI activities are integrated into each stage of the Investment process and for the period of investment to exit. Refer also to the MPL *Investment Management Standard Operating Procedures* and *Impact Measurement and Management Section 4.0, Impact Strategy and Execution.* A summary of the key stages of the Investment workflow and main ESGI activities or deliverables is presented as Figure 2. These are presented in further detail through the remainder of this document.

Contextual risk, country-specific climate risk and human rights aspects – including those related to forced and child labour, gender discrimination, Gender Based Violence (GBV), freedom to protest - labour freedoms, regulatory risk, risk of corruption etc. per country of investment have been prepared and are reviewed annually. These assessments are refined through the diligence process with reference to the specific investment.

It is noted that Indigenous Peoples present and form the majority populations in the Small Island Developing States (SIDS) that are the investment focus of MPL and MPL funds. They are also the main counter-parties to MPL for each investment and are present in all investments as owners and beneficiaries. Indigenous Peoples' vulnerability is considered at a country level by use of the EDFI Contextual Risk screening tool in amongst other human rights risk. Specifically with reference to Indigenous World 2025 and updates, and whether ILO Normalex data base ILO 169 Indigenous Tribal Peoples Convention 1989 has been ratified.

Specific Gender Lens aspects through the deal flow are presented separately in Section 3.0.

Per the ESGI Policy (Appendix A), Matanataki has a zero tolerance to Gender Based Violence and Harassment (GBVH), Sexual Exploitation Abuse and Harassment (SEAH). These risks are regarded as material and cross-cutting within this ESMS.

Screening and risk categorisation explicitly takes into account the programme-level vulnerability assessment and the specific characteristics of Pacific SIDS contexts. This includes consideration of impacts on vulnerable groups; customary land tenure and resource rights; exposure to climate and disaster shocks; geographic remoteness; limited access to public services; informal and semi-formal labour arrangements; and risks of maladaptation. Investments that may exacerbate vulnerability or undermine climate resilience objectives are subject to enhanced scrutiny or exclusion.

Key deliverables are expected to include:

- Greenfield or new development projects: Environmental Social Impact Assessments and Environmental Social Management Plans.
- Brownfield or existing projects or projects for expansion Environmental Social Due Diligence Reports and Environmental and Social Action Plans.

Cross-cutting SIDS strengthening

The ESMS has been designed specifically for Pacific SIDS conditions and applies proportionate, context-appropriate measures that recognise small enterprise capacity constraints while maintaining robust protection for people, communities, and ecosystems.

MPF1 Sector Risk Screening

Initial investments for MPF1 have been screened for inherent sector risks (Sector Risk Assessments) in the following sectors: Tourism & Hospitality, Agriculture, Aquaculture, Fisheries, Waste, Food & Beverage and Project Design & Construction for direct (and associated facilities) and supply chain related aspects. The sector risks have been used to inform the application of the Risk Categorisation tool (appendix B) to each investment.

In addition to natural resource management and climate resilience risks, MPF1 recognises that proposed investments may give rise to inherent sector risks and impacts associated with:

- Labour and working conditions (IFC PS2), including occupational health and safety, worker welfare, contractor management, non-discrimination, SEAH, grievance mechanisms and supply-chain labour risks.
- Pollution Prevention and Control (IFC PS3) including air emissions, water and wastewater emissions to soil, groundwater and surface water, energy use and efficiency
- Community health safety and security IFC PS4) traffic and transport safety, exposure to waste and pollution, emergency preparedness and response, public health considerations and risks associated with interactions between enterprises and surrounding communities.
- Biodiversity Conservation and Sustainable Natural Resource Management (IFC PS6) – habitat alteration resulting in biodegradation / ecosystem degradation; deforestation; spread of alien species and over-use of natural resources such as water.

These risks are expected to be relevant across multiple target sectors and will be assessed and managed through screening, environmental and social due diligence, Environmental and Social Action Plans and ongoing portfolio monitoring.

Existing and Associated Facilities

Existing facilities, acquisitions and expansion projects will be assessed through Environmental and Social Due Diligence Reports and/or Environmental and Social Audit Reports and will be required to achieve compliance with applicable ESMS requirements, Environmental and Social Action Plans and relevant GCF standards and policies within agreed timeframes. As part of environmental and social screening and due diligence, MPF1 will identify any associated facilities, defined as facilities or activities that are not funded by MPF1 but are directly and significantly related to the investment, are necessary for the investment to be viable, and would not have been constructed or expanded if the investment did not exist.

Where associated facilities are identified, MPF1 will assess their environmental and social risks and impacts as part of the overall risk assessment and due diligence process. MPF1 will require reasonable assurance that associated facilities are operated in a manner consistent with applicable national requirements, the MPF1 ESMS, the GCF Revised Environmental and Social Policy and applicable Environmental and Social Standards. Any material gaps identified will be considered in investment decision-making and reflected in ESAPs or other corrective measures, as appropriate.

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Figure 2: Simplified Investment and ESGI Workflow

Stage	*Key Investment Activities*	*Key ESGI Activities*	*ESGI Responsible Roles*
1: Deal Screening	• Identification of pipeline opportunities – application of feasibility study (vulnerability assessment and eligibility criteria) • Initial investment screening including AML (Go/No Go) • Initial Pitch to Investment Management Committee (IMC)	• Pipeline opportunities with initial 'Go' screening are screened against Exclusion Criteria and the ESGI Requirements. • Review of external public sources for corporate behaviour or key individuals (labour disputes, grievances, environmental incident etc.) • Initial ESG risk category indicated Deliverables inform Initial Pitch (Confidential Information Memorandum) to IMC.	• Initial screening ESG Manager and DRI • Go/No Go confirmation ESGI Partner • Initial Pitch to IMC led by ESGI Partner • IMC decision to proceed or not
Initial approval of IMC. 2: Deal Evaluation 3: Deal Readiness	• Letter of Intent • Review of Information Memorandum • Business Planning and detailed financial modelling • Final Screening • Draft term sheet	• Further ESG assessment based upon the Information Memorandum, Sector Risks, and using available data sources. • ESG Screening Category revisited, ESG risks described • Outline Impact, Gender and Diversity opportunities • Development of ESGI DD requirements Deliverables inform IMC paper	• Prepared by ESG Manager and DRI • Sign off on IMC paper content ESGI Partner • IMC decision to proceed or not
Proceed decision of IMC 3: Due Diligence Approval of IC	• Negotiate term sheet • Due Diligence streams: management capability and capacity, financial, legal, tax, ESG impact… • Investment Committee memo	• For High and Medium Risk categories (A-B) Develop terms of reference (ToR) for ESG DD and Gender and Impact DD • Issue ToR to minimum 3 consultants, review on basis of agreed technical and financial criteria • Implement due diligence (external Cat A-B, internal Cat C) Findings of due diligence inform: • ESAP including requirements for further studies such as ESIAs, ESMPs, voluntary Resettlement Action Plans, internal capacity building, E&S risk management, climate action plans … • GAP, IAP[1] Recommendations, ESAP and other action plans included within IC Memo	• ESG Manager and DRI TOR development • Specialist external consultants for preparation and delivery of due diligence assessments, ESIAs and ESMPs as required • ESGI team and Investee Company counterpart to develop agreed action plans in principle based on DD and Assessment outcomes • ESGI Partner approval of Recommendations, ESAP and other action plans to be included in IC Memo • Final Approval by IC
4: Closing	• Drafting legal terms and agreement	• ESAP, GAP, IAP to be negotiated and discussed with target to be included within the Investment Agreement • Legal clauses E&S, conditions precedent and conditions subsequent	• ESGI team and Investee company counter party to agree action plans and assessments for completion within specified time frames

[1] Refer to Section 3.0

Stage	*Key Investment Activities*	*Key ESGI Activities*	*ESGI Responsible Roles*
			• ESGI team to work with MPL legal team on contract conditions
5: Monitoring	• Monitoring and Reporting	• ESAP, GAP, IAP implementation, review and monitoring of deliverables • Depending on risk category, monitoring in person • Annual monitoring and reporting requirements	• Investee Company counterpart is responsible for implementing agreed action plans, assessments and reporting of incidents to MPL / MPF1 • MPL / MPF1 ESGI team responsible for monitoring progress of implementation and completion • External expert consultants may be used for monitoring and verification of completion • MPL / MPF1 ESG Manager and DRI responsible for preparing external annual report, with approval by ESGI Partner • ESG Manager responsible for incident reporting to ESG Partner and Board • ESG Partner responsible for incident reporting to external investors
6: Exit	• Manage exit process – financial returns, legal docs • Manage security release	6 months prior to exit review the status of the action plans and any interim corrective action plans. Provide summary of ESG, Gender and Impact outcomes • Prioritise exit actions based on above review and implement • Prepare exit report	• ESG Manager and DRI to work with Investee Company counter parties to prepare and agree prioritised exit actions. • ESG Manager and DRI to prepare Exit report for approval by ESGI Partner

2.2 *Risk Categorisation*

ESG Risk Categorisation

The evaluation of the potential ESG risk associated with a particular investment is iterative through the investment stages. The broad approach is to:

1. For each proposed opportunity check the sector and activities against the Exclusion List (*Appendix B ESGI Policy*).
2. Review the outcomes of the initial feasibility study including the vulnerability assessment
3. Prepare an initial risk categorisation based upon the contextual ESG risks
4. Refine the risk categorisation based upon the inherent risks identified and understood during the due diligence process
5. Avoid, Manage and Mitigate ESGI risks through the use of the Environmental Social Action Plan or equivalent
6. Re-visit the risk assessment (1. to 5) where material changes in business occur and revise the risk categorisation if necessary.

Any investment that, following screening and due diligence, is determined to have environmental or social risks and impacts that are diverse, irreversible or unprecedented, or would otherwise be classified as Category A under the GCF Revised Environmental and Social Policy 2021 (see below), shall be ineligible for financing by MPF1.

The Matanataki Risk Categorisation framework (below) is based upon the risk categorisation framework of the GCF Revised Environmental and Social Policy 2021, and corresponds to the IFC Risk Categorisation, and EIB risk categories.

GCF/IFC Risk Category (EIB)	*Description*	*Examples from Target Sectors*
A (High)	Business activities with potential significant adverse environmental and / or social risks and/or impacts that are diverse, irreversible or unprecedented. An indication for categorising an activity as "A" is that such impacts cannot be mitigated or remedied or only at significant costs.	Sustainable Ocean Production • Large scale drift net fishing in the marine environment Eco-tourism • Large cruise line operations Sustainable Infrastructure • Hazardous waste management • Large off-shore energy
B (Medium)	Business activities with potential limited adverse environmental and / or social risks and / or impacts that individually or cumulatively are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	Sustainable Ocean Production • Sustainable fisheries, mariculture, and aquaculture Eco-tourism • Sustainable resorts Sustainable Infrastructure • Above ground waste management • Regenerative agriculture • Wastewater treatment • Small to medium scale renewable energy (excluding hydropower) Other • General manufacturing
C (Low)	Business activities with minimal or no adverse environmental and / or social risks and / or impacts.	Sustainable Ocean Production • Supply chain traceability projects Eco-tourism • Small scall (SME) tourist activities Sustainable Infrastructure Retrofitting sustainable infrastructure Technical Assistance

Minimum E&S management expectations by risk category

Category C (Low Risk):
Compliance with national E&S laws and regulations; basic awareness of E&S risks; willingness to address issues if risks increase.

Category B (Medium Risk):
At a minimum, investees are expected to have or develop:

- Basic E&S management procedures proportionate to enterprise size;
- Compliance with national labour laws and core ILO standards;
- Worker grievance access that is confidential and non-retaliatory;
- A code of conduct covering non-discrimination and SEA/SH;
- Commitment to implement agreed ESAP and/or Gender Action Plan actions within defined timeframes.

Requires due diligence, and targeted action plans addressing identified risks, including climate and vulnerability-related risks.

For business activities involving investments in financial institutions or through delivery mechanisms involving financial intermediation, the risk category is labelled 'FI'. This is sub-divided into:

- FI-1: where an FI's existing or proposed portfolio includes or is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible of unprecedented.

- FI-2: where an FI's existing or proposed portfolio includes or is expected to include financial exposure to business activities with potential limited adverse environmental or social risks or impacts that are few in number, generally site specific, largely reversible and readily addressed through mitigation measures. Or, includes a very limited number of businesses with activities with potential significant adverse environmental or social risks or impacts that are diverse irreversible or unprecedented.

- FI-3: where an FI's existing or proposed portfolio includes or is expected to include financial exposure to business activities that predominantly have minimal or no adverse environmental or social impacts.

It is noted that at Fund level, Matanataki Pacific Fund 1 (MPF1) will not finance any investment that would be classified as Category A under the GCF Revised Environmental and Social Policy 2021. GCF proceeds will only be used for investments falling within the GCF Category B and Category C definitions. Accordingly, per GCF Revised Environmental and Social Policy 2021, MPF1 is "Medium level of Intermediation, I2. When an intermediary's existing or proposed portfolio includes or is expected to include substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site specific, largely reversible and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that individually or cumulatively are diverse irreversible or unprecedented.

In addition to investment-specific screening and due diligence, MPF1 applies sector-level environmental and social risk profiles covering the Fund's target sectors. MPF1's target sectors include tourism and hospitality, agriculture, fisheries, aquaculture, waste and recycling, food and beverage. Associated with construction activities for facility development, construction sector risks have also been identified. These inherent risks are provided in Appendix B.2. These profiles identify typical E&S risks associated with each sector across IFC Performance Standards 2-8 and are used to inform preliminary screening, risk categorisation, due diligence scoping and identification of potential mitigation measures. The sector profiles support the application of the Fund's Exclusion List and help ensure that investments presenting risks equivalent to GCF Environmental and Social Category A are excluded from financing.

Based on the Fund's target sectors and preliminary screening of the current pipeline, investments are expected to trigger commonly IFC Performance Standards 2 (Labour and Working Conditions), 3 (Resource Efficiency and Pollution Prevention), and 4 ((Community Health, Safety and Security). Depending upon the nature, location and scale of individual investments, IFC Performance Standards 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), 7 (Indigenous Peoples) and 8 (Cultural Heritage) may also be triggered. These risks are assessed through sector-risk profiles, environmental and social screening, due diligence and where required, project-specific assessments and management plans.

Since involuntary resettlement is excluded by MPF1, IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement) will not be applicable. However, the principles f PS5 apply to negotiated settlements in line with Appendix G.3, 'Guidance for Voluntary Land Transactions, Relocation, Livelihood Restoration'.

Technology Risk Profile

Technology Risk Profile	***Description***
High	Activities which, due to their inherent complexity and characteristics, are dependent on the utilization of technology and cyber world such as internet for more than 50% of its annual revenue and sophisticated cyber protection is required for the continuity of the business; for example, the business generates 50% of its revenue from e-commerce, or remote computing, and will require detailed technology resilience assessment by independent experts.
Medium	Activities which utilise technology and cyber world for their operation, but technology application is straight forward whereby less than 50% of its revenue is dependent on cyber security. Expert second opinion or limited review may be advisable.
Low	Activities which typically have minimal or no cyber exposure.

MPF1 Sector Risks

Sector Risk Assessments have been prepared for MPF1 target sectors and associated (supply chain) sectors: Tourism and Hospitality, Agriculture, Aquaculture, Fisheries, waste, Food & Beverage, Project Design and Construction. The SRAs are based upon IFC First for Sustainability Sector profiles among others. These are presented in Appendix B.2. The inherent risks identified are applied to the Risk Categorisation Tool (Appendix B.1) for each potential investment. This identifies risks and mitigation measures per IFC Performance Standards (IFC PS) and EIB ESS.

Based on the SRAs, in addition to biodiversity, natural resource management, climate resilience and pollution prevention risks, MPF1 recognises that investments may give rise to risks and impacts associated with labour and working conditions (IFC PS 2), including occupational health and safety, worker welfare, contractor management, non-discrimination, grievance mechanisms and supply-chain labour risks. Investments may also present community health, safety and security risks (IFC PS 4), including traffic and transport safety, exposure to waste and pollution, emergency preparedness and response, public health considerations and risks associated with interactions between enterprises and surrounding communities. These risks are expected to be relevant across multiple target sectors and will be assessed and managed through screening, environmental and social due diligence, Environmental and Social Action Plans and ongoing portfolio monitoring.

2.3 ESGI Screening

Investment Screening and Initial Risk Categorisation

Investment Stage	***ESGI Activity***	***Question***
Deal Screening	Screen against the MPL and Fund Exclusion List	Is the investment excluded Yes / No? If no, the investment should not proceed.
	Red Flags in the public domain (web-based review of news, annual reports, NGOs, land-use sensitivities, legal non-compliance, GBVH, SEAH). Check publicly available information for adverse impacts to local communities, environment or social impacts relating to the investment.	Are red flags present? Are they current, or have they been resolved? Should the investment proceed Yes / No?
Initial Risk Categorisation	Refer to country, including climate-related and sector-specific risks to provide preliminary risk-categorisation. Reference the outcomes of the vulnerability assessment, Identify the applicable IFC Performance Standards (or others as applicable to the particular fund).	IFC FIRST for Sustainability (E&S Sector Risks), BII Toolkit – Sector Profiles, EDFI Contextual Risk Tool Is Investment Risk Category A? If yes, the investment for MPF1 should not proceed as described.

The decision on Red Flag Go / No Go is made by the ESGI Partner.

Matanataki has developed a risk categorisation tool (Appendix B.1). Inputs to the tool are updated through the early-stage screening and investment readiness stages to refine the understanding of the risks as more specific information about the deal is obtained.

Investment Readiness

Investment Stage	***ESGI Activity***
Deal Evaluation Deal Readiness	Additional information will be requested. This may include the Information Memorandum; Response to initial question list and document request (Appendix C); Initial interviews with Target personnel.
	Further assess contextual risks –EDFI Contextual Human Rights Risk Tool including biodiversity and climate risk. IFC GMAP, Climate risk tools.
Risk Categorisation	• Identify the key ESG risks and potential Impact and Gender Opportunities. • Review risk categorisation in light of the additional information. • Prepare required scope for ESGI due diligence
IMC Memo	Prepare contribution to IMC memo highlighting key ESG risks and opportunities, risk category and ESG due diligence requirements.
	Prepare Terms of Reference for ESG Due Diligence, Impact and Gender Review (Appendix D) or other material studies required according to risk categorisation.

2.4 ESGI Due Diligence

The assessment framework comprises international and national applicable ESG-related legislation and the MPL and fund ESGI Policy Requirements (refer to Section 1.2) in addition to any sector specific standards that may be applicable.

Where investments may affect Indigenous Peoples, customary land or marine tenure systems, cultural heritage, or communities with collective attachment to natural resources, additional screening and contextual due diligence will be undertaken in accordance with the GCF Indigenous Peoples Policy, the Fund's Indigenous Peoples

Planning Framework (IPPF), and applicable ESS requirements. This may include culturally appropriate consultation, Free Prior Informed Consent (FPIC) processes where required, and preparation of proportionate Indigenous Peoples-related management measures.

Topics to be considered at a minimum include those reflected in the IFC Performance Standards and EIB Environmental and Social Standards:

- ESG Risks and Impacts Management, Compliance
- Labour and Working Conditions
- Health & Safety
- Pollution Prevention and Resource Efficiency
- Climate and Climate Change
- Community health safety and security
- Stakeholder Engagement
- Land acquisition and involuntary resettlement – to ensure exclusion from MPF1
- Biodiversity Conservation & Ecosystems
- Sustainable Natural Resource Management
- Vulnerable Groups, Indigenous Peoples and Gender including Sexual Exploitation Abuse and Harassment (SEAH)
- Cultural Heritage

For risk categories B and above, an external specialist consultant will be appointed to complete the ESGI due diligence against the assessment framework.

Environmental and social due diligence shall also determine whether Indigenous Peoples-specific measures are required and ensure that the findings are reflected in project-specific safeguard instruments, stakeholder engagement activities, monitoring arrangements and, where applicable, FPIC processes, in accordance with the MPF1 IPPF (Appendix O).

Involuntary resettlement is excluded by MPF1, IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement), However, the principles of PS5 will be applied to any negotiated settlement in line with AppendixG.3, 'Guidance for Voluntary Land Transactions, Relocation, Livelihood Restoration'.

Due Diligence

Internal ESG&T due diligence actions are dependent on the level of risk and case- specific circumstances.

- ESG Category C (Low ESG risks): All proposed transactions with a Category C classification are required to comply with host country legislative and regulatory requirements and MPL and Fund requirements. A desk-based due diligence will be undertaken using the standard questionnaire (Appendix E) refined for the appropriate sector and scale of enterprise.

  At a minimum the investment will be asked to warrant that it has all relevant EHS permits and is in compliance with the applicable National Social and Environmental Laws and regulations and, if applicable, the IFC Performance Standards and EIB E&S Standards. The investments will be monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required.

- ESG Category B (Medium ESG risks): (1) Verify (by means of document inspection and/or discussions with the relevant authorities) that the company has all relevant EHS permits and is in compliance with applicable National Social and Environmental Laws and regulations. (2) If applicable, check that the company's activities are consistent with the IFC Performance Standards and EIB E&S Standards. (3) Investigate and resolve any specific issues of concern. (4) Engage an independent expert to undertake a focused due diligence.

- ESG Category Category A (High): Per risk category B above and prepare terms of reference for detailed ESG DD against the assessment framework by an external consultant.

- Technology (T) Risk Profile High (or Medium): Determine the scope of work for a review or opinion by an independent expert.

External Consultants

External ESG (& T) due diligence will be completed by an independent expert / consultant on ESG risk category B and A[2].

The ESG DD will identify the need for additional studies in the case of development projects. These may include internationally acceptable Environmental and Social Impact Assessments (ESIAs) and accompanying voluntary resettlement and biodiversity plans among others that provide the regulatory and social licenses to operate. Where ESIAs, livelihood plans, voluntary resettlement plans, environmental and social management plans, construction management plans etc. have been prepared as part of the preparation phase of the specific project investment, these will be reviewed by the independent consultant as part of the due diligence for completeness.

Confirmation of risk categorisation will be made by the independent consultant.

- Generic elements required for a ESG DD report are presented in Appendix F. It is expected that the ESDD content may be adapted according to the nature of the 'target' and topics covered.
- Generic Table of Contents for Biodiversity Plans, Stakeholder Engagement Plan, voluntary Resettlement Plans, Livelihood Restoration Plans and an Indigenous Peoples Plan template in accordance with good international practice are presented in Appendix G.

The key deliverables from the External Due Diligence will be the i. Report and ii. the Environmental and Social Action Plan (ESAP) and iii. contributions to the Gender Action Plan and Impact Action Plan. The ESAP and other action plans will form part of the legal investment agreement.

Sexual Exploitation Abuse and Harassment SEAH
MPL and MPF1 have zero tolerance of SEAH and recognise the need to prevent and respond effectively to SEAH in a survivor-centric and gender-responsive way.

A key risk factor to identify during due diligence and manage subsequently if identified, is SEAH. Based on GCF Revised Environmental and Social Policy 2021, SEAH elements are defined as:
- "Sexual Exploitation - any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to profiting monetarily, socially, or politically from the sexual exploitation of another;
- Sexual Abuse - actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
- Sexual Harassment - including unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature, that interferes with work, or is made a condition of employment, or creates an intimidating, hostile or offensive environment in connection with a Fund-related activity.

These behaviours may be perpetrated as a one-off act or on a repeated basis over a period of time. In either case, they can cause a range of sexual, physical, psychological, and economic harm to those who experience them."[3]

The aim of MPL and MFP1 is to do 'no harm' and where possible to have a positive impact removing and mitigating any negative consequences of the investment and where possible to improve outcomes for stakeholders (communities and workforce in particular).

SEAH in Due Diligence

The SEAH assessment is to be completed with reference to the guidance provided the GCF SEAH Risk Assessment Tool 2021. https://www.greenclimate.fund/sites/default/files/document/gcf-seah-risk-assessment-tool.pdf

Screening: SEAH is considered as part of the Contextual Risk assessment tool – for example whether the country has SEAH related laws and regulations, country-level reports of SEAH incidents, and the potential impact of climate change on vulnerable groups.

[2] MPF1 will not be investing in Risk Category A opportunities.
[3] GCF SEAH Risk Assessment Tool 2021 page 5

Due Diligence: In addition to the preliminary questions contained within the ESDD checklist in Appendix E.1 a separate SEAH assessment should be completed. This should be based upon the SEAH checklists provided in Appendix E.2. Any identified risks and mitigation measures need to be inserted into both the GAP (as needed related to gender) and draft ESMF/ESMS/ESMP. Annex 1 of GCF SEAH RA has an example for risks and mitigation measures action plan.

Climate

An initial review of country and sectoral climate change risks will be made through contextual analysis elements in deal screening and readiness.

During due diligence further evaluation will be made of the physical and transition risks, with additional social and environmental dimensions, likely to affect the company. This assessment will be made in alignment with the international Taskforce for Climate-related Financial Disclosures (TCFD) and using the vulnerability assessment framework. Where possible Green House Gas emissions of the company will be advised.

The ESAP will contain at least two climate-related elements requiring:

i. Baseline GHG Scope 1,2 and limited 3 (e.g. using GHG Protocol, or UN FCC emissions calculator) to be prepared within 18 months of the investment, where the investment is in an existing operational entity;
   or
ii. For a new operational entity an estimate of GHG emissions and use of Best Available Technology Not Entailing Excessive Cost (BATNEEC), good international industrial or agricultural practices to optimise resource efficiency, minimise carbon emissions and encourage use of renewable resources; and
iii. Climate strategy for investment aligning with TCFD recommendations – Governance, Strategy, Risk, Metrics and Targets.

External resources that support good practice will be used. These include but may not be limited to:

Climate Change External Resource	***Website***
The GHG Protocol	https://ghgprotocol.org/
UN FCC Emissions calculator	https://unfccc.int/climate-action/tracking-and-recognition/measure-your-emissions
BII Toolkit for Climate Change	https://toolkit.bii.co.uk/climate-change/

Note: Once the portfolio is established, Matanataki intends that portfolio GHG emissions', expressed in carbon dioxide equivalents per ton, (tCO_2e), $\$/CO_2e$, shadow price may be used in financial modelling to evaluate the overall exposure of the portfolio to medium term transition risk.

Technology Resilience

MPL will work with the management of portfolio companies to assess the technology resilience of the company and to adopt the best practices to ensure that the company and customer data are well protected in day-to-day business operations against threats in the cyber world. This will be a separate due diligence stream from ESGI but is mentioned here for completeness.

2.5 E&S Management and Mitigation Measures

Following environmental and social screening and due diligence, MPF1 shall require portfolio companies to implement management measures proportionate to the nature and significance of identified risks and impacts. The specific requirements will vary according to the investment, sector, location and risk profile. Environmental and social obligations shall be documented through Environmental and Social Action Plans (ESAPs), investment agreements and, where required, specialised management plans.

IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
Portfolio companies shall establish and maintain processes to identify, assess, manage and monitor environmental and social risks and impacts. Depending on the nature of the investment, this may include environmental and social management systems, stakeholder engagement processes, grievance mechanisms, monitoring programmes including compliance audits, and periodic reporting.

IFC Performance Standard 2: Labour and Working Conditions
Where labour and workforce risks are identified, portfolio companies shall implement measures to promote fair treatment, non-discrimination, equal opportunity and safe working conditions. Companies shall establish and maintain appropriate labour management procedures, worker grievance mechanisms, and occupational health and safety arrangements including risk assessments, training, safety and personal protective equipment etc. Where supply chain risks are identified, reasonable efforts shall be undertaken to assess and manage material labour and human rights risks associated with key suppliers.

IFC Performance Standard 3: Resource Efficiency and Pollution Prevention
Where relevant, portfolio companies shall implement measures to improve resource efficiency and minimise pollution and ensure compliance with national and international law and regulations. This may include facilities upgrades, management of energy use, water consumption, waste generation, wastewater discharges, emissions, hazardous materials and climate-related risks.

IFC Performance Standard 4: Community Health, Safety and Security
Where investments may affect neighbouring communities, portfolio companies shall identify and manage risks to community health, safety and security. Measures may include traffic management, emergency preparedness and response, disease prevention, hazardous materials management, infrastructure safety measures and community grievance procedures. Where security personnel are employed, companies shall implement appropriate security management procedures consistent with applicable national law and international good practice.

IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement
Involuntary land acquisition and, or involuntary resettlement will be excluded from MPF1 and PS 5 will not be applicable except where investments involve voluntary land acquisition or negotiated land access arrangements that may result in land acquisition, relocation or livelihood impacts. Where this occurs, portfolio companies shall apply the principles of PS5 in line with the MPF1 Land Acquisition, Resettlement and Livelihood Restoration Framework (Appendix G.3) and prepare proportionate safeguard instruments, including Land Acquisition and Resettlement Plans, Livelihood Restoration Plans or Compensation Plans, as required.

IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
Where biodiversity risks are identified, portfolio companies shall apply the mitigation hierarchy and avoid, minimise, restore and, where appropriate, offset adverse impacts on biodiversity and ecosystem services. Biodiversity Management Plans may be required where investments are located in or near sensitive habitats or involve significant interactions with natural resources.

IFC Performance Standard 7: Indigenous Peoples
Where Indigenous Peoples are present or may be affected, portfolio companies shall apply the MPF1 Indigenous Peoples Planning Framework (IPPF) Appendix O and prepare Indigenous Peoples Plans (Appendix G.5) where required. Free, Prior and Informed Consent shall be obtained in circumstances defined by the GCF Indigenous Peoples Policy and the MPF1 IPPF.

Indigenous Peoples Considerations

Given that many investments supported by MPF1 are expected to be located in areas where Indigenous Peoples comprise a significant proportion of affected communities and beneficiaries, Indigenous Peoples considerations are mainstreamed throughout the MPF1 Environmental and Social Management System and investment lifecycle. Environmental and social screening, due diligence, stakeholder engagement, environmental and social action planning, monitoring and grievance management shall be undertaken in a manner consistent with the MPF1 Indigenous Peoples Planning Framework and the GCF Indigenous Peoples Policy.

Environmental and social due diligence shall identify the presence of Indigenous Peoples, assess actual or potential impacts on their rights, lands, territories, natural resources, livelihoods and cultural heritage, and determine the appropriate safeguard measures required. Where required under the GCF Indigenous Peoples Policy, culturally appropriate consultation processes, Free, Prior and Informed Consent and Indigenous Peoples-specific mitigation, benefit-sharing and monitoring measures shall be incorporated into the relevant safeguard instruments, including ESMPs, ESAPs and other project-specific management plans, consistent with the MPF1 IPPF.

IFC Performance Standard 8: Cultural Heritage

Where investments may affect tangible or intangible cultural heritage, portfolio companies shall implement measures to avoid or minimise impacts and comply with applicable national requirements. Chance finds procedures shall be developed where construction activities may affect archaeological, historical or cultural resources.

Additional Management Plans
Depending on due diligence findings, MPF1 may require the preparation and implementation of specialised plans, including Environmental and Social Management Plans, Biodiversity Management Plans, Occupational Health and Safety Plans, Emergency Preparedness and Response Plans, Security Management Plans, Stakeholder Engagement Plans, Indigenous Peoples Plans, voluntary Land Acquisition and Resettlement Plans, voluntary Livelihood Restoration Plans, Gender Action Plans and other management instruments necessary to address identified risks and impacts.

Guidance for preparation of the following key documents may be found in Appendix G:

G.1 ESIA and ESMP

G.2 Biodiversity Action / Management Plan

G.3 Voluntary Land Transactions, Relocation and Livelihood Restoration Plan

G.4 Table of Contents for Stakeholder Engagement Plan – refer also the MPL / MPF1 SEP

G.5 Table of Contents Indigenous Peoples Plan – refer also to MPL / MPF1 IPPF.

Stakeholder Engagement

MPF1's stakeholder engagement approach is designed to formalise local voice throughout origination, investment design, implementation, and learning processes, while maintaining clear fiduciary decision-making responsibilities within the Fund's governance structure and according to Free, Prior and Informed Consent principles. Local stakeholders, including communities, cooperatives, SMEs, and other ecosystem actors, inform investment priorities, business planning, implementation approaches, and monitoring through structured consultation, feedback loops, and participatory learning processes.

Engagement activities are structured across pre-investment, investment, and post-investment phases, with methods including dialogues, public consultations, surveys, and translation into local languages. A grievance mechanism aligned with the GCF's Independent Redress Mechanism principles will be implemented.

Monitoring will include annual public reporting, with KPIs tracking stakeholder participation, grievance resolution, and satisfaction rates.

The Director of Regenerative Impact will be overall responsible for community consultation and engagement and a dedicated Impact Associate will support stakeholder engagement implementation.

MPF1's engagement approach seeks to drive systemic, inclusive, and regenerative development across Pacific SIDS.

Refer to MPL_MPF1 Stakeholder Engagement Plan for additional information.

3.0 Gender

3.1 Process Overview

As described in MPL's 'Gender Impact Roadmap & Guidelines', Gender Lens Investing (GLI) is key to the investment strategy of MPL. MPL and the Fund MPF1 investments will be aligned with 2X Challenge criteria. Each deal will be assessed against the following attributes:

- Gender composition of the shareholders and leadership
- Commitment to gender-diverse and equitable workforce
- Commitment to gender-inclusive value chain
- Commitment to offering and designing products or services that consider the distinct needs of women as a consumer segment
- Commitment to ensuring their operations so no harm to women in the community.

Gender is considered as both a risk and opportunity in all stages of the deal flow (refer to Figure 3). Reference documentation among others includes: "A Fund Manager's Guide to Gender Smart Investing" published by IFC & CDC in 2020.

Appendix H presents the Gender Due Diligence Questionnaire to be used during due diligence. The responses will inform a preliminary Gender Gap Assessment Appendix I. Where necessary, an external consultant will be appointed to conduct a more in-depth workplace and gender assessment.

Post investment and for portfolio wide management MPL and MPF1 will introduce best practice to:

i. Enhancing gender balance and diversity at a leadership level
ii. Remove gender bias from career progression
iii. Adopt a zero-tolerance policy to workplace bullying, Gender-based Violence or Harassment (GBVH), Sexual Exploitation Abuse and Harassment (SEAH) or discrimination of any kind.
iv. Work to improve the workplace culture
v. Establish effective mechanisms where workers may report incidents of discrimination and gender-based violence without fear of retribution, and that such incidents are investigated in accordance with established policies.
vi. Provide support for survivors of domestic violence and GBVH or SEAH.
vii. Provide proper and safe sanitation and natal facilities for female employees
viii. Offer time management and work-life balance training for women employees regardless of marital status
ix. For carers (of children or elderly) provide tools and training to enable them to work remotely or on flexible terms
x. Encourage the portfolio company to remove the gender bias in sourcing from vendors and suppliers; to adopt a gender lens when selecting vendors and suppliers.

On exit:

- for M&A: the continuity of gender smart practices of the enlarges NewCo should be included within the M&A terms.
- For Trade: *ceteris paribus*, prefer a buyer who has already adopted gender smart practices, or who is committed to adoption and continued gender smart practice post transaction.

SEAH is treated as a standalone operational risk within the ESMS and is integrated into ESG screening, due diligence, contractual requirements, incident management, and grievance mechanisms, in addition to gender equality and empowerment objectives.

3.2 Gender Pre-Investment and Screening

MPL will broaden the deal origination network to include sources such as the Women's Charter, diverse trade associations, and conferences aimed at women. MPL will:

(a) Remove unconscious gender bias in opportunity sourcing by:
  - Expanding deal origination networks to include women's groups and diverse community sources.

- Actively searching for companies serving women consumers, attending trade fairs/conferences to surface opportunities for female leadership and agency.

(b) Capture women's path to leadership through founder stories and relational context, not just statistics.

3.3 Gender Due Diligence

MPL and the fund will Gender Due Diligence on each deal. It will be primarily delivered by the in-house team using the questionnaire presented in Appendix H. This will supplement information that may be obtained through the ESDD particularly with respect to IFC PS2 and EIB ESS 7.

The data obtained from the Gender Due Diligence questionnaire will be used to prepare a preliminary assessment of the gender diversity risks and gaps present in the target investee company. The gender gap and relational assessments will be integrated into due diligence, focusing on both exclusion and emerging female agency. Consultations will include with the Rights Holders and Stakeholders i.e. stakeholders beyond the boardroom. MPL will

(a) Apply gender lens to assess gaps from shareholders to board, C-suite, workforce, products, and customer to identify and find areas for influence.
(b) Ensure the deal team includes gender experts, is equally balanced in terms of gender participation and checks if investment opportunities meet 2X Challenge criteria.
(c) Identify gaps; if a company falls short of targets (e.g., few women in leadership), help strategize ways to boost women's roles through Standard Operating Procedures, targeted promotions, or sourcing new talent.

The outcomes of the gender risks and gap assessment will be discussed with the target company and a Gender Action Plan will be developed with the target company (refer to Section 4.0). Typically, a Gender Action Plan will require company alignment with at least two 2 X Challenge criteria; Board level, C-Suite representation of women; gender responsive products or services; and in cases serving women (e.g. women healthcare), require expansion of product portfolio for female consumers.

Depending upon the size and nature of the target company, it may be appropriate to use an external consultant to complete a standalone gender due diligence or assessment. This will be at the discretion of the ESGI Partner.

3.4 Gender Post-Investment and Exit

Through the investment period MPL will work with the company per the ESGI Action Plan and monitoring programme described in Section 4.0 However, with respect to the Gender Action Plan MPL will:

- Facilitate regular council/circle meetings for collective sense-making, storytelling, and progress checks.
- Support ongoing training for naming/healing gendered harms, reconciliation, and innovation in workplace culture.

(a) Create regular forums for mixed-gender dialogue, storytelling, and learning, rooted in Pacific and Indigenous ceremonial forms.
(b) Provide ongoing gender equity training for all staff, including male advocates, and monitor not just progress against quotas, but emergence of new language, metaphors, and leadership modalities.

In exits, MPL will share ceremonies and stories of transformation publicly. Priority will be given to successor owners/partners who show kincentric and difference-respecting values, embedding succession planning/training to sustain gender impact.

(a) Document and share stories of gender transformation through public results and ceremonies.
(b) Select buyers/partners who demonstrate leadership in gender equity and commit to continue gender-responsive policies and practices.

Figure 3: Gender within the Deal Flow

Stage	***Guide***	***Actions***
Deal Origination	Remove unconscious bias in researching the investment opportunities	• Broaden deal origination network to include Women's Charter of a local Chamber of Commerce or similar organisation • Identify trade associations and groups that support businesses serving women • Participate in conferences that cater for female audience (PEWIN or 100 Women in Finance) • Attend trade fairs for women consumers to identify companies and products for women and children
Deal Participation	Ensure balanced participation of female and male investors when forming the deal team	Ensure equal participation and opinion of all genders are considered.
2: Deal Evaluation 3: Deal Readiness Proceed decision of IMC	Ensure Gender Smart Lens has been applied to the deal evaluation	• Gender risk elements are considered within the country specific contextual risk • Include deal analysis with respect to the 2X challenge criteria. • Understand where impact may be made by improving against the 2X Challenge Criteria within the company e.g. improving ratios female to male within Shareholders, Board, Management, Employees • Pay ratios etc. • Identify potential female focused impact with respect to company products Deliverables inform IMC paper
3: Due Diligence Approval of IC	• Include a gender gap assessment as part of the due diligence • Direct Operations and within Supply Chain (at least Tier 1 contractors)	Covering gender risks and impacts relating to: • Roles and responsibilities • Workforce demographics (composition, roles and responsibilities, age profile, full-time part-time profile etc) • Employment Contracts, Rights and benefits • Workplace policies on Gender Based Violence, Sexual Exploitation Abuse and Harassment (GBVH, SEAH) • Survivor centred grievance mechanisms • Workforce pay policy and implementation • Products • Customer demographics Findings of due diligence inform: • Gender and Impact Action Plans (GAP, IAP) – targets and metrics. Elements of the GAP may be incorporated into the overall ESAP. Recommendations, GAP / IAP included within IC Memo

Stage	*Guide*	*Actions*
4: Closing	• Drafting legal terms and agreement • Be mindful of inherent bias	• ESAP and GAP / IAP to be negotiated and discussed with target to be included within the Investment Agreement • Legal clauses E&S, conditions precedent and conditions subsequent • Ensure that final outcomes does not discriminate against any gender group
5: Monitoring and Reporting	• Ensure that the ESAP, GAP and IAP are being implemented • Monitor and continually review actions and outcomes • Report progress	• ESAP, GAP, IAP implementation, review and monitoring of deliverables • Depending on risk category, monitoring in person • Annual monitoring and reporting requirements
6: Exit	• Manage exit process – financial returns, legal docs • Manage security release	6 months prior to exit review the status of the ESAP, GAP and IAP and any interim corrective action plans. Provide summary of ESG and Impact outcomes • Prioritise exit actions based on above review and implement • Prepare exit report

4.0 ESGI Action Plans

Environmental and Social Action Plans, Gender Action Plans and Impact Action Plans are key deliverables from the Due Diligence Phase.

The findings of the due diligence should be discussed with the company. Where the due diligence has identified gaps with the applicable laws and MPL and Fund requirements ('Applicable Requirements') an ESAP and / or Gender Action Plan and Impact Action Plan will be developed and agreed. It will detail specific measures required to 'close the gaps' or to meet regulatory requirements.

- For Category B investments, at a minimum, within a six month time period from disbursement. MPL will require:
    - adherence to national labour laws and labour standards referenced in the MPL policy
    - and the presence of a functioning E&S risk management system, including GRM, and GBVH SEAH policy and procedures
- Some items may be sufficiently material that they should be actioned prior to the investment – Conditions Precedent
- Some items may be sufficiently material but can be completed post investment within a specified time period – Conditions Subsequent

In the case of new project developments measures may include the need for additional studies such as Environmental Social Impact Assessments (ESIAs), or topic-specific studies relating to the development planning (e.g. Biodiversity plans, voluntary livelihood restoration, voluntary resettlement plans) or implementation of the development such as construction management plans.

The ESAP may include gender-related actions, and 'impact' and value addition measures but this will depend on the complexity of the deal and company operation; a Gender Action Plan and Impact Action Plan may be separate documents.

Each action plan will describe actions that are specific, measurable, achievable and realistic within a specific timeframe (SMART). Each action will relate to a specific gap or risk identified in the due diligence; there may be more than one action required to manage a specific risk or deliver on an opportunity.

In addition to being SMART, each action will be:

- cross-referenced to the specific IFC Performance Standards and Fund-specific assessment standards;
- allocated a resource with responsibility for its implementation;
- provided an indicative budget or cost estimate if required;
- provided with clear descriptions of the agreed deliverable that will deem the action completed or closed.

A template action plan is provided as Appendix J.

The action plan(s) will form part of the legal investment agreement. The consequences of failure to implement elements of the action plan should be considered within the legal agreement.

5.0 ESG Legal Clauses

All investment agreements will contain appropriate E&S representations, warranties, and covenants requiring that the portfolio companies comply with all material aspects of the host country's environmental, health, safety, and social requirements embodied by state general laws and implementing agencies.

In addition, portfolio companies must be compliant with any requirements set by MPF and the Fund in connection with its potential investment (‘Applicable Requirements’). Through the period of investment, the portfolio company must be able to demonstrate compliance with the Applicable Requirements to the satisfaction of MPL and the Fund, although the opinion of third parties such as regulatory agencies can be sought.

Where compliance cannot be demonstrated at the time of investment, an ESAP and / or Gender and Impact Action Plan must be agreed to for the investment to proceed. The plan must specify all the necessary actions to bring an investment/company into compliance. A target completion date for each specified action must also be agreed upon and covenanted in agreements signed with the target company, its subsidiaries, and affiliates. In all cases, E&S legal rights should be enforceable at the operating company level.

MPL will ensure the inclusion of suitable ESG clauses in the investment legal agreement – refer to the ESG drafting guide Appendix K. The ESG clauses typically address the following:

- Confirmation of ESDD and any other associated studies such as separate Gender due diligence in the representation and warranties
- Compliance with Applicable Requirements
- Monitoring
- Addressing non-compliance

ESGI Non-Compliance

Where a portfolio company fails to comply with MPL and fund ESGI Policy or any other ESGI clauses stipulated in the investment agreement (or equivalent instrument), MPL will agree with the portfolio company on remedial measures to be implemented to achieve necessary compliance.

The legal agreements will have clauses to manage failure to re-establish compliance, or in any event of non-compliance where an agreement on remedial measures cannot be reached.

6.0 ESGI Monitoring and Reporting

Specific objectives for ESGI monitoring through the lifetime of the investment include:

- Assisting the portfolio company to meet its E&S compliance obligations and commitments, including implementing any action plans agreed, through training delivery if necessary, disseminating best practices, sharing lessons learned, and joining board seats when needed;
- Enabling MPL to stay informed and to have the ability to respond to any risks or unplanned events arising from E&S performance by the portfolio company;
- Building and maintaining a good working relationship with the portfolio company; and
- Creating value related to E&S performance will contribute to better business performance.

MPL will collect information following its Data Protection Policy (Compliance Manual Annex VI 14.3) which can be modified from time to time.

MPL will monitor and manage the ESGI and Technology Resilience aspects of an investment throughout its involvement with the portfolio company. Active monitoring will compliance with legislation and commitments, and the implementation of agreed action plans (ESAP, GAP, IAP etc.).

Incidents that may occur from time to time will be monitored. Any serious incidents that may result in casualties, fatalities, safeguarding incidents (e.g. gender-based violence and harassment (GBVH), modern slavery, and child exploitation), a material effect on the environment, or material breach of the laws, environmental incidents (e.g. explosion, fire, leak, etc.) and other social issues (e.g. workers strike, community protest, retrenchment) or cyber incidents will be recorded and investigated in accordance with the '5-Whys assessment' or equivalent. Refer also to Section 6.3 Reporting, Significant Incidents.

Periodic monitoring and review of all portfolio companies will be conducted to ensure that:

- any required actions to mitigate potential environmental and social issues associated with the portfolio company are implemented according to the agreed schedule; and
- the E&S risk profile of the transaction has not changed.

An E&S monitoring and reporting plan will be agreed at the time of investment with the portfolio company. Elements of the monitoring and reporting plan will include: i) Kick Off call ii) Regular update calls with an agenda to track the progress of the action plans and any related deliverables; iii) On-site monitoring visits by the MPL ESGI and / or Technology Resilience team or external consultant; iv) frequency of reporting ESGI performance to MPL which will be at least annually.

MPL will report on an annual frequency to the Investors – Annual Monitoring Report – ESGI data from the portfolio.

6.1 Monitoring

E&S performance will be monitored for the duration of the investment. It will be used to:

- Assess compliance with the Action Plans;
- Establish whether previous non-compliance or pending actions have been addressed;
- Identify corrective action plans (CAPs) based on potential additional studies (e.g., legal periodic inspection reports, external monitoring audits);
- Gather, analyse data and collect and evaluate information in order to review performance and progress against the agreed parameters, with MPL staff, and external stakeholders such as Investors.

Monitoring of ESGI will primarily focus on compliance with the requirements of the ESAP- or GAP-related covenants included within the investment/legal agreements.

GBVH/SEAH-related risks and mitigation measures may be incorporated into ESAPs, due diligence processes, technical assistance arrangements, portfolio supervision, and ongoing investee engagement proportionate to sector, operational context, and enterprise risk profile.

- Where E&S or Gender issues are identified during monitoring, such as a company's non-compliance with the ESGI clauses stipulated in the legal agreement, the ESG Manager or DRI will follow up with the company to resolve these in a reasonable timeframe and possibly engage external consultants.
- Depending upon the complexity of the issues identified during monitoring an updated ESAP or CAP may be required in addition to increased frequency or reporting or monitoring.
- MPL will work with the management of portfolio companies to enhance the Technology Resilience of the company based on findings during the due diligence

On-site monitoring visits may be conducted by the in-house team, or by an external specialist consultant and will depend upon the risk category of the investment. Generally, low to medium risk categories (C and B) will be conducted in-house, with some medium B visits conducted (or led by) external consultants.

- For risk category B and above the frequency of on-site monitoring will be at least annual.

Where ESAP or GAP items are overdue in terms of their agreed timeframes:

- items classified as high priority/importance actions will require Investment Committee approval for a 'waiver' or 'extension' in order to postpone the action item and grant a new deadline.
- items of lower priority may have deadline adjustments jointly agreed upon by the ESGI Partner and ESG Manager.

Any significant change in the portfolio company's business activities will be reported to the ESG Manager by the Investment team and / or portfolio company. Where necessary, the Risk Categorization and ESAP may be reviewed and updated as a result. External stakeholders will be updated as necessary in this event.

MPF1 shall periodically review the implementation of Indigenous Peoples-related safeguard measures across the portfolio, including consultation processes, benefit-sharing arrangements, grievance management, implementation of FPIC where applicable, and lessons learned from portfolio investments. Findings will be used to inform adaptive management and periodic updates to the ESMS, IPPF and associated implementation tools.

6.2 Exit Monitoring – Residual Risks

Six months prior to the full exit from an investment, the following actions will be taken by the ESG Manager, DRI and ESGI Partner:

i. Review of the original ESDD documentation, ESAP, GAP, IAP etc against the current status. Remaining actions should be prioritized for completion prior to exit in agreement with the company;
ii. Where these actions cannot be, or have not been completed, an explanatory report should be prepared for review and consideration by the ESGI Partner and the Investment Committee. The IC may provide a waiver in this regard or seek some other form of contractual agreement with the company.

6.3 Reporting

Incident Classification, Escalation and Reporting

Incidents are classified as Minor, Significant, or Serious (including fatalities or severe harm).

Serious ESGI Technical Resilience Incident means: any significant social, labour, health and safety, security or environmental incident, accident, or circumstance relating to the portfolio company, that (i) results in loss of life, severe permanent injury, or permanent damage to health, (ii) a material adverse environmental or social impact, or material breach of law relating to E&S matters, (iii) any explosions, spills that result in material pollution and environmental contamination requiring to be reported to regulators (iv) labour unrest (v) dispute with local communities, (vi) any incident with adverse impact on human rights or any sexual exploitation and abuse and sexual harassment (SEAH) incident vii) cyber incidents that have or have the potential to have material impact on the portfolio company or, release of any personal data held in breach of GDPR regulations and / or (viii) an event with high reputational risk.

Any Serious Incident must be reported by the portfolio company to MPL within 72 hours of occurrence. MPL will determine whether notification to the Green Climate Fund (GCF) is required, in consultation with the ESGI Partner, and will notify GCF without delay and no later than 48 hours after MPL becomes aware of the incident, in line with GCF requirements.

Serious Incidents automatically trigger enhanced supervision, senior management oversight, and, where necessary, corrective action plans and independent investigation.

Each Serious Incident will be investigated and reviewed in accordance with '5-Whys' root cause analysis in order to be 'closed-out'. If necessary, a police or regulators report may also be included in the final report pack.

Each incident report will include the following:

- Nature of the incident;
- Significance to the Fund of the incident;
- Areas where additional information is required;
- Corrective and preventative actions to be taken by the Company and timelines;

The Investment Committee and Investors will be informed of the on-going implementation of the corrective and preventative actions.

Quarterly Reporting

Notwithstanding the above, a quarterly summary report will be prepared for the Investment Committee which details the status of each ESAP, GAP and IAP in progress.

Any issues arising will be addressed in discussion with the ESGI Partner, the Investment Team and the Company.

Annual Reporting

Impact KPIs are described in the *IMMS Section 5.0* and in the MPL *Gender Impact and Roadmap Guideline* and include those relating to Climate Adaptation and Resilience, Gender and other Environmental Socio-economic factors. These will be tracked through the period of the investment and reported annually to the IC.

Portfolio companies will report their agreed annual KPIs to MPL within 30 days of the financial year end (December 31) to facilitate portfolio reporting.

On behalf of the Fund Manager, MPL will compile a portfolio report of agreed KPIs, annual disclosure requirements within 3 months of financial year end, to be shared with the relevant external stakeholders including Investors. This will also include a summary of complaints received and their resolution.

7.0 *Whistle Blowing, Grievance and Redress Mechanism*

Matanataki's investigation framework is a comprehensive, restorative approach to addressing organisational incidents, focusing on systemic learning and continuous improvement. The framework covers a wide range of potential disruptions, including fraud, compliance violations, ethics breaches, GBVH, SEAH, client complaints, and operational incidents, and is guided by principles of independence, objectivity, confidentiality, due process, and thorough documentation.

The initial complaint is logged and a confirmation of receipt of the compliant is made to the complainant. The investigation stages include: an initial assessment, systematic evidence gathering, witness interviews, document review, and findings analysis and ultimately redress if appropriate. Each incident will be treated as an opportunity for organisational growth, cultural refinement, and regenerative evolution.

The resolution process emphasises actionable strategies, executive review, and continuous tracking to ensure preventative measures and ongoing institutional learning.

Our detailed Investigation Policy and Procedures (Complaint and Grievance) can be found in Chapter 8 of our Basic Fiduciary Manual (2025-02-17_MPL_MPF1_Basic Fiduciary Manual.pdf) and within the Compliance Manual (2025-03-01).

Records of complaints, whistle blowing or use of the project specific grievance redress mechanism will be reported annually to as part of the Annual Monitoring Report (refer to Section 6.0).

7.1 *Whistle Blowing*

The MPL Whistle Blowing Policy is presented in Appendix L.

An employee or member of MPL staff or associate may report certain types of 'wrong doing' as a 'whistle blowing disclosure' or 'protected disclosure'. Examples of acts of 'wrong doing' include:

- a criminal offence, for example fraud
- someone's health and safety is in danger
- risk or actual damage to the environment
- a miscarriage of justice
- the company is breaking the law, for example does not have the correct insurance
- covering up of wrong doing

Whistle blowing does not include complaints of bullying, harassment, or other complaints to do with employment. These should be made under the Grievance Redress Mechanism.

A 'Whistle Blowing Disclosure' may be made in writing or by phone call to a Director of MPL or if preferred, to the legal counsel of MPL, anonymously if required. The Whistle Blower will be protected against any form of harassment, intimidation, discrimination or retaliation for making such a report in good faith.

MPL will promptly conduct an investigation into matters reported, keeping the informant's identity as confidential as possible consistent with our obligation to conduct a full and fair investigation. The timeline for response is within 30 days but will depend upon the nature of the issue. The informant will be advised on the timeline once the complaint has been processed.

Whistle Blower Hotline Telephone Number:

In House Legal Counsel, Matanataki Pte Ltd
+679 345 0215

7.2 Grievance Redress Mechanism

The Grievance Redress Mechanism has several channels that are reflective of various stakeholders including but not limited to: MPL and fund employees, portfolio-level companies' employees, contractors/suppliers/workers, portfolio company clients and project-affected communities).

Public Communication to Matanataki Pte Ltd.
Members of the public may report alleged misconducts (including maladministration, discrimination, retaliation, fraud, corruption, collusion, coercion, obstruction, money laundering and terrorist financing) related to Matanataki's investments and potential investee companies to Matanataki's in house Legal Counsel, via a written communication to:

Public Complaints:
Email: complaints@matanataki.com Mail: Complaint Officer, 27 Waikalou Road, Deuba, Serua Province, Fiji

All communications received from external third parties (e.g. NGOs, neighbours) concerning a particular portfolio company will be for the attention of the Complaint Officer. Complaints should detail:

- name and contact details – unless anonymous
- clear description of complaint
- relevant documents or evidence supporting the complaint
- what is expected in terms of resolution.

The Complaint Officer will record the communication, acknowledge the communication to the third party, analyse and investigate the complaint and respond to the third party within 30 days.

All complaints submitted to the Complaint Officer shall be treated as confidential, unless the complainant indicates otherwise in writing. Matanataki has zero tolerance towards retaliation, abuse including GBVH and SEAH or any kind of discrimination.

- Where the external complaint is anonymous best efforts will be made to investigate the complaint and publish the findings on the MPL website.

The Complaint Officer shall acknowledge receipt of each complaint as per the Basic Fiduciary Manual.

Submitting and resolving complaints through Matanataki's complaints and whistle blowing mechanism shall not replace or impede the complainants' subsequent access to other redress mechanisms.

Matanataki Pte Ltd Staff
All full time and part-time MPL staff and external associates may make a compliant under the complaints / grievance procedure detailed in the Human Resources Handbook and presented in Appendix M.

Portfolio Companies

Portfolio companies will be required to establish and maintain grievance mechanisms appropriate to the nature and scale of their activities and accessible to workers, affected communities and other stakeholders. Information regarding available grievance channels, including escalation pathways to MPF1 and the GCF Independent Redress Mechanism, will be disclosed through stakeholder engagement and consultation processes.

Through contractual obligations, Matanataki requires its portfolio companies to establish effective complaint and whistle blowing mechanisms in accordance with the requirements in the IFC Performance Standard 1 and EIB Environmental and Social Standard 2 to address any concerns raised to Matanataki portfolio companies with regards to ESG risks and impacts of portfolio companies' business activities. MPL also requires that the company advise all stakeholders of the complaints and whistleblowing mechanisms.

GBVH or SEAH Complaints

If an individual experiences or becomes aware of a situation involving GBVH or SEAH they are encouraged to use the complaints procedure noting the following:

- Affected individuals may be requested to contact a designated person for support and counselling to ensure confidentiality – prioritising the rights, needs and wishes of the survivor, victim.
- Confidentiality is maintained throughout the complaints process; breaches of confidentiality may result in disciplinary action.
- All parties are safeguarded against professional disadvantage under the presumption of innocence; precautionary measures such as staff transfer or paid leave may be implemented until the complaint is resolved.
- Depending on circumstances a qualified specialist may provide counselling, mediate GBVH and SEAH cases and provide post- mediation support.
- Appropriate support may include confidential reporting pathways, protection from retaliation, referral to available local support services where feasible, workplace flexibility measures where appropriate, and survivor-centred response approaches proportionate to local service availability and SME capacity.

SEAH-related grievances are handled using a survivor-centred approach. Confidentiality, informed consent, survivor choice, and protection from retaliation are paramount. Access to support services, including referral to local or national survivor support organisations where available, does not depend on the initiation or outcome of a formal investigation. Survivors may choose whether and how to pursue a complaint, and may withdraw at any time.

Project Level

Where projects are initiated and on-going as standalone investments or as an element of portfolio company activity, a project-specific Grievance and Redress Mechanism (GRM) will be established, appropriate for the Rightsholders and Stakeholders in line with IFC guidance, specifically IFC Good Practice Note No.7, September 2009, 'Addressing Grievances from Project Affected Communities'. The elements of the project level grievance mechanism are presented in Figure 4. All Rightsholders and Stakeholders will be advised of the GRM through the project-specific Stakeholder Engagement Plan communication channels.

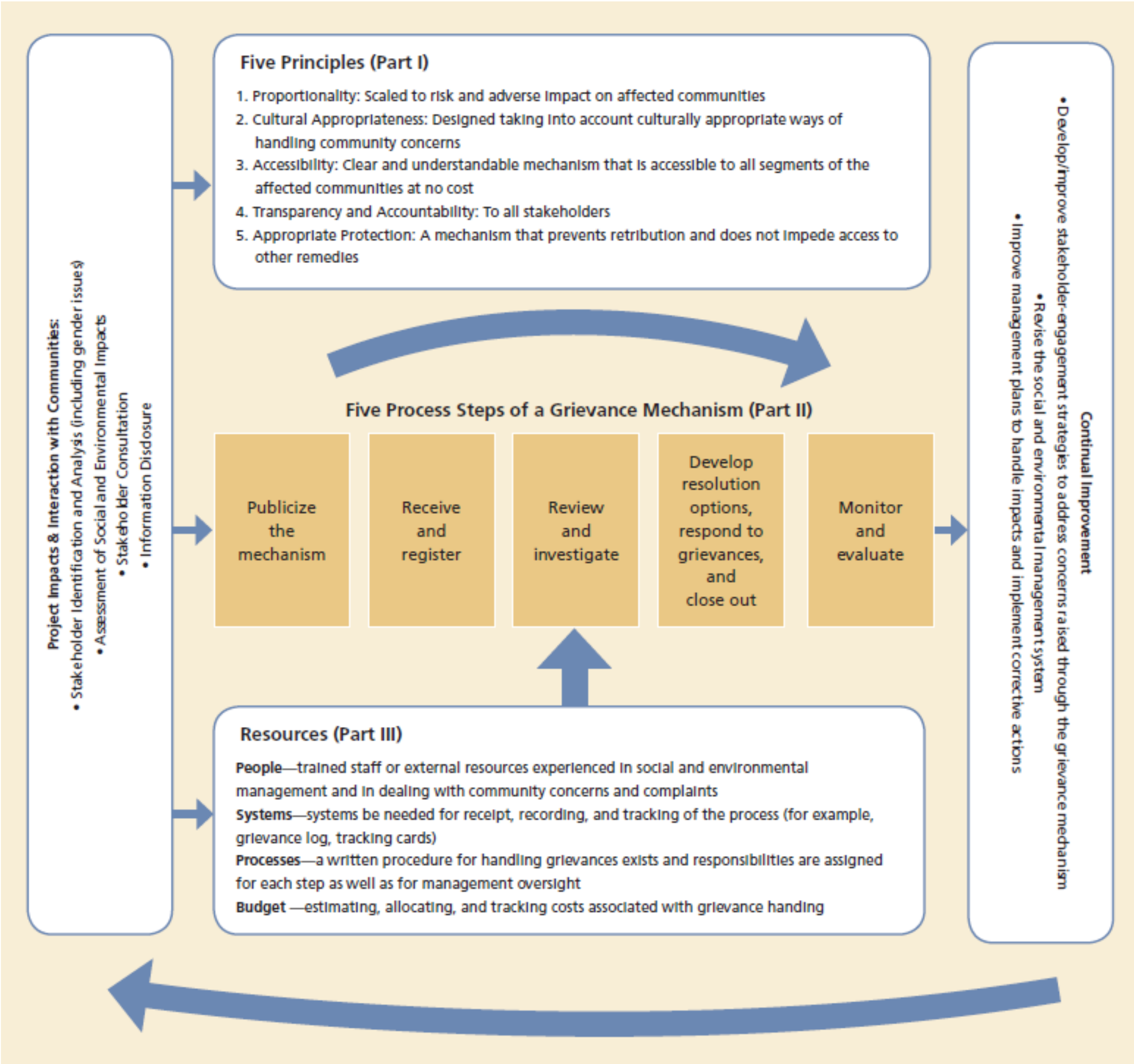


Figure 4: Design Elements Project Level Grievance Mechanism[4]

[4] IFC Good Practice Note No. 7, Addressing Grievances from Project Affected Communities' September 2009.

MPF1 Additional Independent Grievance Escalation Channels

In addition to the grievance mechanisms maintained by MPF1 and portfolio companies, affected stakeholders may also submit complaints directly to the GCF Independent Redress Mechanism if they believe that they have been adversely affected by a GCF-funded activity.

Information regarding the GCF Independent Redress Mechanism will be made available to stakeholders through stakeholder engagement activities, grievance procedures and relevant project documentation.

Contact details for the GCF Independent Redress Mechanism are available at:

https://irm.greenclimate.fund

Email: irm@gcfund.org

8.0 Emergency Preparedness and Response

Existing Enterprises

Where MPL or portfolio companies have a physical presence, an Emergency Preparedness and Response Plan (ERP) will be a mandatory requirement. Elements of the EPRP are presented in Appendix N and will be included where relevant to the particular property, location and enterprise.

Project EPRP

An emergency preparedness and response plan will be a mandatory for all new developments, i.e. project construction activities. It will cover not only onsite construction activities but off-site activities, such as transport which might result in community or environmental impact.

9.0 Record Keeping and Continual Review

All documents and records relating to the ESMS – ESGI due diligence, related studies and assessments, action plans and monitoring reports – will be retained for a minimum period of 7 years.

The ESMS will be reviewed periodically, at least annually, to ensure that it remains relevant and effective over time. This involves recording potential difficulties with operational aspects of the implementation of the ESMS throughout the year; reviewing the scope of the procedures to ensure that emerging ESG risks of investments are detected and identified during the due-diligence process; and updating the framework to reflect revisions in applicable national laws on environment, health, and safety.

The ESMS will be reviewed and approved by the ESGI Partner to ensure that it is integrated into MPL standard operating procedures.

10.0 Information Disclosure

The MPL ESGI Policy will be made available on the Matanataki website as part of MPL's commitment to transparency.

This ESMS Manual, including Appendices, will be made available to GCF for publication.

Finalised ESG Due Diligence reports, ESIAs and associated action plans for ESS Category B and above will be made available to Stakeholders and affected persons in both English and the local language, 30 working days prior to MPFI's final investment decision or decision of GCF whichever is the sooner. These may be redacted or edited to remove confidential or sensitive commercial or proprietary information. This will allow for review and feedback by affected persons and stakeholders including investors.
The reports will be available via electronic links in both the MPL's and the GCF's website (in the case of the GCF website, upon submission of a funding proposal to the Board) as well as in locations convenient to affected peoples.

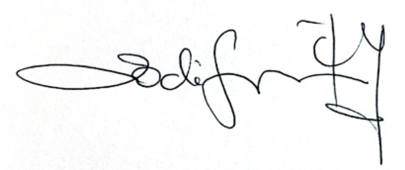
Portfolio companies shall co-operate with MPF1 in the disclosure of applicable environmental and social assessment documents and stakeholder engagement materials. Where project-specific ESDDs, ESIAs, ESMPs, ESAPs, Indigenous Peoples Plans or other safeguard instruments are required, portfolio companies shall ensure that such documents are made available to affected stakeholders in an accessible form and language, consistent with the requirements of this ESMS and applicable GCF policies.

Funding proposals relating to projects and programmes that do not have any significant environmental or social impact (i.e. Category C project or Category l-3) shall not require any additional advance information disclosure.

The Indigenous Peoples Planning Framework will be disclosed in accordance with the GCF Information Disclosure Policy at least 30 days prior to approval of the investment. It will be available in both English and the local language. Where Indigenous Peoples-related management measures, including Indigenous Peoples Plans (IPPs), are required for specific investments, relevant disclosure and stakeholder engagement materials will be made available in an appropriate form and language proportionate to the nature, scale, and context of the investment, taking into account confidentiality, cultural appropriateness, and the requirements of the GCF Indigenous Peoples Policy and applicable ESS standards.

Approval

This ESMS has been reviewed and approved for use by MPL ESGI Partner on 12th August 2026:



Jodi Smith

ESGI Partner, Director / CEO, Matanataki Pte Ltd, Founding GP, Matanataki Pacific Fund 1

Appendices

A: ESGI Policy (including Exclusion List)
B.1. Risk Categorisation Tool Template
B.2: Inherent Sector Risks
C: Initial ESG Screening Checklist
D: Example Terms of Reference ESDD and, Terms of Reference for Impact and Gender Review
E.1: ESDD questionnaire (deskbased)
E.2 : SEAH questionnaire
F: Generic ESDD Table of Contents
G.1: Guidance ESIA and ESMP
G.2: Guidance and Table of Contents: Biodiversity Action / Management Plan,
G.3: Guidance and Table of Contents Voluntary Land Transaction, Relocation and Livelihood Restoration Plan,
G.4: Guidance and Table of Contents Stakeholder Engagement Plan,
G.5: Indigenous Peoples Plan template
H: Gender Due Diligence Questionnaire
I: Table of Contents Gender Gap Assessment
J: ESAP Template
K: ESG Legal Clauses Drafting Guide
L: Whistleblowing Policy
M: Complaints Procedure
N: Emergency Procedures Response Plan Elements
O: Indigenous Peoples Planning Framework

Matanataki

Matanataki Pte Ltd and Matanataki Pacific Fund 1

Environmental, Social, Governance and Impact Policy (including Climate and Biodiversity Policies)

Table of Contents

1. Introduction

Matanataki Pte Ltd (Matanataki) is a woman-founded business development and investment company in Fiji. At Matanataki we work to address complex environmental and development challenges by supporting and investing into Pacific-based businesses who share a vision to build a climate resilient and equitable future, creating positive change for the Pacific's people, land and reefs. In response to the urgent global threats we face, we believe in the ability of Pacific Island companies, entrepreneurs, and communities to be world leaders, building a liveable future through a regenerative and interwoven relationship between enterprise, people, and the planet grounded in equity and respect.

Matanataki commits to policies and structures to mitigate Environmental Social Governance (ESG) risks and create positive environmental and social impacts, starting with its own operations. Matanataki continues to assess how to develop, refine and implement the policies and procedures that identify and minimise organisation ESG risks most appropriately. Matanataki additionally strives to be at the forefront of internal organisation structures that model our value of economic, social and gender equity and environmental regeneration. Matanataki commits to values and principles, policies and programs which create positive impact social and environmental outcomes from our internal operations.

Matanataki recognises that governance risks, such as ethical misconduct, inadequate oversight, lack of transparency and communication, and failures in compliance, can significantly impact the integrity and success of our operations. To mitigate these risks, we implement robust governance frameworks that align with international best practices and our commitment to ethical and responsible business conduct.

All our investment decisions commit to not only do no harm but to actively contribute towards positive and measurable environmental and social change in alignment with our theory of change and principals.

Our Environmental Social Governance and Impact (ESGI) Policy outlining the commitments and principles is described in this document. It reflects the ESGI commitments of Matanataki and of the Fund Manager, Enyorra Private Equity Pte. Ltd. The ESGI Policy is applicable to Matanataki and Matanataki Funds. Specific Fund commitments are listed in Section 3.0.

Matanataki implements the ESGI Policy through the procedures in our integrated Environmental and Social Management System (ESMS) and Impact Measurement and Management System (IMMS). Application of these procedures ensures ESGI is integrated into our internal organisation operations and our investment life cycle.

This ESGI Policy should be read in conjunction with our other ESGI-related Policies including:

- Climate Policy (included herein)
- Biodiversity Policy (included herein)
- Animal Protection Policy
- Child Protection Policy
- Code of Business Conduct
- Conflict of Interest Policy
- Fraud & Corruption Prevention and Investigation Policy (also covering whistleblowing)

- Respect in the Workplace Policy (also covering sexual harassment)
- Code of Ethics
- Whistleblowing Policy
- Gender Equality Policy
- Human Rights Policy
- Indigenous Peoples Policy

Policies not contained within this document can be found in our Compliance Manual. Appendix A

presents a list of acronyms used in this Policy.

Matanataki has a grievance mechanism that enables third parties to raise concerns about the Fund's compliance with this Policy.

Members of the public may report alleged misconducts (including maladministration, discrimination, retaliation, fraud, corruption, collusion, coercion, obstruction, money laundering and terrorist financing) related to Matanataki's investments and potential investee companies to Matanataki's Legal Counsel via a written communication to:

Public Complaints:

Email: info@matanataki.com

This Policy has been reviewed and approved 24th June 2026 for immediate implementation.

Jodi Smith
Director/CEO, Matanataki Pte Ltd
Founding General Partner, Matanataki Pacific Fund 1

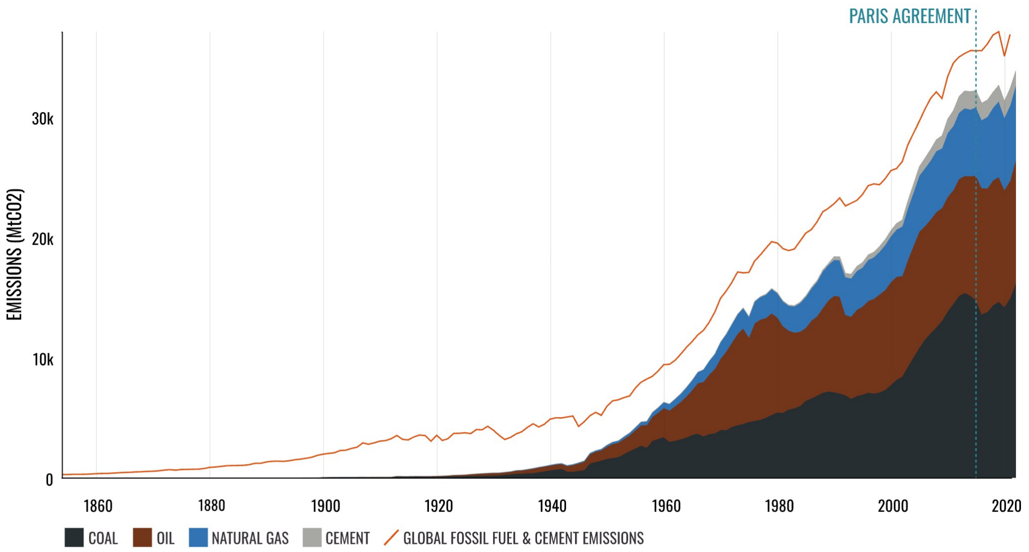
2. Compendium

Matanataki was created to place business in the service of all Life. The statistics, stories, people, quotes, images, and videos that follow mark the pivotal moments and learnings that have shaped our company's journey, and that continue to anchor our resolve to stand with Mother Earth - even in the darkest hours.

"Over 70% of … global CO2 emissions historically can be attributed to just 78 corporate and state producing entities."

- The Carbon Majors Database Launch Report 2024[1]

Carbon Majors & Global CO2 Emissions (1854–2022)



- The database categorizes entities into three types: investor-owned companies, state-owned companies, and nation-states. Historically, investor-owned companies account for 31% of all emissions tracked by the database (440 GtCO2e), with **Chevron**, **ExxonMobil**, and **BP** the three largest contributors respectively. State-owned companies are linked to 33% of the database total (465 GtCO2e), with **Saudi Aramco**, **Gazprom**, and the **National Iranian Oil Company** being the largest contributors. Nation-states account for the remaining 36% (516 GtCO2e), with **China's coal production** and the **Former Soviet Union** the largest contributors.

Source: The Carbon Majors Database[2]

"81 Billionaires hold more wealth than 50% of the world combined."

- Oxfam International , January 2023[3]

1 https://carbonmajors.org/briefing/The-Carbon-Majors-Database-26913
2 https://carbonmajors.org/briefing/The-Carbon-Majors-Database-26913
3 https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/2023 01/Survival%20of%20the%20Richest%20Full%20Report%20-English.pdf

"That money could've only come from one place – there's no other place for it to have come from, and that's the earth. Somehow it was extracted from water, earth, air, trees, the bodies of the flying ones, the swimming ones, the creepy crawly ones, the four-legged ones, the labour of men, women, children. It has been extracted out the web of life, from Mother Earth and Life itself…. So here is what I want us to consider: that is Life that is being hoarded, that is life which is being withheld from Life. And now Life is screaming out for life. And so what has to happen, is that life, which is being hoarded as wealth, which is being dammed up, those dams are going to have to come down. And that life that looks like money is going to have to be re-released back into Life. There is no other way for this to go…. We have to begin to create a circumstance for that to be able to happen, to be received and met, with an eye towards '*We need to do this so the people can live. We want to live with all of our relations.*'"

- Pat McCabe, Woman Stands Shining, 2021[4]

"It looked like a very beautiful sunlit graveyard, with beautiful gravestones."

- Anohni on the collapsing of The Great Barrier Reef, 2025[5]

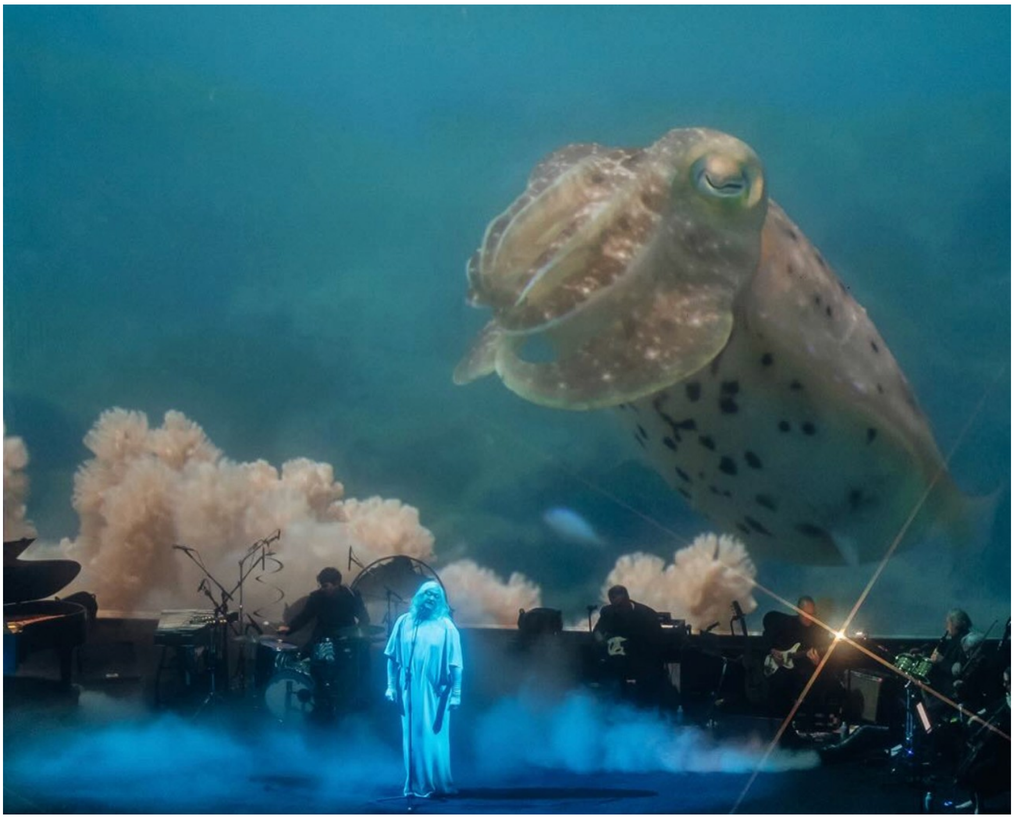


Image: Mourning The Great Barrier Reef, Sydney Opera House, 26 May 2025, credit: Jordan Munns

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[4] https://www.youtube.com/watch?v=Bi9IT5DQsE4&t=144s
[5] https://www.drownedinsound.org/anohni-shared-a-vision-of-our-future-now-i-cant-unsee-it/

Oh, what'll you do now, my blue-eyed son? Oh,
what'll you do now, my darling young one? I'm a-
goin' back out 'fore the rain starts a-fallin' I'll walk to
the depths of the deepest black forest
Where the people are many and their hands are all empty Where
the pellets of poison are flooding their waters Where the home
in the valley meets the damp dirty prison Where the
executioner's face is always well hidden
Where hunger is ugly, where souls are forgotten Where
black is the color, where none is the number And I'll tell it
and think it and speak it and breathe it And reflect it from
the mountain so all souls can see it Then I'll stand on the
ocean until I start sinkin'
But I'll know my song well before I start singin' And
it's a hard, it's a hard, it's a hard, it's a hard It's a hard
rain's a-gonna fall

- Bob Dylan, A Hard Rain's Gonna Fall, composed 1962

Image: Patti Smith performs Bob Dylan's Hard Rain's Gonna Fall, Nobel Prize Award Ceremony, 2016, Copyright © Nobel Media AB 2016[6]

"The *Fanua* (*Vanua, Whenua, Fonua*) is where we are born from. The *Fanua* is the land the sea the sky the mountain. Who I am is the ecosystem. It is where we orient ourselves. The *Fanua* is home…. The *Fanua* is where we know who we are. The *Fanua* is our identity. The *Fanua* gives us shelter. The *Fanua* maintains the dignity of my people and harmony with the earth. We don't have a word for nature. We refer to our bodies as *Fanua*. The word for my

[6] https://www.youtube.com/watch?v=941PHEJHCwU&t=3s

blood is *palapala*. *Palapala* means earth. New words from England have replaced *Fanua* with *real estate* or *property*. *Blood* does not mean *earth* in the English language. I am part of earth that stands up and walks. And I will return to lie down when death arrives. I will be absorbed back into the land, grateful to have been part of this miracle of life.

It is not possible to change human behaviour without reviewing our spirituality. We cannot just hope to technofix, spend and policy make our way out of climate emergency, corporate greed, bigotry, racist violence, blind hatred or crushing despair and loneliness. We need to reform our spiritualities. If our spirit is sick our behaviour will be unhealthy. For spiritual transformation our tasks as artists and leaders is to improve the quality of how the [people feel, hear, see and touch the world. And how do you touch the world? What is our human role on earth? For we are not lords, vandals or managers of earth. We are part of the process of earth and these processes have been here long before us and they will be here long after we are gone."

- Lemi Ponifasio, Speech of Lemi Ponifasio at the Edinburgh International Culture Summit 2022 - Opening Session, 2016[7]

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[7] https://www.youtube.com/watch?v=5rMrfneEp4c
[8] https://www.youtube.com/watch?v=IZP0abZAyHY

"In the countryside, under the streams Suck
the marrow out of her bones Inject me
with chemotherapies
Suck the money out of her face"

- Anohni, *Marrow*, 2016, video featuring Lorraine O'Grady

Image: Lorraine O'Grady performs in the music video for "Marrow" by Anohni, 2016, from ANOHNI: HOPELESSNESS (Secretly Canadian/Rough Trade) © & ℗ Rebis Music 2016[9]

"Money seems to be upstream of every single problem we're facing. Money is the longest, deepest running unconscious agreement we've had. It could mean anything we want it to mean.
And right now it's putting people on the street, keeping kids hungry and destroying everything. It's already everywhere.
What would happen if we changed its meaning? If we changed the consciousness of it? Since it's already in everything, what would happen if we changed its meaning? Would it change the meaning of everything?"

-Pat McCabe, Woman Stands Shining, 2021[10]

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[9] https://www.youtube.com/watch?v=Rb9XECErMlc&t=1s
[10] https://www.youtube.com/watch?v=Bi9IT5DQsE4&t=144s

3. Matanataki Environmental, Social, Governance and Impact Policy

3.1 Responsibilities

The Matanataki General Partners, and particularly the Matanataki Director/CEO as the ESGI Partner, are responsible for the oversight and implementation (budget and resources) of the ESGI policy.

The ESGI policy is implemented by all members of the Matanataki team through the lifecycle of the investment.

3.2 Vision, Values and Principles

Our vision is for vibrant, healthy and thriving ecosystems and societies in the Pacific, where the needs of all are met. To work towards this, we strive to accelerate the region's transition to regenerative production, by building local steward-orientated inclusive economies that respect and restore Pacific reefs, oceans, people and the web of life.

Our strategic impact goals are to:

i. Increase coral reef climate resilience (and thus Pacific Island Countries' climate resilience) by reducing the drivers of coral reef degradation and restoring coral reef and linked systems. Drivers of degradation include but are not limited to waste management practices, fishing and marine activities, industrial and agricultural practices and land management.
ii. Advance gender equity and gender smart capital
iii. Contribute the economic development of Pacific Island Countries on a climate resilient, regenerative and inclusive pathway
iv. Expand access to finance to underserved populations

To deliver on the strategic goals Matanataki will:

- Consider ESG issues - material ethical, environmental, social and governance risks and opportunities – in all investment decisions.
- Make impact investments with the primary intention of creating positive social and environment outcomes alongside a financial return.
- Engage in *"non-extractive"* impact investment where the returns to the lender do not exceed the wealth created by the borrower using the capital.
- Develop and grow regenerative businesses that return equal or greater value to the environment and communities than they use, by embedding regenerative practices across all portfolio companies.

Matanataki's impact strategy and strategic goals, although specific to our theory of change, align to global goals and national targets including The UN Sustainable Development Goals (SDGs), Planetary Boundary Framework, country-level National Development Plans, National Determined Contributions and National Adaptation Plans.

Matanataki's values with associated principles are as follows:

Right relationship with life

- Treat people, cultures, lands, oceans and all forms of life with dignity and care in every decision.
- Honour the more-than-human world as sacred, not merely as a resource.
- Act from a sense of kinship and interdependence with all forms of life.

Reciprocal justice and equity

- Ensure value, risk, and decision-making power are shared fairly among communities, workers, investors, and ecosystems.
- Structure capital to be non-extractive, with benefits flowing back at least in proportion to what is taken.
- Embed gender equity, labour rights, and access to remedy in all relationships and agreements.

Integrity and responsibility

- Take ownership for social, cultural, and ecological impacts and move quickly to repair harm.
- Adhere to clear ethical, ESG, and impact standards, and report transparently on performance.
- Welcome scrutiny and feedback and align behaviour with stated values.

Service to place and people

- Act first in service of Pacific communities, cultures, and ecosystems, not external interests.
- Centre Indigenous leadership, local ownership, and intergenerational stewardship in strategy and governance.
- Use skills, networks, and capital to strengthen local resilience and self-determination.

Restraint

- Respect ecological and social limits in growth, extraction, tourism, and resource use.
- Choose "enough" over "always more" when additional growth would undermine wellbeing or planetary boundaries.
- Avoid strategies that depend on over-consumption, over-leverage, or depletion of natural systems.

Regenerative systems change

- Support enterprises and practices that restore, heal, and strengthen ecosystems and communities over time, and channel human creativity explicitly toward the systems change that these enterprises can contribute to.
- Design portfolios and partnerships to shift underlying systems, not just individual firms; work at land- and sea-scape levels.
- Take thoughtful risks to demonstrate new models of economy that align prosperity with ecological limits and justice.
- Play a role in wisdomising money and capital by treating them as tools of relationship and stewardship rather than extraction, and by experimenting with ways of circulating capital that honour life, reciprocity, and shared flourishing, even while the exact pathways are still evolving.

3.3 Commitments and Requirements

To deliver on the strategic goals the following requirements will be applied to all investments:

- Compliance with national laws, regulations and international conventions and declarations on environment, labour, health and safety, social aspects and any standards that may be referenced therein.
- IFC Performance Standards (IFC PS).
- World Bank Group Environment Health and Safety (WBG EHS) General Guidelines and Good International Industry Practice standards (GIIP).
- Universal Declaration on Human Rights
- International Labour Organization (ILO) Fundamental Conventions
- ILO Fundamental Principles and Rights at Work and ILO Basic terms and Conditions of Work (amended 2022)
- ILO Indigenous and Tribal Peoples Convention 1989 (169)
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct
- UN Principles of Responsible Investment (UN PRI)
- 2 X Challenge Criteria

And where applicable:

- UN FAO Principles for Responsible Investment in Agriculture
- WBG EHS General Guidelines and sector specific guidelines e.g. Agribusiness, Waste Management and Tourism.
- IFC's Good Practice Handbook on E&S Risk in Agro-commodity Supply Chains

Our impact measurement and monitoring will be aligned with the IMP / IRIS+ Five Dimensions of Impact framework.

Matanataki is committed to working alongside portfolio companies in meeting these standards, providing practical guidance and hands-on support so that compliance becomes a source of strength and impact rather than an administrative burden.

3.4 Exclusion List

Reflecting our vision and principles, Matanataki will not invest in sectors, industries or companies identified in:

- the World Bank International Finance Corporation (IFC) Exclusion List.
- the Harmonised European Development Finance Institutions' (EDFI) Exclusion List and the Harmonised EDFI Fossil Fuel Exclusion List.

In addition, MPF1 will not finance

i. opportunities identified as being E&S Category A, per the GCF Revised Environmental Policy 2021 definition, 'Activities with potential significant adverse environmental and / or social risks and impacts that, individually or cumulatively, are diverse, irreversible or unprecedented;'

ii. activities that would be considered inconsistent with applicable GCF policies and standards; or
iii. activities involving involuntary resettlement.

The Matanataki Exclusion List is presented in Appendix B.

3.5 Policy Implementation and Review

Matanataki has developed an Environmental and Social Management System (ESMS), Gender Acton Plan (GAP) and Impact Management and Monitoring system (IMM) to ensure that the policy is fully implemented throughout the investment process. Together, the ESGI policy, the ESMS, GAP and IMM constitute Matanataki's combined framework of ESG and Impact management, with procedures which are fully integrated with the Matanataki Fund(s)' investment cycles and tools to support implementation.

This Policy will be reviewed at least once per year or when significant business process changes occur, to ensure the information contained herein is current and applicable.

4. Climate Policy

4.1 Purpose and relationship to the ESGI Policy

This Climate Policy operationalises Matanataki Pte Ltd (Matanataki) Environmental, Social, Governance and Impact (ESGI) Policy by setting out how climate-related considerations are integrated into investment decision-making and portfolio management in practice.
Consistent with the ESGI Policy, Matanataki recognises climate change as a defining systemic risk and a core determinant of long-term resilience, particularly in small-island and climate-exposed contexts. Matanataki seeks to manage climate risks responsibly, support climate-resilient development pathways, and avoid investment approaches that exacerbate vulnerability or exceed ecological limits.

4.2 Scope and applicability

This policy applies to:

- Matanataki Pte Ltd (MPL)
- Matanataki funds including Matanataki Pacific Fund 1 (MPF1); and
- Portfolio companies, on a risk-based and proportionate basis.

The application of climate-related requirements reflects the scale, sector, geography, and risk profile of each investment.

4.3 Climate considerations in investment decision-making

In line with the ESGI Policy's emphasis on systems-level resilience and long-term value creation, Matanataki integrates climate considerations throughout the investment lifecycle, including:

- Screening and eligibility assessment;
- Environmental and social due diligence;
- Investment structuring and approval; and
- Post-investment monitoring and engagement.

Climate considerations may include, as relevant:

- Physical climate risks, such as exposure to extreme weather events, climate variability, sea-level rise, and other climate hazards;
- Transition risks, including regulatory, market, technological, or reputational risks associated with the transition to a low-emissions economy; and
- Contextual climate vulnerability, particularly where investments interact with climate-sensitive livelihoods, ecosystems, or communities.

These considerations are assessed through MPL's Environmental and Social Management System (ESMS) and associated investment procedures.
Matanataki aligns its climate risk assessment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, where applicable, the International Sustainability Standards Board (ISSB) S2 Climate-related Disclosures.

4.4 Climate resilience and impact orientation

Consistent with the ESGI Policy's focus on regenerative and non-extractive development pathways, Matanataki seeks to support investments that:

- Strengthen climate resilience and adaptive capacity;
- Contribute to emissions reduction or avoidance where relevant; and/or
- Enable climate-resilient livelihoods, services, and infrastructure.

Climate outcomes are pursued in a manner consistent with long-term commercial sustainability and are tracked through the Fund's Impact Measurement and Management System (IMMS).
While our primary focus is on resilience and adaptation, Matanataki encourages portfolio companies to monitor and, where material, report on Scope 1 and Scope 2 emissions. Where possible carbon reduction plans will be developed and implemented, seeking to minimise the carbon footprint of our investments.
4 Avoidance of maladaptation and ecological overshoot

In line with the ESGI Policy's commitment to restraint, planetary boundaries, and long-term systems health, Matanataki seeks to avoid investments that:

- Increase exposure or sensitivity to climate hazards;
- Shift climate risks onto vulnerable groups, ecosystems, or future generations;
- Deliver short-term gains while undermining long-term resilience; or
- Activities that degrade natural buffers (e.g., mangroves or coral reefs) that provide protection against climate-related hazards.

Where maladaptation risks are identified, investments will be re-designed, subject to enhanced mitigation, or avoided.

4.5 Governance and accountability

Oversight of climate-related matters sits within Matanataki's ESGI governance framework. Senior management retains responsibility for ensuring that climate risks and opportunities are appropriately considered alongside financial and operational factors.
Material climate-related risks, trade-offs, or incidents are escalated in accordance with the Fund's governance and escalation arrangements under the ESMS.

4.6 Monitoring, learning, and disclosure

Climate-related performance and outcomes are monitored through the IMMS and portfolio oversight processes. Lessons learned inform ongoing portfolio management and future investment decisions.
Material climate-related incidents are addressed in accordance with the ESMS incident management and reporting procedures.
Risk Assessment: Matanataki uses localised climate data and scenario analysis to assess the long-term viability of assets against projected sea-level rise and extreme weather

5. Biodiversity Policy

5.1 Purpose and relationship to the ESGI Policy

This Biodiversity Policy operationalises Matanataki Pte Ltd (Matanataki) ESGI Policy by setting out how biodiversity-related risks and impacts are identified, avoided, and managed in practice. Consistent with the ESGI Policy, Matanataki recognises biodiversity as foundational to ecological integrity, livelihoods, cultural identity, and climate resilience. Matanataki adopts a precautionary, non-extractive approach to biodiversity, seeking to avoid irreversible harm and to support responsible stewardship of land and sea systems.

1. Scope and applicability

This policy applies to:

- Matanataki Pte Ltd (MPL)
- Matanataki funds including Matanataki Pacific Fund 1 (MPF1); and
- Portfolio companies, on a risk-based and proportionate basis.

The level of biodiversity-related requirements applied reflects the nature, scale, and risk profile of each investment.
Beyond risk management, Matanataki adopts an 'active ownership' approach, providing technical support and guidance to portfolio companies to enhance their internal biodiversity management capabilities and drive positive nature-based outcomes.

5.2 Biodiversity context and materiality

Many of Matanataki's current and prospective investment geographies are characterised by high biodiversity value, ecological sensitivity, and strong interdependencies between ecosystems and community livelihoods.
Biodiversity loss can create material environmental, social, operational, and reputational risks. Accordingly, biodiversity considerations form an integral part of the MPL and MPF1 environmental and social risk management framework.

5.3 Biodiversity risk screening and avoidance

In line with the ESGI Policy's exclusion commitments and precautionary approach, MPL screens investments at an early stage to identify biodiversity risks.
The MPL and MPF1 seek to avoid investments that are likely to result in:

- Significant or irreversible biodiversity loss;
- Conversion or degradation of critical, high-conservation-value, or legally protected habitats;
- Activities inconsistent with applicable national laws or international biodiversity conventions.

Where unacceptable biodiversity risks are identified Matanataki will either decline the investment or, where feasible, work with the portfolio company to develop a time-bound Biodiversity Action Plan (BAP). This BAP must align with the Mitigation Hierarchy (Avoid,

Minimise, Restore, and Offset) to ensure no net loss, and where possible, a net gain for biodiversity.
For the purposes of this policy, Matanataki's definitions of "Critical Habitat", "Natural Habitat", and "High-Conservation-Value (HCV)" areas are aligned with the standards set out in IFC Performance Standard 6 (PS6) on Biodiversity Conservation and Sustainable Management of Living Natural Resources and EIB Environmental Social Standard (ESS) 4 Biodiversity and Ecosystems.

5.4 Application of the mitigation hierarchy

Matanataki requires all investments to apply the mitigation hierarchy to manage biodiversity impacts, prioritising:

- Avoidance: Designing projects to avoid impacts on biodiversity from the outset.
- Minimisation: Implementing measures to reduce the duration, intensity, and/or extent of impacts that cannot be avoided.
- Restoration: Rehabilitating degraded ecosystems or restoring habitats following exposure to impacts.
- Offsets: As a last resort, implementing compensatory measures for significant residual adverse impacts.

5.5 Biodiversity management and stewardship measures

Where biodiversity risks are identified, proportionate management measures are required at the investee or project level. These may include:

- Biodiversity management measures integrated into environmental and social action plans; and
- Biodiversity action plans or equivalent instruments for higher-risk investments.

Consistent with the ESGI Policy, biodiversity management approaches seek not only to reduce harm, but also, where feasible, to support ecosystem restoration and long-term stewardship.

5.6 Indigenous Peoples, customary tenure, and biodiversity

Matanataki recognises that biodiversity values are often inseparable from Indigenous Peoples' land, sea, and resource governance systems. Where investments interact with customary land or marine tenure, biodiversity risk management is aligned with culturally appropriate engagement and respect for Indigenous governance structures, consistent with IFC PS 7 Indigenous Peoples and EIB's ESS 7 Vulnerable Groups, Indigenous Peoples and Gender.

5.7 Indirect and supply-chain impacts

Matanataki acknowledges that biodiversity impacts may arise indirectly through supply chains or associated activities. Such impacts are considered where material and feasible, particularly where they may pose significant environmental, social, or reputational risk.

5.8 Governance, escalation, and incident response

Oversight of biodiversity-related risks and impacts forms part of Matanataki's ESGI and ESMS governance framework. Significant biodiversity impacts or incidents are escalated and managed in accordance with MPL and MPF1's incident management, reporting, and corrective action procedures.

5.9 Monitoring and reporting

Matanataki is committed to transparency and continuous improvement in biodiversity management. Biodiversity-related risks, mitigation measures, and outcomes are monitored through environmental and social supervision processes and, where relevant, through the Impact Measurement and Management System (IMMS). Corrective actions are implemented where monitoring identifies material issues.

- Portfolio Monitoring: Conduct annual biodiversity risk reviews of the portfolio using tools such as the IUCN Red List and IBAT.
- Reporting: Provide annual updates to our stakeholders on biodiversity performance, including key impact indicators (e.g., hectares protected or restored).
- Framework Alignment: aim to align with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations to assess and disclose nature-related risks and opportunities.

6. Fund Specific Requirements

6.1 Matanataki Pacific Fund 1

Matanataki Pacific Fund 1 (MPF1) is a climate resilience impact fund targeting reef-positive and gender equitable SMEs across waste management, fisheries, agriculture and tourism in the Pacific.

MPF1 seeks to deliver risk capital and hands-on active ownership to Pacific reef-positive and gender equitable Small and Medium Enterprises (SMEs) across waste management, fisheries, agriculture and tourism. Leveraging the team's local and international experience as business operators and regenerative systems practitioners, the goal is to support entrepreneurs to accelerate the region's transition to regenerative production and to build local economies that respect and restore Pacific reefs, oceans and people.

MPF1 exists to bring investment to Pacific Island companies which are benefiting the wellbeing of all people and ecosystems. Consideration of ESG issues and impact potential is thus integral to the entire investment process, helping to ensure no harm is done and that the highest potential positive impact is created. ESG and impact processes not only help to reduce and manage risk, but also add financial, social and environmental value to portfolio companies.

The strategic impact goals of the fund are:

- Increasing coral reef climate resilience (and thus Pacific Island Countries' climate resilience) by reducing the drivers of coral reef degradation and restoring coral reef and linked ecosystems.
    i. Improving waste management to reduce runoff of persistent organic pollutants, heavy metals, plastics and micro-debris from solid waste.
    ii. Improving coral reef ecosystem health through marine ecosystem conservation, restoration, improved management, and reduction of fishing pressure.
    iii. Improving ecosystem health and climate resilience through agriculture, to reduce destruction of ecosystems, runoff of sediments, nutrients, agricultural chemicals, pathogens, pharmaceuticals, plastics & micro-debris from agriculture and livestock.
    iv. Improving land management.
- Advancing gender equity and gender smart capital.
- Contributing to the economic development of Pacific Island Countries, on a climate-resilient, regenerative and inclusive development pathway.
- Expanding access of finance to underserved populations, which includes empowering workers through freedom of association.

6.2 MPF1 Requirements

In addition to the Commitments and Requirements described in Section 2.0 of this policy MPF1 has the following requirements:

- European Investment Bank (EIB) Environmental and Social Standards (EIB E&S) 2022

- Green Climate Fund (GCF) Initial Fiduciary Principles and Standards (GCF IFPS) 2014;
- GCF Interim Environment and Social Safeguards of the Fund 2014 (GCF ESS)).
- To operate in a manner consistent with GCF's Revised Environmental & Social Policy 2021, GCF's Indigenous People's Policy 2018 and GCF's Information Disclosure Policy

The fund and its portfolio will apply applicable GIIP and EU Best Available Technique Reference Documents (BREFs) for pollution abatement.

Matanataki has developed Key Performance Indicators (KPIs) to measure the Fund's strategic impact goals in ways that are material to the portfolio companies, as well as feasible and affordable to monitor. Wherever possible, these KPIs will be metrics that are aligned to the IRIS+ metric set, the metrics of key partners or the Fund's potential LPs.

Appendix A: Acronyms

BREF	EU Best Available Technique Reference document
EDFI	European Development Finance Institution
EIB	European Investment Bank
EU	European Union
EHS	Environment Health and Safety
ESG	Environment Social Governance
ESGI	Environment Social Governance and Impact
ESMS	Environment Social Management System ESS
	Environmental and Social Standards
GCF	Green Climate Fund
GFCR	Global Fund for Coral Reefs
GIIP	Good International Industry Practice
IFC	World Bank Group International Finance Corporation IFC
PS	IFC Performance Standards
IFPS	Initial Fiduciary Principles and Standards ILO
	International Labour Organization
IMMS	Impact Measurement and Management System
IRIS+	Global Impact Investing Network free access platform for managing impact KPIs
	Key performance Indicators
LPs	Limited Partners
MPF1	Matanataki Pacific Fund 1
(M)SME	(Micro) Small Medium Enterprise
OECD	Organisation for Economic Cooperation and Development PICs
	Pacific Island Countries
UN FAO	United Nations Food and Agriculture Organization UN
PRI	United Nations Principles for Responsible Investment UN
SDG	United Nations Sustainable Development Goals WBG
	World Bank Group

Appendix B: Exclusion List

Matanataki Pte Ltd and Matanataki Pacific Fund 1 adopt the following exclusion criteria:

1. Activities prohibited by national legislation or international legal instruments:
    - Investments that result in limiting people's individual rights and freedom or that violate human rights.[11]
    - Investments involving Forced Labour, or Child Labour as defined by ILO Conventions.
    - Investments issued by sovereigns and/or corporates, or mainly listed in countries, or related to individuals and/or other entities in a particular country identified and as specified in the United Nations Security Council Sanctions List, the list of high-risk jurisdictions subject to a "Call for Action" identified by the Financial Action Task Force and/or the European Sanctions List.
    - Investments issued by companies involved in the manufacturing of controversial weapons and/or essential components or services or through owned entities. These include anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons.[12]
    - Activities prohibited by national legislation or international conventions relating to the protection of biodiversity resources, or cultural heritage.[13]
    - Racist or anti-democratic media
    - Investments that could have significant adverse risks and/or impacts related to involuntary resettlement or indigenous peoples without free informed prior consent of such peoples.
    - Activities subject to international phase out or bans, including production of or trade in products containing Polychlorinated Biphenyls (PCBs); production, placing on the market and use of asbestos fibres[14]; production, use of or trade in

[11] Internationally recognised standards include without limitation the following:
◦ Universal Declaration of Human Rights.
◦ International Bill of Human Rights.
◦ International Labour Organization's Fundamental Labour Conventions.
◦ International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
◦ United Nations' Guiding Principles on Business and Human Rights.
◦ United Nations Global Compact.
◦ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
◦ For sovereign issuers, human rights due diligence may rely without limitation on the Freedom House Index and the Transparency International's Corruption Perceptions Index.

[12] Relevant international conventions include, without limitation, the Geneva Protocol (1925) (on chemical and biological weapons); the Treaty on the Non-Proliferation of Nuclear Weapons (1968); the Convention on the prohibition of biological weapons (1972); the Convention on Cluster Munitions (2008); Protocol III to the Convention on Certain Conventional Weapons (1980) (on incendiary weapons); the Convention on the Prohibition of Chemical Weapons (1993); the Convention on the Prohibition of Anti-Personnel Mines (Ottawa Treaty) (1997); the Treaty on the Prohibition of Nuclear Weapons (2017).

[13] The underlying risks and impacts must be identified, assessed and systematically monitored throughout the investment cycle. Relevant international conventions include, without limitation, the Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); the Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); the Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); the World Heritage Convention; Convention on Biological Diversity and Protocols.

[14] Commission Regulation (EU) 2016/1005 of 22 June 2016 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards asbestos fibres (chrysotile).

ozone depleting substances[15] and other substances which are subject to international phase-outs or bans, including pharmaceuticals, pesticides/herbicides, chemicals[16], and other hazardous substances; trade in mercury, mercury compounds, and a large range of mercury-added products[17]; production or use of or trade in persistent organic pollutants[18]; production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

- Activities relating to the deliberate release of genetically modified organisms (GMO).[19]
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.[20]
- Collection, treatment and disposal of hazardous waste, and waste incineration.

2. Alcohol: Production of or trade in alcoholic beverages, excluding beer and wine.

3. Tobacco: Investments issued by companies deriving revenue from the production, sales and/or distribution of any traditional tobacco products, as well as tobacco-related products (including without limitation e-cigarettes and next-generation tobacco/nicotine products) and/or tobacco-supporting services (including without limitation filters and smoking halls).

4. Energy sector: Investments related to the following activities:

- Coal (thermal and metallurgical), Oil and Gas: prospection, exploration, production, mining, processing (refining, liquefaction, regasification), transport, distribution and storage, associated infrastructure such as pipelines, provision of supporting products or services for thermal coal extraction, oil and gas;
- Construction of new or refurbishment of any existing coal fired power plant including dual fuel;
- Any business with planned expansion of captive coal used for power and/ or low heat generation;
- Energy production from fuels: power generation technologies resulting in GHG emissions above 100 gCO2 per kWh of electricity generated, averaged over the lifetime for gas-fired power plants seeking to integrate low carbon fuels and large-scale heat production infrastructure based on unabated oil, natural gas, coal or peat.
- Nuclear energy: production, sales and distribution of uranium extraction, uranium concentration, refining, conversion and enrichment, the production of nuclear fuel

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15 Ozone depleting substances (ODS) are chemical compounds that react with and remove stratospheric ozone, resulting in holes in the ozone layer. The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODSs and their target reduction and phase-out date.

16 Based on Regulation (EU) No. 649/2012 of the European Parliament and of the Council of 4 July 2012 concerning the export and import of hazardous chemicals as amended; the United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; the Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); the World Health Organization Recommended Classification of Pesticides by Hazard.

17 Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury.

18 Based on Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.

19 Unless in compliance with EU Directive 2001/18/EC and EU Directive 2009/41/EC, and related country legislation, as further amended.

20 Based on Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; and Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

structures, the construction and use of nuclear reactors, the treatment of spent nuclear fuel, nuclear decommissioning and radioactive waste management;

- Hydropower: Hydropower plants with a dam height of greater than 15 meters (from the fundament) or 5-15 meters dam height and a water reservoir of more than 3 million m³.

5. Biomass:

- Business activities involving the production of bio-liquids or biofuels from non-waste sources (for the avoidance of doubt, the PI may invest in biogas or biomass projects).
- Co-firing of biomass with fossil fuels, peat or hazardous waste (including waste wood that has been treated with wood preservation chemicals).

6. Sourcing of biomass from primary moist tropical forests or from natural forests.

7. Minerals: Extraction of mineral deposits from the deep sea[21], as well as extraction or mining of conflict minerals and metals.[22]

8. Radioactive materials: Production of or trade in radioactive materials[23], including nuclear reactors and components.

9. Conventional weapons and munitions: Investment issued by companies derive any revenue from firearms. It includes manufacturers of firearm weapons such as guns, rifles, and pistols, manufacturers of components and munitions of these weapons and retailers.

10. Adult entertainment: Investments issued by companies deriving any revenue from pornography, prostitution or other adult entertainment. ~~This~~ Adult entertainment includes without limitation producers of adult movies, cinemas that show adult movies, adult entertainment magazines, and the broadcasting of adult entertainment.

11. Gambling: Investments issued by companies deriving any revenue from gambling services (such as operation of casinos, lotteries, bookmaking, online gambling, etc.), gambling products (such as slot machines and other gambling devices) or supporting products/services to gambling operations.

12. Palm oil: Investments issued by companies deriving more than 5% revenue from extracting, producing or distributing palm oil and that are not members of the Roundtable on Sustainable Palm Oil (RSPO) are excluded. These include companies involved in the upstream (plantations, mills) or downstream (refining/trading) palm oil value chain.

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[21] Deep sea is defined as the areas of the ocean below 200 m — The International Seabed Authority and Deep Seabed Mining. United Nations.

[22] Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

[23] This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is trivial and/or adequately shielded.

13. Forests: Investments issued by companies involved in the conversion of natural forests into plantation or monoculture. This includes without limitation irrigated forests[24], logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests in all regions, as well as the purchase of logging equipment for this purpose.

14. Fishing: Unsustainable fishing methods (such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing).

15. Animals: Animal and human reproductive cloning, as well as activities involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals.[25]

In addition, MPF1 will not finance:

i. opportunities identified as being E&S Category A. That is, per the GCF Revised Environmental Policy 2021 definition, 'Activities with potential significant adverse environmental and / or social risks and impacts that, individually or cumulatively, are diverse, irreversible or unprecedented,';
ii. activities that would be considered inconsistent with applicable GCF policies and standards; or
iii. activities requiring involuntary resettlement.

24 Except for temporary watering in the first three years after planting, which is allowed for the seedlings to develop deep rooting systems to ensure high survival rates.

25 Unless in compliance with (EU) Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council
on the protection of animals used for scientific purposes.

CHANGE HISTORY LOG

Revision	*Effective Date*	*Description of Changes*
0	10-Mar-25	Approved by MPL Board, and formally adopted
1	24-Mar-25	Updated after review of IFC Performance Standards and EIB Environmental and Social Standards
2	23-Dec- 25	Streamlining policy and updating with reference to GCF and EDFIs policies.
3	28-Jan-26	Inclusion of Climate and Biodiversity Policies.
4	19-May-26	Updated Indigenous Peoples' commitments
5	24-June-26	Section 3.4 Exclusion List updated to exclude Category A activities and activities requiring involuntary resettlement Section 6.2 MPF1 requirements updated to reference GCF Revised Environmental & Social Policy 2021 Updated Exclusion List for MPF1

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TARGET NAME

Environmental and Social Screening - Pre Due Diligence Risk Categorisation

Applicable for all pipeline opportunities
To be applied at early stage screening to supplement anlysis of:
- Country Specific (Inherent) E&S Risks including human rights and physical climate risk
- Sector Specifc Risks

To be revisited through the stages of pre investment to identify required assessments including but not limited to:
- ES DD
- EIA
- ESIA
- ESMP
- SEP
- ..etc.

Outputs should be summarised in a 1 pager for Investment Committee

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FIJI

Output from European Development Finance Institutions' Contextual & Human Risk Tool

Date Acccessed: Oct-25

Summary of Key Points

Stability and Governance	Fiji is a medium risk stablity and has a lower governance risk than the regional average	
Indigenous Peoples	There are no recognised indigenous Peoples of Fiji according to 2025 International Working Group for Indigenous Affairs (IWGA).	
	There are self-identifying indigenous peoples and vulnerable groups.	
	The PRINDEX has not reviewed Fiji in terms of land security of tenure.	
Human Rights	Fiji has ratified 9 ILO Human Rights Conventions & Declarations.	
	The government has taken steps to repeal a restrictive media law, reverse travel bans on critics and strengthen the Fiji Human Rights and Anti-Discrimination Commission. However, the Public Order (Amendment) Act, which has been used to restrict peaceful assembly and expression, and sedition provisions in the Crimes Act, remain in place.	
Labour Rights	Fiji has ratified 8 ILO labour standards and is therefore considered low risk.	
	World bank data and ILO stats indicate low risk in terms of living wage and minimum wage requirements	
Natural Environment	Key Biodiversity Areas (KBAs) are areas that are fundamental for species and their habitats.53 KBAs; Fiji has 30 Terrestrial KBAs (4,686 km2) 122 trigger species 11 threats; 22 Marine KBAs (55,852km2), 28 trigger species 17 threats; 1 Freshwater KBA (2 trigger species no threats, *Vunivia Catchment)*	https://www.keybiodiversityareas.org/dashboard
	Deforestation is medium risk (global forestwatch.org)	
	Water stress (Aquaduct tool) is medium risk	
	Physical climate risk is considered to be medium risk (Global Climate Risk Index) - increased rains (storms, floods landslides), rising sea level	
Gender Based Violence	No information - assume equal to regional average. Fiji has laws against GBV	
Gender Gap	World Economic Forum assessment against 4 dimensions Economic Participation and Opportunity, Educational Attainment, Health and Survival and Political Empowerment indicates Fiji is higher risk than regional average	
Work Place Equality Index	Medium	

Climate Risk Country Profile FIJI

Fiji's National Determined Contrbutions 3.0 submitted 2025

Fiji's **vulnerability to climate change** stems from its heavy reliance on coastal resources, a concentration of population and infrastructure in low-lying coastal zones, and an economy

Summary of Key Climate Change Indicators and Trends in Fiji

CLIMATE VARIABLE	OBSERVED TREND	KEY IMPACTS & CONSEQUENCES
Temperature	A significant increase of ~0.2°C per decade since 1950.	Increased heat stress, impacts on human health, agriculture, and coral reefs (coral bleaching).
Sea Level Rise	Rise of approximately 6 mm per year since 1990 (global avg: 3.2 mm/yr).	Accelerated coastal erosion, loss of land, saltwater intrusion into freshwater aquifers, and damage to coastal infrastructure.
Rainfall	High variability with a slight overall increase in annual rainfall, but with significant seasonal and regional changes in distribution.	More intense dry spells and an increase in the frequency and intensity of heavy rainfall events, leading to floods and droughts.

PROJECTED CHANGES EXPERIENCED IN 2040-2060 PERIOD Based on 1986-2005 Baseline	**LOW EMISSIONS SCENARIO** (The 1.5-degree scenario)	**HIGH EMISSIONS SCENARIO** (The 1.5-degree overshoot scenario)
Annual Average Temperature	Increase of 0.5°C-1.1°C[4]	Increase of 0.9°C-1.6°C[5]
Annual Average Rainfall	Change in annual average rainfall by -10% - +10%	Change in annual average rainfall by -20% - +10%
Sea Level Rise	+17-30cm	+21-37cm
Heatwave risk	Increased risk of heatwaves	Increased to significantly increased risk of heatwaves
Extreme rainfall risk	Increased to significantly increased risk of extreme rainfall events	Increased to significantly increased risk of extreme rainfall events
Intensity and severity of tropical cyclone and associated impacts	Increased impact (damage severity) from Tropical Cyclones	Increased impact (damage severity) from Tropical Cyclones

Climate Change Impact on **Gender and Marginalised Groups** in Fiji (CAPA Report) 2025 (pg 14-16)

In Fiji, structural gender inequality is a driver of women's high degree of vulnerability to theimpacts of climate change. In addition to coping with disasters and responding to climate change, many women in Fiji face additional challenges, such as access to resources, income, education, and health care. Climate change is expected to have a significant impact on women's roles in food production,whether through subsistence farming or crop cultivation for income, as it alters the types of crops that can be grown and their suitable locations; it impacts modern agricultural practices as well as crop variability and productivity; it raises concerns about the sustainability of water supplies; and it prompts the migration of disease vectors like malarial mosquitoes and crop pests to newly warmer regions.

Table 4. Observed climate change impacts on gender and marginalized groups across communities in Kubulau, Dawasamu, Nakorotubu, Namalata, Bua, and Bureta District

Group	Description
Women	• The majority of women are not involved in decision making regarding natural resources, and while their opinions or concerns are brought up during village council meetings, they are rarely acknowledged. • Due to their participation in vulnerable sectors (agriculture, fisheries), women are particularly susceptible to climate shocks and are at an increased risk of impoverishment. • Women do most of the (typically unpaid) inshore work in subsistence fisheries. Due to declining fish population and size, women tend to travel longer distances along the coast to fish, spending extended periods away from home. • Frequent droughts are impacting water availability, forcing women to walk to nearby streams, creeks, and springs to collect drinking water and wash clothes. • Salt inundation around village boundaries forces women to go further inland to plant local vegetables for sale or have their vegetable plantations for home consumption. • Water contamination poses significant health risks for women, who rely on clean water for daily household chores. • Disasters also impact women disproportionately; after Tropical Cyclone Winston, gender-based violence escalated and women experienced more impacts from the economic downturn than men during the recovery and reconstruction phases (Fiji Women's Rights Movement, 2018).
The elderly	• Heatwaves and increased temperatures can lead to heat stroke, heat stress, heat exhaustion, and dehydration, with the elderly being most sensitive (Filho et al., 2019). • The elderly are more likely to be injured or die due to climate hazards; however, during extreme weather events, elderly people are being supported by the village and assisted to move to higher grounds.

• Reduced areas suitable for seaweed aquaculture and likely decreases in the survival of aquaculture species such as

Group	Description
People with disabilities	• Early warning systems may not be designed for people living with different types of disabilities, and they may not have access to these systems. Likewise, evacuation plans may not be designed with certain disabilities in mind (Government of Fiji, 2017). • People with disabilities are more likely to die or be injured due to natural hazards (Government of Fiji, 2017). • People with disabilities are less likely to be included in planning and decision making (Government of Fiji, 2017).
Youth and children	• Young people are part of the working age group in most communities. They assist in every type of labour and in community development. • They often lack knowledge with regard to the effects of climate change and mitigation methods that would improve their landscapes in the future. • Youth in rural communities are resorting to the use of tabu (protected) areas for resources and fishing, highlighting their vulnerability to environmental and resource constraints. • They are often left out of community decision making. • After displacement from climate hazards, children face higher risks due to the greater likelihood that women and children will live in informal housing arrangements until housing is rebuilt (Government of Fiji, 2017).

Source: Community consultations undertaken by WCS Fiji in Kubulau, Dawasamu, Nakorotubu, Namalata, Bua, and Bureta Districts in Fiji.

World Bank Group ThinkHazard https://thinkhazard.org/en/report/83-fiji

Consider the impacts of disasters on new development projects by quickly assessing the **current** risk of natural events.

River Flood	High	Earthquake	High	Cyclone	High	Volcano	Low
Urban Flood	High	Landslide	High	Wildfire	High	Water Scarcity	V Low
Coastal Flood	High	Tsunami	High	Extreme heat	Medium		

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Assessment Stage Early Stage Screening
Risk categorization B

	Investment Mio. $	Funding facility core activities	Applicable IFC PS / EIB ESS - Sector & Company E&S Risks									E&S Risk Cat	*E&S Due Diligence Requirements*	*Comments*
			PS1 / ESS 1 & ESS 2	PS2 / ESS 8 & 9	PS3 / ESS 3	Climate Change ESS 5	Community Health, Safety and Security PS4 / ESS 2	Land Acquisition PS5 /ESS 6	Biodiveristy PS6 / ESS 4	Indigenous Peoples PS7 / ESS 7	Cultural Heritage PS8/ESS 10			
Project [Name]												B		

NOTES: Include review of website sources for public record of corporate behaviour (labour disputes, grievance, environmental incident etc.)

E&S SCREENING & HIGH LEVEL DD QUESTIONS

PS 1: Assessment and Management of Environmental and Social Risks and Impacts
EIB ESS 1 Environmental Social Ipacts & Risks & ESS 2 Stakeholder Engagement

		Yes/ No / Unconfirmed	Evidence / Comment
ES Policy	Does the company have an overarching Policy (statement) defining the environmental and social objectives and principles guiding the company's E&S performance?		
	Is this Policy backed by the top management of the company?		
	Does this Policy specify who within the company is responsible for Policy implementation?		
	Is this Policy communicated to all employees of the company?		
Identification of Risks and Impacts	Does the company have a system/procedure to screen, identify, analyze, and access the potential risks and impacts related to its business activities/projects?		
	Is an emergency preparedness and response system and integrated part of the company's risk management system?		
	Has the company determined the need for or conducted Environmental and Social Impact Assessment (green field projects) or any other type of E&S assessments (limited or focused E&S assessments, E&S audits) for the project financed?		
	Is the company in compliance with national environmental, social and climate legislation?		
Organizational Capacity and Competency	Has the company designated specific in-house personnel, including management representative, with clear lines of responsibility and authority for E&S issues?		
	Do the delegated personnel possess the knowledge, skills, and experience to implement the E&S policy and to follow established procedures?		
	Has the company allocated resources to support its E&S functions?		
	Has the company allocated resources to support capacity building of relevant staff on E&S issues?		
	Does the company have relevant training programs in place for the E&S personnel?		
	Does the company outsource E&S functions to a qualified third party(ies)?		
Monitoring and Review	Does the company have procedures in place to track and evaluate E&S performance of its operations?		
	Is appropriate environmental and social performance information periodically reported internally to senior management, investors and stakeholders (as relevant)?		
	Does the company have a procedure to evaluate and record results of its monitoring activities?		
Stakeholder Engagement	Does the company have a mechanism for identifying its stakeholders (affected communities and other interested stakeholders in the company's activities)? Need may also be determined by ESIA.		
	Has the company developed and implemented a Stakeholder Engagement Plan that is scaled to the project risks and impacts and development stage?		
	Where company's activities have negative impacts on local communities, does the company establish a community engagement process for affected communities?		
	Does the process of informed consultation and participation occur (free prior informed consent) when applicable?		
External Communications and Grievance Mechanism	Does the company have a procedure to receive and process communications from external stakeholders?		
[refer also to PS4]	Does the company have a grievance mechanism – a procedure for receiving, addressing, and recording/documenting complaints and communication from affected communities?		
	Does the grievance mechanism ensure that the confidentiality of a person raising the complaint is protected?		
	Does the company ensure that the grievance mechanism is easily accessible, understandable and its availability was communicated to affected communities?		
Environmental Impact Assessment / Environmental Social Impact Assessment	Does the company or project require an EIA or ESIA to support its activities?		
	If so, does the company or project have an EIA or ESIA that meets national legislative requirements and is approved by regulators?		
	If so, does the EIA or ESIA meet international standards and expectations?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 2: Labour and Working Conditions
EIB ESS 8 Labour Rights & ESS 9 Health Safety and Security
(for ESS 9 Project H&S refer to PS4)

		Yes/ No / Unconfirmed	Evidence / Comment
Human Resources Policy and Management	Does the company have an HR policy that is consistent with requirements of the national law and PS2 requirements?		
ESS 9	Does the company policy also encompass Fundamental Conventions of ILO, ILO C155 Occupational Safety and Health Convention & accompanying Recommendation R164; ILO C190 Violence and Harassment Convention & accompanying Recommendation R206; ILO C121 Employment Injury Benefits Convention & accompanying Recommendation R121, the UNECE Convention on the Transboundary Effects of Industrial Accidents and the UN Convention on the Rights of Persons with Disabilities.		
	Is the Policy easily accessible to all employees?		
	Does the company have policies and procedures for managing and monitoring the performance of third party employers in terms of labor and working conditions?		
	Has the company established an employee grievance mechanism to receive, review and address employee complaints?		
	Has the company ensured that contracted workers by third parties, if any, also have access to the grievance mechanism?		
	Does the Grievance Mechanism have special protection measures that may be required by project workers, such as in the case of sexual and/or psychological harassment, exploitation and abuse and any other form of gender-based violence or discrimination		
	Does the mechanism ensure workers' rights to be present and to participate directly in the proceedings and to be represented by a trade union or person of their choosing		
	Is there a person responsible to review complaints and follow up on them in a timely and transparent manner?		
Working Conditions and Terms of Engagement	Has the company documented and communicated in understandable way working conditions and terms of employment to all workers directly contracted (including information on working hours, rest days, overtime procedures, wages, frequency of payments and sick and maternity leave, vacations)?		
	Are the terms and working conditions in accordance with any collective agreement (if applicable)?		
	Does the company identify migrant workers and ensure that the migrant workers are engaged on substantially equivalent terms and conditions to non-migrant workers?		
	Does the company provide accommodation to its workers?		
	If so, does the company put in place and implement policies on the quality and management of the accommodation and provision of basic services?		
Workers' Organisation	Does the company allow workers to form and join workers' organizations and bargain collectively?		
Non-discrimination and Equal Opportunity	Does the company have documented transparent procedures to ensure that employment decisions are not made on the basis of personal characteristics unrelated to job requirements?		
	Does the company have any preferential employment policies in place?		
Retrenchment and Collective Dismissals	Does the company anticipate retrenchment of a significant number of employees?		
	If yes, has the company assessed any alternatives to retrenchment?		
	If there are no viable alternatives, is there a retrenchment plan in place?		
	If retrenchment has taken place, have workers received notice of dismissal and relevant severance payments mandated by law and collective agreements in a timely manner?		
Protecting the Workforce	Does the company ensure child or forced labor (ILO, national legislation), including trafficked persons, is not used in its operations, including through contractors or in the primary supply chain?		
	Does the company check the age of all employees?		
	Does the company ensure that young workers (under the age of 18) are not employed in dangerous work and regularly monitor their health, working conditions, and hours of work?		
	Have risks associate with labour been identified and is a labour assessment or audit required?		
Occupational Health and Safety	Does the company provide its workers with a safe and healthy work environment?		
	Where applicable does the company provide workers with and mandating that workers use personal protective equipment (PPE)?		
	Has the company established and implemented occupational health and safety procedures in line with good international industry practices to prevent accidents, injury, and disease?		
	Does the company track and report on rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities?		
	Does the company have training programs in place for workers on occupational health and safety?		
	Does the company have a fire, life and safety plan?		
Supply Chain	Where there is a high risk of significant health & safety issues related to supply chain workers, has the company requested its primary supply chain to introduce corrective measures to address life-threatening situations?		
	Where remedy is not possible, does the company have a plan to shift the primary supply chain?		
Worker Accomodation and Sanitary Conditions (ESS 9)	Has the company / project provided worker accomodation?		
	if so, is the accomodation in line with good industry practice, ILO Worker's Housing Recommendation 1961 (No. 115)		
	if so, have steps been taken to ensure safeguards against sexual harassment or any form of gender based violence, coercion or restriction of freedom of movement for the residents of the accomodation?		
	Have basic (adequate, safe, sanitary and hygenic) welfare faciliites (washrooms, drinking water, washing facilities) been provided?		
	Has first aid and, where the scale of the company or project requires, medical facilities been provided?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 3: Pollution Prevention and Resource Efficiency
EIB ESS 3 Resource Efficiency and Pollution Prevention

		Yes/ No / Unconfirmed	Evidence / Comment
Resource Efficiency	Has the company tracked use of resources and material inputs (including daily use for energy and water)?		
	Does the company implement measures for improving efficiency in its consumption of energy, water, and other resources and material inputs that are in line with good international industry practice?		
	Is the company a potentially significant consumer of water?		
	Is the company's water source potentially vulnerable to climate change?		
Green House Gas (GHG) Emissions	Is the company in a high energy sector?		
[see also ESS 5]	Does the company measure it's GHG emission (direct and indirect) from purchased electricity / gas ?		
	Has the company considered options for reducing its GHG emissions?		
	In case company's emissions of GHG gases exceed equivalent of 25,000 tons of CO_2 annually, does the company quantify those emissions on annual basis?		
Pollution Prevention	Does the company have potential sources of air (noise odour, particulates), land (particulates, liquid) and water (particulates, liquid) release of pollutants / emisisons?		
	Does the company have Best Available Technical (BAT) control measures (procedures/practices/engineering controls) to avoid, or where avoidance is not feasible to minimize and/or control the intensity and mass flow of emissions?		
	Is the company aware of any reportable (to regulators) uncontrolled releases (air, land water) from its operations in the past 5 years?		
	Where historical pollution such as land or ground water contamination exists, has the company sought to determine whether it is responsible for mitigation measures?		
	If it is determined that the company is legally responsible, then has the company resolved these liabilities in accordance with national law, or where national law silent, with good international industry practice?		
Waste Management	Does the company generate significant amount of wastes?		
	Are the company's procedures and facilities for storage and handling of non-hazardous waste (solid and liquid) in line with good industry international practices?		
	Are the company's procedures and facilities for storage and handling of hazardous waste (solid and liquid) in line with good industry international practices?		
	Where the company disposes of wastes off site, has the company ensured that the contractors are reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final		
	Has the company ever been prosecuted for inappropriate waste disposal?		
Hazardous Materials	Does the company have procedures for storage, handling, transportation, use and disposal of hazardous materials?		
	Are the company hazardous materials storage, use and transportation of hazardous materials in line with good international industry practice?		
	Has the company considered alternatives to the use of hazardous materials		
Pesticide Use and Management	Does the company use pesticides?		
	If so, has the company established and implemented integrated pest management and/or integrated vector management approaches?		
	Does the company select pesticides with the following considerations in mind: low in human toxicity, effective against the target species, known to have minimal effects on non-target species and the environment?		
	Are the pesticides properly packaged and labeled (including directions for safe and appropriate use)?		
	Have the pesticides been manufactured by an entity licensed by the relevant regulatory agencies?		
	Are the pesticides handled, stored, applied, and disposed in accordance with the Food and Agriculture Organization's International Code of Conduct on the Distribution and Use of Pesticides or other good international industry practice?		
Life Cycle Analysis (ESS 3)	Has the company conducted life cycle analysis on any of its products or incorporated LCA design in its product development?		
	Does the company adopt the waste heirarchy?		
	Does the company work to reduce inefficiencies in the use of materials and substances or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products and assets, including in terms of durability, reusability, upgradability, reparability, recyclability or, where applicable, easy disassembly and adaptability of products and assets?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

EIB ESS 3 Climate Change

		Yes/ No / Unconfirmed	**Evidence / Comment**
Asessment of GHG Emissions			In addition to PS 3 requirements
	Is the company operating in a maner (emissions reduction, mitigation and resilience measures) consistent with national legislation and climate requirements per Nationally Determined Contribtions, in a manner to support the pathway to the Paris Goals (1.5°C / 2°C)?		
	Has the company considered or implemented alternatives to minimise project or company related GHG emissions.		
Climate Risks	Has the company completed a Physical Climate Risk and Vulnerability Assessment?		
	Has the company completed a Transition Risk (and opportunties) Assessment?		
	Are climate risks considered financially material to the Company now, or in the future		
Climate Governance and Strategy	Are climate risks considered at Board level		
	Is climate a key consideration in the operational strategy of the company		
Climate Reporting	Has the company set climate related targets and metrics for its operations?		
	Has the company included consideration of climate change within financial reports or sustainability reports		
Climate change considerations in EIA / ESIA	Where an ESIA or EIA has been or will be prepared, has climate risk vulnerability, mitigation and adaptation been included within the ESIA or EIA?		
	For 'projects' motivated primarily by climate considerations, when practical and feasible, has the economic analysis included an assessment of climate-related project impacts on different groups in society, with a particular focus on vulnerable groups?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 4: Community Health, Safety and Security
EIB ESS 2 Stakeholder Engagement & ESS 9 Health Safety and Security

		Yes/ No / Unconfirmed	Evidence / Comment
Community Health & Safety	Are there communities in close proximity to the company's facilities / project?		
	Does the company / project have procedures to address community, health and safety issues in the context of its operations?		
	Do those procedures/practices take into account safety of company's / project's infrastructure (including buildings and structures) and equipment for local communities?		
	Does the company / project have safety procedures in place to deal with hazardous material release, transport and disposal in order to avoid or to minimize exposure of local communities to those materials?		
	Does the company / project have an incident and accident reporting system and procedures to inlcude reporting of incidents on site, off-site as a consequnce of the works / actvities? These may include off-site road traffic incidents		
Ecosystems Services	Do company operations have potential negative impacts on ecosystem services? (refer also to PS 6)		
	If so has a risks and impacts assessment been made to address the diminution of natural resources e.g. availability of freshwater, or removal of natural buffer zones, which may result in health & safety risks and impacts (e.g landslides, flooding), or exacerbated effects of climate change?		
	If so, has the company / project developed avoidance/mitigation measures for implementation ?		
Community Exposure to Disease	Has the company / project undertaken an exposre assessment for the risk of disease, occupational and communicable, for workers, and community as part of the ESIA or EIA?		
	Does the company / project have a procedure to deal with avoiding/minimizing exposure of the communities to water- borne, water based, water-related, vector-borne, and communicable (including related to the influx of project labor) diseases that could result from company's / projecrt's operations?		
ESS 9	Where disease is endemic, has the company / project identified opportuntiies to reduce the incidence for workers and project affected communities?		
Emergency Preparedness and Response	Does the company / project have an emergency preparedness and response plan which takes into account risks and impacts from company's / project's activities to local communities?		
	If so, was the emergency preparedness and response plan developed in conjunction with external stakeholders such as Project Affected Peoples / Communities, local government agencies and emergency services?		
	Has the company / project informed affected communities of significant potential hazards and emergency procedures in an appropriate manner?		
Security Personnel	Does the company / project engage security personnel to provide security services at their facilities?		
	If so, do the contract provisions include guidelines on how security personnel shall interact with communities in close proximity to the facility?		
	If so, does the company complete background checks, or require background checks on security personnel re past employeement, unlawful or abusive acts?		
	Have there been any allegations or complaints of unlawful or abusive behaviour by security personnel to workers or nearby communities ?		
	Are security personnel armed?		
	If so, has the company provided training to security personnel on the appropriate conduct towards workers and the nearby communities?		
(also ESS 9, ESS2)	Does the company / project have culturally appropriate grievance mechanism (s) – a procedure for receiving, addressing, and recording/documenting complaints and communication- for use by affected communities and workers, arising also from abuses and unlawful acts by security personnel?		
(ESS 9)	Have project / company workers and project affected people been identified, consulted and informed of their rights in terms of health & safety, and security?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 5: Land Acquisition and Involuntary Resttlement
EIB ESS 6 Involuntary Resettlement

		Yes/ No / Unconfirmed	Evidence / Comment
Project Design	Is there any land acquisition planned/happened for/in the proposed investment?		
	Has the ownership or use of the land been lawfully acquired without coercion?		
Compensation & Benefits for Displaced Persons	Has there been any physical and/or economic displacement as a result of land acquisition for this project?		
	Has the company or other third party responsible for resettlement provided the compensation for loss of assets at full replacement cost?		
Consultation and Grievance Mechanism	Has there been any physical and/or economic displacement as a result of land acquisition for this project?		
	Has the company or other third party responsible for resettlement provided the compensation for loss of assets at full replacement cost?		
	Has a grievance mechanism been established that is socially appropriate and readily accessible, regardless of gender or any other socioeconomic characteristics.		
Resettlement Planning and Implementation	Has the company considered alternative designs to avoid or minimize economic and physical displacement?		
	Has the company identified persons to be displaced by the project, regardless of the land ownership and rights, and those eligible for compensation and assistance?		
	Has the company identified the status of displaced persons according to their legal rights or claim to land?		
	Has the cut-off date for eligibility been established and disseminated?		
	Has the company prepared a Resettlement Action Plan (RAP) or resettlement framework (if physical displacement is involved) that mitigates the negative impacts of displacement, identifies development		
	Has the company prepared a Livelihood Restoration Plan (if economic but not physical displacement is involved) to offer compensation or other assistance that will establish entitlement for affected persons or communities?		
This is a red flag item and not permitted by EIB	Were forced evictions carried out as part of this investment?		
Private Sector Responsibilities under Government-Managed Resettlement	Was resettlement managed by the government?		
	If so, has the company supplemented government actions and bridged the gaps (if applicable) between the government-assigned entitlements and the requirements of PS5?		
ESS 6	*Standard does not apply for voluntary land transactions where resettlement is free from coercion etc.*		
Census, Socioeconomic baseline	Has a census and baseline socioeconomic survey been completed within the ESIA to identify all Project Affected Persons (PAPs)? Note: vulnerable groups, gender dimensions, indigenious peoples have special considerations		
Valuation, Compensation, and Livelihood Restoration	Has the company offered all PAPs an informed choice of either compensation in kind (land-for-land ; house-for-house; shop-for-shop ie like for like as near as possible to the orginal location or situation), or monetary compensation at full replacement cost?		
	Are a community's commonly held resources are affected?		
	If so, have measures been implemented to allow continued access to the affected resources or to provide access to equivalent resources, taking cultural aspects associated with such common resources into consideration where relevant.		
Stakeholder Engagement	Has the company identied and meaningfully engaged in a transparent manner with all PAPs, both men and women, host communities and other relevant stakeholders regularly throughout resettlement planning, implementation, monitoring and evaluation.		
	Have the PAPs been informed of their options and rights pertaining to resettlement in a timely and context-specific manner, in an accessible place, in a form and language(s) understandable to all PAPs.		
Monitoring and Evaluation	Has the company / project established a monitoring system (i.e. resources, staff, and procedures)commensurate to the scale of the resettlement and the risks involved in the resettlement?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 6: Biodiversity Conservation and Sustainable Natural Resource Management
EIB ESS 4 Biodiversity and Ecosystems

		Yes/ No / Unconfirmed	**Evidence / Comment**
Protection and Conservation of Biodiversity	Has the company identified and assessed the potential or actual impacts on biodiversity as part of its operations?		
	Will modified, natural or critical habitat (as defined by PS 6) be impacted by the company's activities?		
	In the case of areas of modified habitat that include significant biodiversity value, has the company minimized impacts and implemented mitigation measures?		
	In the case of natural habitat, has the company considered alternatives, established consultation with stakeholders and adequately mitigated any potential degradation to achieve no net loss of biodiversity?		
	In the case of critical habitat, has the company demonstrated that no viable alternatives exist, that there will be no measurable adverse impact on species, habitat, and ecological processes, and that the mitigation strategy is designed to achieve net gains of the biodiversity values for which the critical habitat was designated?		
	Does the company conduct any operations in legally protected areas?		
	If so, has the company demonstrated that proposed operations are permitted, acted consistently with government recognized management plans, and consulted protected area sponsors and managers, affected communities, Indigenous Peoples and other stakeholders?		
	Has the company identified any alien species (fauna, flora) which may be intentionally or unintentionally introduced through its activities?		
	If intentional introduction of alien species is planned, has this received appropriate government regulatory approval?		
	If alien species are already established in the country or region of proposed operations, does the / will the company exercise diligence in not spreading alien species?		
Management of Ecosystem Services	Do company's operations have potential for negative impacts on ecosystem services?		
	If so, has the company conducted a systematic review to identify priority ecosystem services (as defined by PS6)?		
	If so, have Affected Communities participated in determination of priority ecosystem services (where applicable)?		
	Does the company have direct management control or significant influence over primary ecosystem services?		
	If so, has the company managed to avoided adverse impacts on Affected Communities?		
	Has the company implemented mitigation measure to minimize the impacts and maintain priority services in cases where impacts are unavoidable?		
Sustainable Managmemt of Living Natural Resources	Is the company engaged in the primary production of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, and fisheries?		
	If so, is this production (land-based) located on unforested land or land already converted?		
	Where primary production practices are codified by globally, regionally, or nationally recognized standards, has the company implemented sustainable management practices in line with one or more of those standards?		
	Have company's practices been independently verified or certified?		
	In the absence of relevant standards for the particular living natural resource in the country of concern, has the company applied good international industry operating principles, management practices, and technologies?		
Supply Chain	Has the company been purchasing primary production that is known to be produced in regions where there is a risk of significant conversion of natural and/or critical habitats?		
	If so, has the company established procedures and verification practices to evaluate its primary suppliers and avoid those who adversely impact such areas?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 7: Indigenous Peoples
EIB ESS 7 Vulnerable Groups, Indigenous Peoples and Gender

		Yes/ No / Unconfirmed	Evidence / Comment
	Note: The term 'indigenous peoples' is used in the generic sense to refer exclusivly to a distinct and / or vulnerable sociocultural group possessing the following characteristics in varying degrees: ***Self identification*** *as members of a distinct ethnic or cultural group and recognition of this by others;and* ***Collective attachment to geographicaly distinct habitats*** *, ancecstral lands, or areas of seasonal use or occupation, as well as, to the natrual resources in these areas and the use thereof; and* ***Customary cultural, economic, social or pollitical institutions*** *, laws or regulations that are distinct or separate from thise of the dominant society or culture; and* ***Language or dialect,*** *often different from the official language or languages of the country or region in which they reside* . (EIB ESS 7, 2022)		
Avoidance of Adverse Impacts	Is it likely that Indigenous Peoples will be adversely impacted as a result of the company's operations?		
	Does the ESIA (where applicable) conducted by the company identify the adverse impacts to IPs?		
	Has the company identified appropriate measures to avoid or minimize impacts on IPs as well as opportunities for culturally appropriate and sustainable development benefits for IPs?		
Consultation and Informed Participation	Has the company conducted a process of Informed Consultation and Participation with affected IP communities?		
	Will company's operations impact lands and natural resources subject to traditional ownership or under customary use of IPs?		
	Will company's operation lead to relocation of IPs from lands and natural resources subject to traditional ownership or under customary use?		
	Will cultural heritage of IPs be impacted by the company's operations or used for commercial purposes by the company?		
	Has the company obtained IPs' Free, Prior and Informed Consent on design, implementation and expected outcomes related to impacts (on lands and natural resources, leading to relocation of IPs, on cultural heritage) affecting communities of IPs?		
Private Sector Responsibility where Government is Responsible for Managing Indigenous Peoples Issues	Does the government have a defined role in the management of Indigenous Peoples issues in relation to the company's operation?		
	If so, has the company collaborated with the responsible government agency, to the extent feasible and permitted by the agency, to achieve outcomes that are consistent with PS 7?		
ESS 7 Gender Requirements	Does the project / company adopt a gender-responsive approach to E&S risk management, that considers the rights of women, girls, men and boys, non-binary and gender non-confirming persons?		

E&S SCREENING AND HIGH LEVEL DD QUESTIONS

PS 8: Cultural Heritage
EIB ESS 10 Cultural Heritage

		Yes/ No / Unconfirmed	Evidence / Comment
Protection of Cultural Heritage in Project Design and Execution	Is the project located in an area where cultural heritage is expected to be found?		
	If so, has a Chance Find Procedure been established by the company?		
	Will the company's project site contain cultural heritage or prevent access to previously accessible cultural heritage sites being used by, or that have been used by, Affected Communities?		
	If so, has the company allowed continued access to the cultural site or provided an alternative access route?		
	Is it possible that the project may affect cultural heritage?		
	Will the project cause significant damage to critical cultural heritage?		
	Is the project located in a legally protected area or a legally defined buffer zone?		
	Has a cultural heritage management plan been established based upon baseline studies and adopting a risk mitigation heirarchy?		
Project Use of Cultural Heritage	Will the company use cultural resources, knowledge, innovations, or practices of local communities embodying traditional lifestyles for commercial purposes?		
	If so, has the company informed these communities of:		
	their rights under national law		
	the scope and nature of the proposed commercial development		
	the potential consequences of such development		
	If commercialization has proceeded, has the company:		
	entered into good faith negotiation with the affected community embodying traditional lifestyle		
	documented their informed participation and successful outcome of the negotiation		
	provided fair and equitable sharing of benefits from commercialization		
International Principles and Standards (ESS 10)	Where applicable, does the project / company algin with the following concerning the protection of cultural heritage: The UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage; The UNESCO 2001 Convention on the Protection of the Underwater Cultural Heritage; The UNESCO 2003 Convention for the Safeguarding of the Intangible Cultural Heritage; The Council of Europe 1985 Convention for the Protection of the Architectural Heritage of Europe; The Council of Europe 1992 Valetta Convention on the Protection of the Archaeological Heritage; The Council of Europe 2000 European Landscape Convention; The Council of Europe 2005 Framework Convention on the Value of Cultural Heritage for Society (the Faro Convention)		

Yes
No
Unconfirmed

IFC FIRST for Sustainability (E&S Sector Risks), BII Toolkit – Sector Profiles

Sector Profiles have been prepared for MPL and Fund MPF1 for Sectors of Fund focus - Tourism and Hospitality, Fisheries, Aquaculture, Waste, Food & Beverage and Project Design & Construction where facilities require construction.

High Risk

Medium Risk

Low Risk

Overall Sector Risk is IFC First for Sustainability assessment unless otherwise stated

Environmental issues may present themselves as temporary or permanent changes to the atmosphere, water, and land due to human activities, which can result in impacts that may be either reversible or irreversible.

Social issues may emerge in the workplace of a client's/investee's operations and may also impact surrounding communities.

If a 'dimension' is not mentioned it does not mean it will not be present, just it is not a typical risk for the Sector

Majority of risks have the potential for Opportunity (impact) creation

https://firstforsustainability.org/understanding-es-risks#Introduction1369

https://fintoolkit.bii.co.uk/sector-profiles/

Note: there is no BII Sector Profile for the Waste Industry

For further insight refer to World Bank Group Sector-specifc Risks and also FAO sector guidance

EJF additional notes in green

Tourism & Hospitality

Overall Sector Risk

MEDIUM

See also Food & Beverage and Construction

"*Tourism is traveling for the purpose of recreation and leisure. The tourism and leisure industry provides all the necessary services for these activities. Supplying the tourist with their needs involves the construction and operation of accommodation, restaurants and entertainment facilities.Infrastructure is needed for almost all activities related to tourism and leisure. Construction therefore accounts for a considerable part of the tourism and leisure 'production process'. Hotels, restaurants, and roads are examples of essential infrastructure. The operational processes involved in tourism and leisure include a broad spectrum of services. Jobs created range from waiter, receptionist and cleaning personnel to caterer, guide and management at all levels. Tourism and recreational activities may, in many cases, be perceived as the consumption of environmental goods such as natural heritage and, in some cases, sensitive and protected ecosystems. The relationship between tourism and natural heritages is complex. One side of the coin is the negative impact that tourism can have on the environment, while on the other hand, tourism may also help to protect environmentally sensitive areas* ."

		Identified Risks IFC Risk	BII Risk	Description (IFC and BII)
PS2	Labour and Working Conditions		X	Wages and working conditions, freedom of association, accomodation, Equal opportunites may not be afforded due to gender bias
	Occupational Health and Safety	L	X	Poor OHS standards can lead to incidents and accidents, and increased turnover in staff. OHS is an important consideration for any business, regardless of sector and all companies should have in place appropriate OHS and emergency preparedness and response management systems, commensurate with level of risks. Physical hazards (e.g. long working hours, repetitive work, slips on wet or food contaminated floors, food preparation and sharp knives, strains and hard labour associated with grounds management/furniture movement/installation for conferencing)Measures should also be in place to ensure contractors work in accordance with applicable regulations and GIIP. Noise exposure to facility heating systems: All buildings used by the general public should meet the highest standards for Life and Fire Safety (LFS). LFS should be taken into account at the design and construction phase, as retrofitting can be costly. Monitoring and maintenance systems should be implemented during operations.
	Child Labour or Forced Labour		X	Child, bonded or forced labour is a risk in many aspects of the hospitality sector. Child labour may be employed in the hospitality industry for services relating to entertainment, food preparation and service (particularly in small scale operations) and the sex industry.
	GBVH SEAH		X	Activities directly or indirectly linked to formal / informal sex industry
PS3	Air Emissions and Air Quality	L	X	Air emissions, GHGs and particulates, ozone depeting substances from heating and cooling systems, cooking units
	Energy Use and Conservation	M	X	Air conditioning, heating, lighting refridgeration and hot water supplies consume large amounts of energy. Sound energy management has the potential for significant cost savings. It helps to ensure that local supply is not overstretched and minimizes negative side effects such as emissions to air or noise.
	Hazardous Materials Use		X	Chemical Hazards: Hazardous materials include use of pesticides, cleaning fluids (solvents for dry cleaning) herbicides, and general cleaning products, pool products
	Land Contamination	L		
	Waste Water and Water Quality	M	X	If sewage is disposed of untreated, it may impair water quality, potentially causing illness. Insufficient wastewater treatment may pollute bathing water, which may cause major damage to the reputation of a tourist destination.
	Wastes	M	X	Most waste produced by the tourism industry is non-hazardous. However, the tourism industry produces large amounts of waste, which should be disposed appropriately in order to minimize negative side-effects. Wastes include packaging waste, as well as organic and solid waste. Handling, storing, treatment and disposal of solid waste involves significant hygiene and contamination risks and can be expensive.Waste minimization,recycling, well-managed landfills are potential options for addressing the issue.
	Water Use and Conservation	H	X	Tourism and leisure activities involve the use of water for hotels, pools, golf courses, landscaping, laundry , washing and cleaning, food preparation, guest washing, fire water etc. resulting in high per-capita water consumption. There may be potential for optimizing the efficiency of water use (on site seage treatment, reciculation of grey water), for preventing shortages and for addressing conflicts with other users of the same water resources.
PS4	Community Health			
	Community Safety			
	Community Security		X	Many hotels, resorts and conference venues employ security staff to protect patrons, their belongings and the premises. When using security forces, companies should be guided by the principles of proportionality, good international practice and applicable laws for hiring, rules of conduct, training, equipping and monitoring of security personnel. Particular attention should be paid to any human rights violations from terrorism and sabotage and the potential for social conflict and unrest instigated by security personnel.
PS5	Land Acquistion			See Construction and Development
	Resettlement			See Construction and Development
PS6	Biodiveristy	H		Ecosystems may be adversely affected by tourism and leisure activities. The development of tourism facilities can lead to land degradation and the loss of natural habitats. Keeping these impacts to a minimum helps to protect the environment. Sensitive ecosystems with high biodiversity may be a decisive reason for tourists to choose a location - and therefore a highly valuable asset.
	Natural Resources			
PS7	Indigenous or Vulnerable People			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
PS8	Cultural Heritage			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
Other				
	Animal Welfare			
	Climate Change			Continuing availability of water and energy supplies
	Supply Chain Considerations			Contractors: Measures should also be in place to ensure contractors work in accordance with applicable regulations and GIIP. Where contractors are involved in operation and maintenance activities, companies should implement measures to ensure contractors work in accordance with applicable regulations and GIIP. Guest, Employee and Srrvice Provider Travel to / from facility; Construction of facility; Off-site Food Preparation - hygiene standards
	Disaster Risk	L		

Agriculture

See also Food & Beverage

Matanataki's investment focus is upon REGENERATIVE agriculture and not conventional agricultural practices. There is no formal definition of regenerative agriculture. However generally regenerative agriculture focuses on the health of the soil system which improves the physical (e.g. drainage, porosity) and biological (microorganisim numbers and diveristy) condition of the soil and ultimately, biodiveristy and food production (through increased pollination). it also reduces carbon CO_2 losses, thorugh increased carbon retention in the soils.
Therefore, risks highlighted in particular, under PS3 and PS6 are likely to be considerably less than under conventional agricultural activities which have been considered for this sector risk analysis.

This sector includes the process of cultivating food, feed, fibers and other useful products that can be gained from plants.The mechanization and modernization of farming – including fertilizers and irrigation – are the chief characteristics of today's agriculture, and have increased farm efficiency and productivity enormously. However, animals,including horses, mules, oxen, camels, etc. are still used to cultivate fields, harvest crops and transport farm products to market in many parts of theworld. As agricultural activities extend into drier areas, irrigation has become crucial. There are various types of irrigation techniques that differ in how the water is obtained from the source and how it is distributed across the field. The three main techniques are water distribution via canals or ditches, overhead (sprinkler) irrigation and underground irrigation. In addition to dry areas, woodland is increasingly being transformed into fields and pastures.

Overall Sector Risk: MEDIUM

IFC Crops, Livestock Sector; BII Agriculture (and Aquaculture, see separate tab)

IFC PS	Hazard (Risk Factor)	Risk ratings IFC Risk Crops	 IFC Risk Livestock	 BII Risk	Description (IFC and BII)
PS2	Labour and Working Conditions			X	The sector is a major employer of low-paid and often unskilled labour, including temporary or seasonal labour, migrant workers, and workers who provide services via supply chains (e.g. outgrower programmes). Furthermore, working hours are typically long. Workers should be paid at least the minimum statutory wage for the sector and working hours should be in accordance with applicable laws and sector regulations/agreements. Companies should not use third party contractors as a means of exceeding working hour regulations or avoiding minimum wage payments. Discrimination can also be prevalent in the sector, particularly towards women (in relation to terms and conditions of employment and wages), as well as seasonal, temporary and migrant labour. Companies should address discrimination by identifying key issues (through consultation with affected workers) and putting in place policies that deter discrimination.
	Occupational Health and Safety	M	L	X	shocks (mainly aquaculture) and working in confined spaces such as silos and pits). - Chemical hazards (e.g. handling of pesticides, fungicides and herbicides). - Exposure to biological hazards (e.g. exposure to biological agents such as bacteria, fungi, mites and viruses transmitted from live and dead animals, excreta, parasites and ticks, exposure to water-borne diseases in the case of aquaculture). - Risks related to working long hours outdoors (e.g. risk associated with prolonged exposure to high and low temperatures and/or sunlight). - Exposure to high temperatures and/or high humidity levels (e.g. sugar mills, shrimp breeding facilities). - Travel to and work in remote sites. (e.g. where operations are located in remote sites lacking basic infrastructure and requiring temporary accommodation). Remote locations may require excessive travel, sometimes by dangerous means and on substandard roads. - Risk related to the quality and adequacy of accommodation
	Child Labour or Forced Labour			X	Forced and child labour are employed in some production and farming systems, particularly primary suppliers (e.g. smallholders). Non-compliance with ILO Core Labour Conventions on Child Labour/Minimum Age and Forced Labour is not acceptable.
	GBVH SEAH			X	While safeguarding risks (GBVH, SEAH) can be present in any sector or geography, certain sectors are considered high risk due to sector characteristics and profile of the workforce, including agriculture and aquaculture. Companies should ensure that they have robust and survivor-centered safeguarding policies, procedures and grievance mechanisms to protect employees and communities and prevent safeguarding incidents.
PS3	Air Emissions and Air Quality	M	M		
	Energy Use and Conservation	M	L	X	Crops produced in heated greenhouses require three to four times as much energy as conventionally grown crops. Certain commodities and types of agricultural operations (e.g. production systems that use large volumes of pumped water) are energy intensive. It is important to ensure that the energy supply is sufficient and regular, and that back-upsystems are in place in order to enable continuous production. Energy- and resourceefficient technologies (e.g. drip irrigation or renewable power sources such as biogas) can increase production efficiency and significantly reduce production costs.
	Hazardous Materials Use			X	The use of pesticides/herbicides subject to international phaseouts or bans presents a risk to reputation. Bans and phaseouts indicate that substances present material risks to human health and the environment. Restricting the use of such substances may be essential if products are to be exported to markets overseas. Most agricultural and aquaculture operations rely on agrochemicals such as pesticides, fertilizers and herbicides. While use of agrochemicals is often necessary, there is a long record of poor and excessive use of these products in these sectors. Many agrochemicals can cause immediate and/or long-term environmental and health impacts if not applied correctly. These impacts may affect workers or nearby communities (via aerial spraying, water contamination, or re-use of chemical containers by third parties). While there have been improvements in the specificity of agrochemicals, and some progress in reducing toxicity/risk to non-target species (including humans), there remain a range of highly toxic agrochemicals — including those classified by the World Health Organisation (WHO) as being 'extremely hazardous' (Class Ia) or highly hazardous' (Class Ib) — that require particular attention. Care also needs to be taken when aerial crop spraying is undertaken so as to avoid contaminating local communities and watercourses. Companies should put in place proper procedures for procuring, storing and applying all chemicals, as well as for the disposal of containers. Integrated Pest Management (IPM) is an important way of reducing agrochemical use and costs, protecting the health and safety of workers and reducing environmental impacts. IPM should form part of the management approach to all primary production investments.
	Land Contamination	L	L		See waste water below:
	Waste Water and Water Quality	H	H	X	Intensive crop-growing may use chemical fertilizers and pesticides, resulting in the contamination of rivers, lakes and groundwater. Conflicts with other users may result from water contamination. The application of pesticides must be handled carefully in order to mitigate risks to human health and the environment. Livestock operations may have to dispose of large amounts of slurry or wastewater, as well as chemical waste and other hazardous effluents. They need to demonstrate that appropriate permits have been acquired and that robust systems are in place to store and dispose safely of the waste.
	Wastes	M	M	X	Importantly, biological wastes can often be used as source of energy (biofuel or bagasse) or for soil enhancement. Intensive livestock farming generates large amounts of fecal and urinary waste. In addition to nutrients, these may contain antibiotics, hormones and pesticides. From water pollution, conflicts with other uses, such as with fisheries and drinking water extraction, may result. Pesticides applied to animals must be handled carefully in order to mitigate risks for human health and the environment.

	Water Use and Conservation	H	M	X	Crop-growing may require large amounts of fresh water for irrigation. A reliable supply of fresh water is essential for ensuring continuity of production. There may be potential for preventing shortages (i.e. storage tanks) and for addressing conflicts with other users of the same water resources. Inadequate irrigation may result in salinization of the ground. Animal farming requires considerable amounts of fresh water for feeding and cleaning. A reliable und continuous supply of fresh water of high quality is essential. There may be potential for optimizing the efficiency of water use, for preventing shortages and for addressing conflicts with other users of the same water resources. Agriculture and aquaculture operations may compete with others for access to water, including local residents and industrial facilities. They need to ensure that they have agreements, legal rights and/or permits to the water they need, at all times of year, and that they have quality testing systems in place. Where water deficit risks are evident, particular attention should be paid to stakeholder engagement so as to gauge community concerns about water use in the catchment early and effectively.
PS4	Community Health			X	Companies must implement emergency preparedness and response systems to respond to accidental and emergency situations associated with the company's activities in a manner appropriate to prevent and mitigate any harm to people and/or the environment.
	Community Safety			X	There is often a significant level of traffic associated with agricultural operations, which can put local populations at increased risk of traffic-related accidents (especially given the poor quality of many rural roads). Companies should ensure that they adopt good traffic control practices (e.g. controls on harvesting and crop transport through communities and villages), particularly at harvest time and other times with higher than normal traffic volume.
	Community Security			X	Agricultural operations sometimes employ security personnel to prevent theft or unauthorised access, or for safety reasons. Companies should be guided by the principles of proportionality and good international practice in relation to hiring, rules of conduct, training, equipping, and monitoring of such workers, as well as by applicable law.
PS5	Land Acquistion Resettlement			X	Agriculture developments frequently occupy large areas and may require the use of large plots of land or water. It is imperative that companies have, or are in a position to negotiate, necessary legal rights to use and access the land or water body (aquaculture), and related resources (e.g. water for irrigation). There may also be a need to negotiate access via customary (informal) land use processes. In emerging markets, land tenure and use rights can be unclear and complex due to a lack of regulation, customary/traditional land tenure, and/or the presence of communities that occupy and use lands, but without a recognizable legal right or claim. It is often important for companies to develop and maintain good relations with local communities. Sufficient time and resources should be made available to consult with Affected Communities in a culturally appropriate manner. Where the transaction is into a pre-existing farming operation, attention should be given to the risk that there are longstanding and unresolved grievances by local communities because of actual or perceived failures in past land acquisition. Where such situations are evident, additional efforts will be required to consult with affected parties, to assess the scale and significance of impacts (if possible) and define mutually agreed solutions.
PS6	Biodiveristy	M	H	X	Monocultures have a negative effect on soil fertility and require the application of large amounts of plant protective agents. By limiting the field size of a specific crop and planting a different crop each season (crop rotation) these effects can be mitigated.
	Natural Resources			X	Large forest areas or swampland may be cleared and drained for crop plantation. Deforestation results in erosion and changes the groundwater level. A groundwater level that is too low leads to the salinization of land, turning it into unproductive wasteland
PS7	Indigenous or Vulnerable People			X	In rare circumstances, those affected by land transactions, acquisition or use may be formally recognised as Indigenous Peoples who must be afforded particular consideration and rights, including Free, Prior Informed Consent (FPIC).
PS8	Cultural Heritage				
Other					
	Animal Welfare				Traditional famring methods, for example poultry production, result in poor animal welfare and biosecurity - caged brds etc.
	Climate Change				Traditional farming methods may result in high CO_2 emissions (soil tillage, animal wastes, and flatulence). These may be managed by changes in practice (regenerative agriculture, changes in feed etc).
	Supply Chain Considerations			X	The sector is heavily reliant on complex supply chains and working practices (part-time and seasonal harvest work, migrant labour etc.). Companies should always strive to reduce risks of poor labour and employment practices in their supply chain over time. This can be accomplished by shifting to those suppliers with better practices or by engaging with poorer quality suppliers to enhance employment and labour practices.
	Disaster	L	L		

Fisheries

See also Food and Beverage

Overall Sector Risk: MEDIUM

"Catching fish or other aquatic animals, mainly for food. The catch of a commercial fishery includes a wide range of species: Tuna, salmon,cod, lobster, clams and squid. Commercial fishing methods have become very efficient using sonar, satellite images, huge nets and sea-borne processing factories.A distinction is made between deep-sea fishing, fishing in middle waters and coastal fishing. Wet-fish trawlers are used for deep-sea fishing. Small, opentrawlers are used for fishing near the coast and for middle-water sea fishing.Deep-sea fishing is usually conducted by large trawlers that catch the fish, process it and store it on ice. On factory ships, the fish is caught, processed and deep-frozen, salted or canned."

IFC PS	Hazard (Risk Factor)	Risk ratings IFC Risk	BII Risk	Description (IFC and BII)
PS2	Labour and Working Conditions		X	Wages and working hours:Fisheries operations often involve the employment of low paid and unskilled labour, including temporary labour, seasonal contract labour and migrant workers, and working hours are often long. Discrimination based on gender, or migrant origin. Relations with unions and the rights of workers to enter free and voluntary collective bargaining arrangements with management (as well as the rights to form unions and to participate in industrial action) may be sensitive subjects and require careful exploration and resolution. Where fishery operations form part of regional or national supply chains and markets, any strikes or wage bargaining challenges can have widespread repercussions on market supply, product pricing or even national competitiveness. Adequate access to grievance mechanisms and attention to business integrity and governance principles are also important. While fishing vessel accommodation is restricted in terms of space and amenities, fishing operators should still endeavour to provide basic services.
	Occupational Health and Safety	H	X	Falls, from hieght, slips and trips, falls overboard. Accidents in the fishing industry are often related to stress, fatigue and adverse weather conditions. Under thesecircumstances, the handling of machinery and work on board becomes riskier. Physical hazards (e.g. risk of drowning, injury due to falls from height or unstable/ slippery surfaces, manual handling, repetitive work, strain injuries fromheavy lifting, dizziness, work in confined spaces and working in extreme weather and wet conditions. Exposure to extreme weather conditions (e.g. storms) and from long periods working outdoors. Exposure to cold (e.g. from on-board refrigeration facilities and conditions at sea. Exposure to noise and vibration (e.g. from the engine room and on the vessel as a whole). Accommodation (e.g. poor sleeping conditions and lack of amenities). Fire risks on board due to engine malfunctions or fuel combustion. Security (e.g. risk of piracy and kidnapping in certain international waters or encounters with national naval security operations).
	Child Labour or Forced Labour		X	Bonded and/or forced labour is a significant risk in this sector. Human trafficking can occur in the sector and there have been instances of migrant workers' passports and personal documents being withheld in order to force longer hours.
	GBVH SEAH			
PS3	Air Emissions and Air Quality	L	X	The major contributor of air emissions in the fishing industry is greenhouse gases (GHGs) from boat engines and Ozone Depleting Compounds in on-board and onshore refrigeration equipment. These are of particular concern in older vessels or equipment SOx, NOx, ozone depleting substances (CFCs, HCFCs), particulates
	Energy Use and Conservation	L	X	Studies have shown how fuel consumption is positively affected through measures such as improved engine maintenance, hull cleaning, optimising propeller design and redesigning fishing gear to reduce drag.
	Hazardous Materials Use			
	Land Contamination	L		
	Waste Water and Water Quality	M		Waste from fish processing and from boat maintenance entails a risk for fishing grounds Spills of oil from boat maintenance and waste from seafood processing may contaminate fishing grounds. Wastewater streams from fishing vessels incorporate high total biological oxygen demand, high levels of nitrogen and phosphates, as well as high levels of solids from surface deck wash out and the primary cleaning, cutting and storage of fish. Traces of detergents and disinfectants may also be present. ByCatch (see wastes below). This environmental impact increases with inappropriate waste disposal into the sea and high concentrations of older generation fishing boats. Clean coasts are a key asset in the tourism industry. Oil and solid waste may be washed up onto beaches, which will make them unattractive for tourist activities.
	Wastes	L		Solid waste streams from fishing vessels include offcuts and waste from initial fish processing, as well as discards and catch of non-target species (ByCatch). Used engine oils, food and inert solid waste from crew or administrative functions make up the balance of fishing vessel waste. All require specific care in disposal to prevent land and aquatic environmental contamination or community health risks.
	Water Use and Conservation	L		
PS4	Community Health		X	The company's license to operate can be put at risk if adverse impacts on, and relations with, local communities are not well managed. - Financial and reputational risks from conflicts with local communities or other fishing operations due to competition for resources. Accidental oil spills and or wastewater discharges that could affect communities'livelihoods (e.g. by impacting recreational areas or artisanal fishing areas).
	Community Safety			
	Community Security		X	Fishing companies may hire security services. Companies should be guided by the principles of proportionality and good international practice in relation to hiring, rules of conduct, training, equipping and monitoring of security workers and by applicable laws.
PS5	Land Acquistion			
	Resettlement			
PS6	Biodiveristy	H		The effect of overfishing is the decline in fish populations, which may take decades to recover. This presents an economic risk for communities that rely heavily on fishing. The risk of overfishing increases with the number of fishermen, mechanized fishing technologies such as drift net fishing and a lack of effective regulation. Excessive hunting of single species is unsustainable, as populations may decline irreversibly. Species may become extinct locally or globally. Over-hunting may have a negative knock-on effect on local ecosystems, and consequently for the local economy.
	Natural Resources			
PS7	Indigenous or Vulnerable People			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
PS8	Cultural Heritage			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
Other	Food Safety		X	Primary fish processing may take place on fishing vessels. Food safety is of critical importance in the fishing sector as it is key to ensure that the fish products are fit for human consumption. Failure to ensure appropriate food safety standards could lead to major social, financial, legal and reputational impacts.
	Animal Welfare			
	Climate Change			Increased frequency of intense weather events (stroms andwonds) reduce opportunties for fishing and increase hazards to fishers. Increased sea temperatures affect the ability of the fish stock to re-populate

Supply Chain Considerations

Disaster risk	L

Aquaculture

See also Food & Beverage

Overall Sector Risk: MEDIUM

"Aquaculture is a specific subsector of livestock farming, and describes the cultivation of aquatic organisms, such as fish, shellfish, algae and other aquatic plants. Some examples of aquaculture include raising catfish or shrimp in fresh or saltwater ponds, growing cultured pearls, and farming salmon in net-pens set out in bays."

Does not consider sustainable ranch aquaculture

IFC PS	Hazard (Risk Factor)	Risk ratings IFC Risk	BII Risk	Description (IFC and BII)	
PS2	Labour and Working Conditions				
	Occupational Health and Safety	L	X	Physical hazards: use of machines and vehicles, manual handling, repetitive work, drowning (aquaculture), electric shocks (mainly aquaculture) Chemical hazards: handling of pesticides, fungicides and herbicides. Exposure to biological hazards (e.g. exposure to biological agents such as bacteria, fungi, mites and viruses transmitted from live and dead animals, excreta, parasites and ticks, exposure to water-borne diseases in the case of aquaculture). Travel to and work in remote sites. Risk related to the quality and adequacy of accommodation	
	Child Labour or Forced Labour		X	While safeguarding risks can be present in any sector or geography, certain sectors are considered high risk due to sector characteristics and profile of the workforce, including agriculture and aquaculture. Companies should ensure that they have robust and survivor-centered safeguarding policies, procedures and grievance mechanisms to protect employees and communities and prevent safeguarding incidents.	
	GBVH SEAH		X		
PS3	Air Emissions and Air Quality	M			
	Energy Use and Conservation	L			
	Hazardous Materials Use		X	Aquaculture operations rely on agrochemicals such as pesticides, fertilizers and herbicides.Many agrochemicals can cause immediate and/or long-term environmental and health impacts if not applied correctly. These impacts may affect workers or nearby communities (via aerial spraying, water contamination, or re-use of chemical containers by third parties). While there have been improvements in the specificity of agrochemicals, and some progress in reducing toxicity/risk to non-target species (including humans), there remain a range of highly toxic agrochemicals — including those classified by the World Health Organisation (WHO) as being 'extremely hazardous' (Class Ia) or highly hazardous' (Class Ib) — that require particular attention.	
	Land Contamination	L		such as pesticides, fertilizers and herbicides.	
	Waste Water and Water Quality	H		Liquid waste from aquaculture can lead to environmental pollution. Intensive farming generates large amounts of fecal waste. In addition to nutrients (part of fish food), these may contain antibiotics, hormones and pesticides. From water pollution, conflicts with other uses, such as with fisheries and drinking water extraction, may result. Pesticides applied to fish must be handled carefully in order to mitigate risks for human health and the environment.	
	Wastes	M			
	Water Use and Conservation	M			
PS4	Community Health		X	Emergency preparedness and response: Companies must implement emergencypreparedness and response systems to respond to accidental and emergency situations associated with the company's activities in a manner appropriate to prevent and mitigate any harm to people and/or the environment.	
	Community Safety		X		
	Community Security		X	Use of security personnel: Agricultural and aquaculture operations sometimes employ security personnel to prevent theft or unauthorised access, or for safety reasons. Companies should be guided by the principles of proportionality and good international practice in relation to hiring, rules of conduct, training, equipping, and monitoring of such workers, as well as by applicable law.	
PS5	Land Acquistion		X	Where the transaction is into a pre-existing farming/aquaculture operation, attention should be given to the risk that there are longstanding and unresolved grievances by local communities because of actual or perceived failures in past land acquisition.It is imperative that companies have, or are in a position to negotiate, necessary legal rights to use and access the land or water body (aquaculture), and related resources (e.g. water for irrigation). There may also be a need to negotiate access via customary (informal) land use processes. In emerging markets, land tenure and use rights can be unclear and complex due to a lack of regulation,customary/traditional land tenure, and/or the presence of communities that occupy and use lands, but without a recognizable legal right or claim. Companies may therefore need to engage experts to assist them with the land acquisition/purchase process in order to avoid local opposition.	Applies to all land acquisition in all sectors in SIDs
	Resettlement		X	People living on or near the aquaculture operation may be subject to economic displacement (i.e. the loss of crops or arable land) and/or involuntary physical displacement (i.e. resettlement).	
PS6	Biodiveristy	H	X	Ecological and social impacts resulting from the conversion of natural habitats (such as deforestation) and the use of seafood for aquaculture production, which depletes wild stocks of marine fisheries (e.g. anchovies). Aquaculture can also result in the spread of alien species. Where alien species have invasive tendencies, significant controls and a comprehensive environmental management system must be put in place.	
	Natural Resources		X	Habitat alteration is one of the most significant potential threats to biodiversity associated with aquaculture operations. It can also affect the provision of ecosystem services including: (i) soil formation and nutrient cycling; (ii) the provision of freshwater to local communities; (iii) protection from natural risks; and (iv) sacred sites and areas of importance for recreation and aesthetic enjoyment.	
PS7	Indigenous or Vulnerable People			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs	
PS8	Cultural Heritage			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs	
Other					
	Animal Welfare		X	Biosecurity and animal health is a key risk / issue for aquaculture. Disease incidents can lead to fines and licence loss and also significantly affect corporate reputation and can result in loss of access to markets even if the company does not lose its licence to operate/export goods.This is not highlighted by IFC and is only briefly mentioned by BII	
	Climate Change		X	It is important to understand trends and future predicted changes at a local level. Increased frequency and intensity of storms and flood events are likley to affect water levels and quality of discrete inland fish farms. There may also be long term changes in temperature which will affect produce living environment and health.	
	Supply Chain Considerations		X	Labour and working conditions (including the use of child labour and/or forced labour)The sector is heavily reliant on complex supply chains and working practices (part-time and seasonal harvest work, migrant labour etc.). Companies should always strive to reduce risks of poor labour and employment practices in their supply chain over time.	
	Disaster	L			

Waste and Recycling

See also Construction

Overall Sector Risk: HIGH

Recycling means reusing materials which would otherwise be treated as waste. It allows the reuse of materials for the same or for different purposes.Typical examples are scrap metal, glass bottles, wood, textiles and plastics.
Materials to be recycled may be either collected separately or extracted from waste. For this, there are different methods, such as mechanically sorting by size, density, by hand or magnetically. Unusable waste and contaminants have to be separated from the recyclable materials. The remaining waste may be incinerated in order to extract the energy contained in it as heat or electricity. Recycling businesses may be of any size and usually sell their output in second hand markets (textiles) or to other industries for further processing (scrap metal).
Waste treatment describes the process of managing waste materials from transport and processing to their final disposal. Landfills are the most traditional method of waste disposal and remain common practice in many countries. Incineration involves burning waste streams under controlled industrial conditions.

NOTE: Anaerobic Digestion not considered in the IFC descriptions
There is NO BII SECTOR PROFILE FOR WASTE

IFC PS	Hazard (Risk Factor)	Risk ratings IFC Risk	BII Risk	Description (IFC and BII)
PS2	Labour and Working Conditions			Wages and working conditions, poor pay, freedom of association, accomodation, Equal opportunites may not be afforded due to gender bias EJF notes in g
	Occupational Health and Safety	H		Exposures to phyically, chemically or biologically hazardous materials or noxious materials, fall slip trip hazards - provision of appropriate ppe. Large vehicle movements
	Child Labour or Forced Labour			Informal picking can a source of child labour
	GBVH SEAH			Always to be considered in a working environment such as waste
PS3	Air Emissions and Air Quality	H		Emissions to air can be a nuisance and a health risk for humans and animals. Incineration plants and some recycling facilities emit smoke and fumes which may contain bad-smelling and toxic substances. These emissions can often be substantially reduced by process design and technology. Biogas plants may have odours associated with feed stock and gas generation
	Energy Use and Conservation	M		Recycling processes may be very energy-intensive: They either require or produce large amounts of energy.The recycling of scrap metal requires a lot of energy, such as for extraction and smelting. Incineration plants may produce excess heat that can be used directly or for generating electricity.
	Hazardous Materials Use			
	Land Contamination	H		Some waste presents health risks or may attract pests. Seepage water may negatively affect the quality of groundwater and rivers.
	Waste Water and Water Quality	H		Recycling facilities, sewage plants, dump sites and landfills may contaminate water.Examples are hazardous liquids seeping into the ground, wastewater discharged into rivers and seepage water from landfills.
	Wastes	H		Recycling facilities and incineration plants may produce hazardous waste.Examples: Slag and cinder from waste incineration plants; oil and other fluids from vehicle wrecking; plastics, electronic parts and heavy metals from computer and household goods recycling.
	Water Use and Conservation	L		
PS4	Community Health Community Safety Community Security			Community health and safety may be at risk from mal odours noise and wastes from the operation of the plant. In addition wastes (in advertent falling off trucks) and vehicle movements (traffic accidents) through communities. Security (possibly armed) may be provided to any waste campus - need to consider appropriate employee screening, training and protocols
PS5	Land Acquistion Resettlement			
PS6	Biodiveristy Natural Resources	M		See Construction
PS7	Indigenous or Vulnerable People			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
PS8	Cultural Heritage			Not sector specific but aware that land maybe 'owned' or in custody of IPs, and that owners and employees of sector may be IPs
Other				
	Animal Welfare			
	Climate Change			
	Supply Chain Considerations			Worker conditions, health and safety, etc Measures should be in place to ensure contractors work in accordance with applicable regulations and GIIP. Where contractors are involved in operation and maintenance activities, companies should implement measures to ensure contractors work in accordance with applicable regulations and GIIP.
	Disaster	M		

Food & Beverage

See also Fisheries and Aquaculture, (and Agriculture and Water Supply)

Overall Sector Risk: MEDIUM

The value chain in the food and beverages industries usually begins with the outputs of the agricultural and fisheries sector and proceeds to deliver products for wholesale and further processing or immediate consumption.
This involves the production, processing and preservation of meat, fish, fruit, vegetables, oils and fats, the manufacture of dairy products and the milling of grain, as well as the manufacture of alcoholic and non-alcoholic beverages. In the food and beverages sector, the value chain consists of businesses of all sizes on both the production and distribution sides. The food industry employs an innumerable range of processes, which are part of one of the following links in the value chain: Firstly, there is a facility where the raw material is delivered and stored before further processing. Typical food processing steps involve the butchering of animals, dressing of fish, extraction of plant products, heat or chemical treatment, milling and malting, fermentation of dairy products, crystallization, refining and other methods. Finally, the products are preserved, for example by sterilizing or pasteurizing, refrigerating or freezing, smoking, pickling, salting, drying or by using additives. The end product is then packaged and prepared for sale or further processing. The beverage industry can be categorized roughly into the manufacture of alcoholic and non-alcoholic beverages. Alcohol is generally excluded from MPL and not disucssed here. Several ingredients, primarily fruit juices and sugar, as well as colorants and other substances, are mixed to make soft drinks or mineral waters. Depending on the product, the liquids are sometimes carbonated before bottling takes place. To produce tea, coffee and cocoa, the raw products undergo fermentation, roasting and other treatments. The actual beverage is then produced by the consumer.

IFC PS	Hazard (Risk Factor)	Risk ratings: IFC Risk	Risk ratings: BII Risk	Description
PS2	Labour and Working Conditions		X	Wages and working conditions, freedom of association, accomodation, Equal opportunites may not be afforded due to gender bias
	Occupational Health and Safety			Specific OHS risks in the food and beverage industry include those in connection with: - Physical hazards (e.g. manual handling, repetitive work, slips on wet or food contaminated floors, falls from height, workplace transport, injuries from sharp knives or processing and packaging machinery). - Exposure to noise (e.g. in canning plants and from bottling machines, conveyors and blanching applications). - Biological hazards (e.g. development of infections resulting from exposure to microorganisms present in meat, fish, vegetables and other products involved in the processing process). - Chemical hazards (e.g. chemicals used in cleaning/disinfection operations cooling systems such as ammonia). - Exposure to heat (e.g. from steam peeling, pasteurisation and canning processes) and cold (e.g. working in refrigerated areas/rooms). - Fire and explosion hazards such as explosive/combustible dusts (such as grain and flour), fermentation processes and the use of hazardous chemicals such as industrial alcohol.
	Child Labour or Forced Labour		X	See also supply chain
	GBVH SEAH			Companies should ensure that they have robust and survivor-centered safeguarding policies, procedures and grievance mechanisms to protect employees and communities and prevent safeguarding incidents.
PS3	Air Emissions and Air Quality	M		Food processing may emit unpleasant odors and particulate matter. The processing of meat is usually related to unpleasant odors which may be a nuisance for people living in the vicinity.
	Energy Use and Conservation	L	X	Food and beverage processing activities typically require thermal energy for process heating, cooling and refrigeration. Opportunities to adopt energy efficiency measures should always be explored, as should opportunities for onsite renewable energy generation (e.g. biogas from organic waste).
	Hazardous Materials Use			
	Land Contamination	L		
	Waste Water and Water Quality	M	X	Effluents (potentially large volumes) from the food industry may contain significant quantities of organic material or highly toxic substances. High levels of nutrients and microbes can result in water pollution. Washing fruit or vegetables can contaminate water with pesticides, while the cleaning of production plants may lead to the pollution of water with biocides and detergents.
	Wastes	L	X	This sector can generate significant volumes of organic, putrescible solid waste in the form of inedible materials and rejected products. The handling, storage, treatment and disposal of solid waste can entail significant risks and can be expensive. Packaging: Selecting and designing the right packaging can have a positive impact on business including lower production costs and better transport efficiency.
	Water Use and Conservation	H	X	Beverage production requires large amounts of fresh water, which is also used for cleaning activities, cooling and heating. A reliable and sustainable supply of fresh water is essential for ensuring continuity of production. Fresh water of high quality could be required in order to meet quality standards for products. There may be potential for optimizing the efficiency of water use, for preventing shortages and for addressing conflicts with other users of the same water resources.

PS4	Community Health Community Safety Community Security		X	Food processing may emit unpleasant odors and particulate matter. The processing of meat is usually related to unpleasant odors which may be a nuisance for people living in the vicinity.
PS5	Land Acquistion Resettlement			
PS6	Biodiveristy Natural Resources	M M		
PS7	Indigenous or Vulnerable People			
PS8	Cultural Heritage			
Other	Food Safety		X	Permanent or temporary loss of licence to operate due to breaches of the applicable food safety regulations. - Direct and indirect costs of quality failures (e.g. lost production, fines and reputational impacts). - Lack of access to markets where entry requires certification/meeting certain E&S requirements (e.g.export, international supermarket chains). Minimum requirements: Adherence to international Good Manufacturing Practice (GMP). Effective implementation of Hazard Analysis and Critical Control Points (HACCP), systems. Product traceability systems and product recall procedures. Certification to international standards on food safety management systems, if appropriate.
	Animal Welfare			Supply Chain risk
	Climate Change		X	Risks for water supply and energy use
	Supply Chain Considerations		X	Risks related to weaknesses in supply chain reliability, sustainability and resilience to climate change; lower agricultural productivity and/or natural resource quality or availability due to inadequate E&S management practices (e.g. poor working conditions, violation of human and/or labour rights, unsustainable use of soil and water, pollution, illegal and/or inadequate land acquisition practices, animal welfare). Reputational risks linked to sourcing ingredients from unsustainable supply chains and/or providers that do not meet basic international standards and conventions (e.g. international conventions on child labour and forced labour).
	Disaster Risk	L		

Construction

See also Cement Concrete, Wood Treatment, Waste and Recycling

Overall Sector Risk: MEDIUM

The construction sector provides services such as the construction, refurbishment and maintenance of buildings and infrastructure such as roads. Demolition and wrecking of buildings and infrastructure is also supplied by this sector.
Operations involved in construction activities:
• The construction site has to be cleared and prepared by groundwork such as excavation and land filling, leveling and land drainage. In addition to this, drilling operations, tunneling and shaft sinking may be necessary.
• The building of foundations and the construction of the building itself is conducted, which involves constructions made of wood, concrete, steel, bricks, etc. as well as external facings and cladding.
• Finishings such as electrical installations, painting, joinery and others are completed.
• Finally, the construction site is reinstated and its surroundings restored.
Construction companies often operate large machinery fleets and may own reserves of building land.

BII Sector profile = Project DESIGN & CONSTRUCTION of new brownfield or greenfield facilities of any kind; and Medium/large scale expansion, renovation or modernisation of existing facilities.

BII NOTE: *Identification of risks and impacts: Project sponsors should ensure all possible E&S risks and impacts arising from the construction and operation of the planned facility are identified through an impact assessment during the Project feasibility and design phase. Risks and impacts should be considered with regard to labour and working conditions, pollution prevention and resource efficiency, community safety and livelihoods, biodiversity conservation, protection of Indigenous People and cultural heritage. Where possible, any E&S impacts should be avoided bycareful consideration of design elements. If avoidance is not possible, then the design should aim to minimise negative impacts, or at least compensate or offset E&S risks and impacts. Typically, more significant operating impacts (e.g. pollution) will require additional permits and more expensive management measures and therefore avoiding or minimisingE&S impacts at the design phase can reduce operating costs and inefficiencies.*

IFC PS	Hazard (Risk Factor)	Risk ratings: IFC Risk	Risk ratings: BII Risk	Description
PS2	Labour and Working Conditions		X	- Wages and working conditions: Construction activities are a major employer of low-paidand often unskilled labour, including temporary or seasonal labour and migrant workers. Furthermore, working hours are typically long. - Freedom of association and collective bargaining: Relations with unions and therights of workers to enter free and voluntary collective bargaining arrangements with management (and the rights to form unions and to strike) can be an issue in construction Projects. - Accomodation:Where the Project sponsor and/or the main contractor undertakes to provide (either directly or through subcontractors) workers' accommodation, it should include basic services and take into account the principles of nondiscrimination and equal opportunity (in accordance with PS2). - Equal opportunites may not be afforded: Discrimination over wages or termsand conditions can be prevalent in the construction sector, particularly towards migrant labour and vulnerable local communities and gender, when it comes to wages or terms and conditions. -Financial, reputational, and legal risks, execution delays, lower construction efficiency and construction quality can all potentially result from poor morale, industrial action, high staff turnover and deterioration of employees' health (e.g. excessive working hours or working in extreme or remote locations) as well as costs associated with Project delays. - Increased costs will be incurred for the recruitment and training of new workers if poor labour standards and working conditions lead to high turnover.
	Occupational Health and Safety	H	X	Construction sites are risky for workers where occupational health and safety are concerned. Construction entails significant risks to the health and safety of workers. Specific risks arise from underground construction, demolition (especially of industrial buildings and of constructions containing asbestos) and the use of heavy machinery. This requires special precautions and equipment. - Physical hazards (e.g.injury or death due to falls from height, strain injuries from heavy lifting, hazards related to working on scaffolding or suspended harnesses, risks of slips and falls, use of large scale fixed and mobile equipment, work in confined spaces and use of high pressure equipment including water jets and cement pouring). - Exposure to heat (e.g. from working in close proximity to hot drilling equipment). - Risks related to working long hours outdoors (e.g. risk associated with prolongedexposure to high and low temperatures and/or sunlight). - Hazardous substances (e.g. fuels or remnant chemicals such as asbestos revealed during demolition e.g. asbestos or excavation). - Exposure to excessive dust and particulate matter (e.g. due to vehicle movement or during land clearing, demolition and excavation activities). - Risk of electrocution (e.g. excavation exposing existing or surface utilities, or during electrical installations at new sites). - Exposure to noise and vibration (noise and vibration sources include fixed and mobile equipment, such as excavators, drills, dump trucks and crushers). - Biological hazards, particularly in regions with highly contagious diseases. - Fire and blasting (the use of explosives is very common in construction activities). - Travel and work in remote sites (where construction is located in remote sites lacking basic infrastructure and requiring temporary accommodation). Remote locations may require extensive travel sometimes by dangerous means. - Security. Construction sites should be appropriately protected to ensure only accredited people can access the site. Measures should be implemented to ensure that security forces are appropriately trained in the use of force and that they respect workers' rights at all times.
	Child Labour or Forced Labour		X	Forced, bonded or child labour remains evident in the construction sector. Forced and/or bonded labour is sometimes sourced for construction of Projects in some emerging market countries where public private partnerships or regime policies may dictate certain employment practices or where cost overruns can result in pressures to cut employment costs.
	GBVH SEAH		X	Activities directly or indirectly linked to formal / informal sex industry particularly around contracted workforce (see Community Health). Companies should ensure that they have robust and survivor-centered safeguarding policies, procedures and grievance mechanisms to protect employees and communities and prevent safeguarding incidents.

PS3	Air Emissions and Air Quality	M	X	Construction sites cause dust emissions and air pollution from the use of machinery. Construction machinery often causes disproportionately high air pollution owing to low standards of prevention. Furthermore, significant dust emissions during construction or demolition activities may cause emissions to air. Sources of air emissions during construction are dust generation and exhaust gases of heavy mobile and fixed equipment, including temporary power generation sources (generators), and from the burning of waste materials. Site clearing, including demolition and excavation, as well as onsite storage of construction materials can result in significant quantities of dust.
	Energy Use and Conservation	L	X	Energy efficiency and air emissions: Initial Project design should focus on incorporating energy efficiency measures and building resilience to risks from climate change. Sponsor companies should incorporate energy efficiency and pollution prevention into Project design (Circularity in Design and Lifecycle in Design ..Construction ... Operation).
	Hazardous Materials Use		X	
	Land Contamination	M	X	Land contamination from previous industries is common in the construction sector. Building companies often possess various sites for future development. Those sites might be polluted from former industrial use. Liability for environmental damage and decontamination should be addressed between the contractor and the developer. Site remediation may present major technical problems with significant associated costs where sites are contaminated or incorporate major natural features such as rivers. Land contamination due to historical releases of substances by previous land occupants may be discovered after demolition or during excavation of foundations. Construction companies should ensure a management plan is prepared to identify, delineate, contain and manage the hazardous material, where handling and disposal may require additional permits.
	Waste Water and Water Quality	L	X	Wastewater flows can have a high solid content due to site surface erosion and dust. Other effluent is generated from sanitary wastewater (from the site office/temporary worker washrooms facilities/accommodation).
	Wastes	M	X	Waste management should be considered at the design phase ofany Project. The local context of the operation should be taken into account, as some waste disposal or recycling facilities may not be available (e.g. certain hazardous waste facilities) or waste disposal may be difficult in remote locations. Solid waste streams specific to construction activities include excess fill materials, scrap wood and metals such as steel girders and scaffolding, domestic waste (from site offices, temporary washrooms and accommodation), waste construction material arising from poor handling or storage, as well as material from demolition activities and machinery maintenance.
	Water Use and Conservation	L	X	Water management: Construction activities can use significant quantities of water,e.g. in the mixing of raw materials (particularly cement), dust suppression activities, soil stabilisation and cleaning activities in the actual building as well as in the plant.
PS4	Community Health		X	The company's licence to operate can be put at risk if community relations are not well managed e.g. due to pollution impacts locally, or through intimidation by company employed security forces. Time and cost can be avoided by developing and maintaining good relations with local communities and will help to manage their expectations and identify concerns. Stakeholder engagement is a key component of the initial environmental and social assessments undertaken during the design and planning phase. Health: Increased incidence of communicable and vector diseases related to construction or ultimate operation activities (migrant labour and land clearing/stagnant water) can pose health risks to local communities and to the workforce. Excessive dust generation from land clearing and excavation and poorly timed execution of works (i.e. premature clearing of land which is not followed immediately by next stage construction) can impact air quality for surrounding communities. Construction operations can generate significant noise and vibrations particularly during demolition activities, delivery of materials, use of large scale heavy plants on site, cement mixing, concrete pouring, steel pylon erection, jack hammer compression and tile cutting, all of which can negatively impact neighbouring land users and local communities.
	Community Safety		X	The first issue to be taken into account is Project siting. Where a Project (or an element of a Project) presents significant risks and/or adverse impacts to local communities, the Project sponsor should consider whether the Project (or some elements of the Project) could be relocated (e.g. large oil tanks could be relocated away from residential areas).The use of large heavy equipment on site and local roads to deliver materials poses threats of traffic accidents and congestion. Facility layout design and construction planning should take seasonal or daily road use fluctuations into account when Project design and construction planning site access and delivery to minimise impacts on the local community.
	Community Security		X	Most construction sites and certain critical national infrastructure (CNI) sites are protected in order to prevent theft of equipment and materials, or access by external parties for safety reasons. Companies should be guided by principles of proportionality, good international practice and applicable law in relation to hiring, rules of conduct, training, equipping, and monitoring of security workers, and by applicable law
	Community Relations			It is critical for companies to develop and maintain good relations with local communities. Sufficient time and resources should be made available to consult with Affected Communities in a culturally appropriate manner.
PS5	Land Acquistion		X	Construction activities may require access to and/or acquisition of large plots of land, which may result in temporary or permanent physical and economic displacement of communities. Companies may negotiate with Affected Communities before triggering the expropriation process as this could expedite the land acquisition process and would allow the company to manage the process (if an expropriation process is triggered, host country authorities would manage the process). It is imperative to ensure that the company has (or is in a position to negotiate) the legal rights to own, access, and/or use the land. Additionally, it should be noted that land tenure and rights of use in emerging markets can be unclear and complex due to a lack of regulation, existence of customary/traditional land tenure and the presence of communities that occupy and use lands, but without a recognisable legal right or claim. Therefore, companies should conduct a robust assessment to identify affected peoples and design a Compensation Framework accordingly.
	Resettlement		X	Resettlement should be avoided wherever possible to avoid related costs and Project delays. Poor or inadequate community relations can undermine the construction company's licence to operate. Long timeframes and significant costs can be incurred when securing land and resource rights, especially if resettlement of people and/or significant economic displacement of communities is required.
PS6	Biodiveristy	M	X	Habitat alteration or degradation is one direct potential threat to biodiversity associated with Project design and construction. Depending on the type of Project and its location, varying degrees of land clearing,habitat alteration and population immigration can result. All of these may extend beyond the immediate footprint of the Project. Construction of new developments can also affect the provision of ecosystem services including: (i) soil formation and nutrient cycling; (ii) the provision of freshwater to local communities; (iii) protection from natural risks; and (iv) sacred sites and areas of importance for recreation and aesthetic enjoyment

	Natural Resources	M	X	Resource use: Sourcing building materials from sustainable sources should be considered during the design phase, and encouraged where possible in construction (e.g. sourcing cement from signatories to the Cement Sustainability Initiative). Construction and demolition waste should be reused where possible (e.g. recycling of concrete minimises the cost associated with sourcing new aggregate for construction). Demolition should be preceded by site inventorying and salvage to ensure all benignmaterials are re-used and recycled, even if only as fill for site levelling. Selection of building materials should be a key component of Project design as mentioned above for enhanced energy efficiency and pollution prevention.
PS7	Indigenous or Vulnerable People		X	
PS8	Cultural Heritage		X	
Other				
	Animal Welfare			
	Climate Change		X	Energy efficiency and air emissions: Initial Project design should focus on incorporating energy efficiency measures and building resilience to risks from climate change. Sponsor companies should incorporate energy efficiency and pollution prevention into Project design (Circularity in Design and Lifecycle in Design ..Construction ... Operation).
	Supply Chain Considerations		X	The construction sector is reliant on contractors. Project construction typically involves engaging a principal contractor along with several subcontractors. This may include large-scale international contracting companies (with locally engaged labour) as well as small-scale local specialist subcontractors. The Project sponsor should ensure that all contractors operate in accordance with local regulations and GIIP. New developments under construction may be located in remoteareas and their establishment and operation generally includes the development of some associated infrastructure including access roads, waste disposal sites, water abstraction, and sometimes, workforce accommodation. An influx of Project labour can pose risks to local communities such as exposure to communicable diseases, increasedcompetition for natural resources (e.g. water, firewood, and arable land for workforce food supply). There is potential for conflict between local and migrant labour where there is seen to be a lack of local economic benefit from the new development, or where local labour is marginalised or where migrant labour has been located
	Disaster risk	L		

Appendix C

Initial ESG Question and Document Request List

Environment, Social Governance (ESG)
Information Request
[Project]

Please respond to the questionnaire and provide requested supporting documentation.

Person completing form: Position:

Telephone: email:
Date:

Return the completed form and accompanying documents to:
[Contact Person] [email]

Documents requested:

- Applicable [Project] Policies: Human Resources Policy, Environment Policy, Health and Safety Policy or equivalent
- Organogram for EHS Management across [Project] business units
- Human Resources Handbook
- Supplier Code of Conduct
- Property schedule for each subsidiary

Location & Subsidiary	Ownership (owned / leased)	Site Area (m^2) & Building footprint (m^2)	Activities (production, warehouse, logistics)

1. How is Environment Health and Safety (EHS) managed at [Project] and at a subsidiary operational level – indicate the roles and responsibilities.

2. Are there environmental and health and safety management systems in place for all [Project] subsidiaries and facilities? Please describe.

3. Is [Project] and [Subsidiaries] compliant with all applicable national and local environmental health & safety and labor laws?

4. In the past three years, have there been any environmental or health and safety non-compliances (such as operating without the appropriate licenses or permissions, pollution incidents or serious injury to employees, sub-contractors or public), or regulatory penalties associated with any of [Project] activities? If so, please list and briefly describe the incident and resolution.

5. Has [Project] or its subsidiaries had any third-party audits in relation to EHS or food safety topics in the past three years by regulators or customers? If so, please list the key findings

6. How does [Project] ensure food safety and hygiene in production, storage and transport?

7. Have there been any significant injuries requiring hospital attention or fatalities in the past three years in [Project] or any of its subsidiaries? If so, please provide additional information about these.

8. Does the company or its contractors employ individuals under the age of 18? If so, please provide additional information.

9. Have there been any complaints from neighbours or workforce reported to the Company in the past three years? If so, please provide additional information.

10. How does [Project] manage internal (workforce) and external (customers and community) complaints and grievances?

11. Does the company have resources efficiency and / or energy efficiency plan? Please provide an overview.

12. Does the company have any armed security guards? If so, how are these managed and organized?

Gender:

Please complete this table with relevant metrics:

% of women employment (Full time / part time)	
% of women at the C-suite level	
% of women at the board of directors	
% women managers	

1. Are there policies or practices in place to promote:
    - gender equality, such as equal pay
    - parental leave,
    - flexible work arrangements
    - SEAH Policies or SEAH provisions in the Human Resources Policy – refer also to separate SEAH questionnaire

   If yes, please describe or provide copies of policies.
2. Does the company prioritize women-owned or women-led suppliers in its procurement processes? If yes, please describe or provide copies of the policies.

Appendix D
Terms of Reference for Environmental Social Due Diligence

Date: Day/Month/Year

Matanataki Pte Ltd. requires the services of an independent environmental and social consultant ("a Consultant") to perform an environmental and social due diligence ("ESDD") assessment of a proposed investment in [describe] company ("the Company").

The following Terms of References apply to the execution of the requested services.

1- Description of the Project or Company

[Insert description].

2- Objective

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

3- Reference Framework

The reference framework will be (MPL policy and fund specific requirements – ***amend as necessary***):

- Compliance with national laws, regulations and international conventions and declarations on environment, labour, health and safety, social aspects and any standards that may be referenced therein.
- IFC Performance Standards (IFC PS).
- World Bank Group Environment Health and Safety (WBG EHS) General Guidelines and Good International Industry Practice standards (GIIP).
- Universal Declaration on Human Rights.
- International Labour Organization (ILO) Fundamental Conventions
- ILO Fundamental Principles and Rights at Work and ILO Basic terms and Conditions of Work (amended 2022).
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.
- UN (6) Principles of Responsible Investment (UNPRI),
- 2 X Challenge Criteria.

And where applicable:

- UN FAO Principles for Responsible Investment in Agriculture.
- WB EHS General Guidelines and Sector Applicable guidelines e.g. for Agribusiness, Waste Management and Tourism.
- IFC's Good Practice Handbook on E&S risks in agro-commodity supply chains.

Specific Requirements for the Matanataki Pacific Fund 1 (MPF1) are:

- European Investment Bank (EIB) Environmental and Social Standards (EIB ESS) 2022
- Green Climate Fund (GCF) Initial Fiduciary Principles and Standards (GCF IFPS) 2014
- GCF Revised Environmental and Social Policy 2021
- GCF Interim Environment and Social Safeguards of the Fund 2014 (GCF ESS)).
- To operate in a manner consistent with GCF's Indigenous People's Policy and GCF's Information Disclosure Policy.

Each fund and its portfolio will apply applicable GIIP and EU Best Available Technique Reference Documents (BREFs) for pollution abatement.

4- Team

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

[Add any specific requirements].

5- Scope of Work and Tasks Adapt scope as required to cover identified risks

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

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

i. Review the Company's environmental and social programs and management systems, and implementation, and [assess compliance with / benchmark them against] the Reference Framework);

ii. Review processes, procedures and the institutional capacity of the Company to manage environmental and social risks and impacts under Good International Industry Practice (GIIP), as defined by the IFC Performance Standards and the World Bank Group EHS Guidelines (both General and Industry Sector guidelines;

iii. Assess the capacity of the [Company/Project] to [comply/operate accordance with/develop a Project under] GIIP, identifying gaps to compliance and recommending actions as necessary with implementation prioritisation;

iv. Reviewing and, where necessary, recommending improvements to the [Environmental and Social Impact Assessments (ESIAs) / Other documents] and the proposed environmental and social management plans for [the Project];

v. Perform site visits to assess the implementation of the Company's environmental and social management systems and plans and the adequacy of the Company's management practices against the Reference Framework;

vi. Identify opportunities for value addition through environmental and social improvements and initiatives;

vii. Prepare an Environmental and Social Action Plan (ESAP) describing the actions to be implemented to achieve compliance with the Reference Framework within a reasonable timeline. Refer to the ESAP example template; and

viii. Conduct a review to identify from publicly available media sources if there are any potential environmental and/or social issues, including NGO attention/campaigns, or items that may lead to reputational risks to the Company.

The assessment will comprise of [X] tasks (*examples below*):

A. [*Kick-off Meeting*:
[Describe].

B. *Assessment of the Company's capacity and track-record*:
[Describe].

C. *Information Review*:
[Describe].

D. *Site Reconnaissance*:
[Describe].

E. *Preparation of the deliverables (see Section [6])*:
[Describe].

6- Reporting and Deliverables

The Consultant will provide:

Red Flag **or** ***Preliminary Summary of Principal Findings*** – shortly after conclusion of the site reconnaissance, the Consultant will provide a concise back-to-office report focusing on principal findings and red-flags, and identified E&S risks, impacts and opportunities. A meeting/conference call will be scheduled between **Matanataki** and the Consultant to discuss the principal findings and the timeline for preparation of the ESDD report; and

Environmental and Social Due Diligence Report – the Consultant will provide a detailed report fully reflecting the scope of work. Where compliance gaps with the Reference Framework and/or opportunities for value addition through E&S improvements have been identified these will be presented in Environmental and Social Action Plan – ***Excel format to be provided***

7- Timeframe

[Insert due date for proposal, and estimate due date for kick off and receipt of due diligence report].

8- Proposal

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

Scope of Work:
The scope of work should include a description of the specific activities that will be performed to accomplish the required tasks identified in Section 5. This should include any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc. If the Consultant feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as "Optional Tasks".

Project team and qualifications:
This should include the name of the principal staff members and any sub-contractors, and a brief description of their role within the project team. Qualifications of staff should include relevant technical capabilities, specific previous project experience similar to this Project, specific in-country experience and knowledge, specific language skills.

Estimated costs:
A total lump sum cost estimate (not to be exceeded), in US Dollars, must be provided for the required scope of work.

A breakdown of the estimated costs by task must also be presented (i.e. tabular format) and should include Direct Labor Costs (number of hours or days per staff and their associated unit costs) and Indirect Labor Costs (i.e. travel, per diem, sub-contractors, etc.).

All reasonable project-related expenses will be reimbursed by [Matanataki]'at cost' (i.e. without mark-up) following provision of receipts. If necessary, the final project costs may be revised and agreed with [Matanataki] following initial discussions with the Company and finalisation of the scope of work; however, any assumptions related to the estimated costs presented in the fee proposal must be clearly stated.

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

[ADD NEW SECTIONS AS APPROPRIATE]:

Appendix D.2
Terms of Reference for Impact Review

Date: Day/Month/Year

Matanataki Pte Ltd. requires the services of an independent Consultant (the "Consultant") to perform an Impact Review of [describe portfolio company/companies, project or fund-level scope].

The following Terms of References apply to the execution of the requested services.

1- Description of the Project or Company

[Insert description: include: sector (e.g. waste, regenerative agriculture, fisheries, tourism), country(ies), main activities, stage of business, and how it relates to MPF1's climate, reef, gender and community resilience impact thesis.].

2- Objective

The requested services are to support MPL and MPF1's follow-up approach and portfolio learning by independently reviewing and verifying the Company/Project/Portfolio against the reference framework in Section 3, with a focus on:

- Reviewing progress against intended impact outcomes, KPIs and targets (climate, reef, gender, socio-economic).
- Identifying strengths, gaps and risks in current impact practice, governance and data systems.
- Highlighting lessons learnt and good practice that can inform MPF1's wider portfolio and processes.
- Recommending practical, prioritised improvement actions for the Company and for MPF1's impact management.

This is an Impact Review of performance, systems and learning over a defined period, not a one-off ex-ante impact assessment.

3- Reference Framework

The reference framework will be MPL policy and fund-specific requirements, including (as applicable):

- MPF1 Impact Measurement and Management (IMM) Framework and ESMS.
- Matanataki ESG and Impact Policy; MPF1 Gender Policy and Gender Impact Roadmap and Guideline.
- MPF1 portfolio Impact Projections and agreed fund- and company-level KPIs (including GCF, IRIS+ and 2X-aligned indicators).
- Compliance with national laws, regulations and relevant international conventions on environment, labour, health and safety, social aspects and human rights, insofar as they relate to impact integrity.
- 2X Challenge Criteria for gender lens investing.
- IFC Performance Standards and WBG EHS Guidelines and GIIP, as overarching ESG/impact reference standards.
- European Investment Bank (EIB) Environmental and Social Standards, and relevant Green Climate Fund (GCF) requirements (including results framework and core indicators).

Where relevant, the Consultant should also consider SDG Targets, Planetary Boundaries, country NDCs/NAPs, national SDG priorities, and Pacific indigenous and community perspectives on resilience and wellbeing.

4- Team

The Impact Review must be carried out by suitably qualified, independent impact and/or ESG experts with appropriate background and experience in:

- Impact measurement and management for private sector / SME investments.
- Climate, oceans, waste, regenerative agriculture, fisheries and/or tourism in Pacific SIDS contexts.
- Gender-lens investing and 2X Challenge application in practice.
- Stakeholder and community engagement, including indigenous and local community processes where relevant.
- Spiritual transformation.

[Add any specific requirements – years of experience, language skills, Pacific regional experience, etc.]

5- Scope of Work and Tasks

The scope of work comprises an independent review of all material impact aspects of the Company/Project/Portfolio within the framework in Section 3.

The Consultant will, at a minimum:

i. Document and data review
   a. Review Company impact reports, KPI data, board packs, ESG/impact policies and action plans.
   b. Review MPF1's IMM documentation, impact projections and any previous reviews for the Company.

ii. Impact performance review
   a. Analyse performance against agreed KPIs and targets (climate/reef, environmental, gender, socio-economic, community).
   b. Comment on data quality, consistency and material limitations, and whether performance appears credible and material in context.

iii. Impact strategy and theory of change review
   a. Review the Company's stated impact objectives and pathways, and alignment with MPF1's fund-level theory of change and portfolio impact thesis.
   b. Identify any misalignment, missing links or untested assumptions that affect impact credibility.

iv. Gender and social inclusion review
   a. Review gender impacts and practices against MPF1 Gender Policy, Gender Impact Roadmap and 2X criteria (ownership, leadership, workforce, supply chain, products).
   b. Identify where gender and inclusion outcomes are strong, where they are weak, and where transformational opportunities exist.

v. Climate and ecological impact review
   a. Review contributions to climate resilience and mitigation, including reef and ecosystem outcomes where applicable.
   b. Comment on whether reported outcomes are consistent with MPF1's climate-reef impact thesis and GCF/GFCR indicators.

vi. Systems, governance and IMM practice review
   a. Review how impact is governed and managed (roles, processes, tools, data flows, board oversight, integration with business decisions).
   b. Assess alignment with MPF1's IMM and ESMS processes, including frequency and quality of reporting to MPL/MPF1.

vii. Impact risks, unintended effects and integrity
   a. Identify key impact risks (including risks of over-claiming, impact dilution, exclusion, or negative externalities) and any significant unintended impacts.
   b. Review whether impact claims could reasonably be considered fair, proportionate, and consistent with available evidence (impact integrity).

viii. Lessons learnt and portfolio-level insights
   a. Identify lessons that are relevant for other MPF1 portfolio companies or for MPF1 fund-level IMM practice (what worked, what did not and why).
   b. Highlight examples of good practice, innovation and relational / community-centred approaches that align with MPF1's regenerative and gender-transformative vision.

ix. Impact Improvement and Learning Plan
   a. Prepare a concise, prioritised Impact Review Action & Learning Plan with recommendations for:
   b. The Company (improvements to strategy, operations, gender practice, stakeholder engagement, KPIs, systems).
   c. MPF1/MPL (refinements to portfolio-level IMM, templates, TA support, and learning processes).

The review will comprise X tasks. For practical purposes, these can be grouped as:

A. Kick-off meeting –[confirm scope, timeframe, information needs and communication protocols].
B. Desk-based review – [documentation and data review and initial analysis].

C. Interviews and, where agreed, site visit / virtual visit – [**discussions with Company management, selected staff, and, if appropriate, stakeholders.]**
D. Drafting of Impact Review Report and Impact Review Action & Learning Plan.
E. Finalisation and presentation of deliverables.

6- Reporting and Deliverables

The Consultant will provide:

1. Headline Findings / Red-Flag Note
    a. Shortly after completing key interviews/visits, a short note summarising:
    b. Principal positive findings.
    c. Any red flags and material issues related to impact performance, integrity or systems.
    d. Critical data gaps and limitations.
    e. A call will be scheduled between MPL/MPF1 and the Consultant to discuss these findings and agree any focus areas for the final review.
2. 2.Impact Review Report A concise but substantive report that covers:
    a. Overview of Company/Project/Portfolio and context.
    b. Impact performance against KPIs and targets, with commentary.
    c. Review of impact strategy and theory of change.
    d. Gender and social inclusion review.
    e. Climate and ecological impact review.
    f. Review of systems, governance and IMM practice, and alignment with MPF1 frameworks.
    g. Impact risks, integrity and unintended outcomes.
    h. Lessons learnt and good practices.
    i. Summary of recommended actions for Company and MPF1.
3. Impact Review Action & Learning Plan – Excel format
    a. An Excel table (compatible with MPF1 templates) containing:
    b. Action description.
    c. Priority level and timeframe.
    d. Responsible party (Company / MPF1 / joint / TA Facility).
    e. Related KPI(s) or process element.
    f. Notes on support needs or dependencies.

One consolidated round of comments from MPL/MPF1 will be provided on the draft report and plan, after which the Consultant will issue final versions.

7- Timeframe

Insert due date for proposal, and estimated dates for kick-off, interim findings and receipt of final Impact Review report.
For example:

- **Proposal due: date**
- **Kick-off: date**
- **Headline Findings / Red-Flag Note: date**
- **Draft Impact Review Report and Action & Learning Plan: date**
- **Final Impact Review Report and Action & Learning Plan: date**

8- Proposal

The proposal for the Impact Review should include:

Scope of work and methodology

- Description of how the Consultant will perform the review, including approach to document review, data analysis, interviews and (if applicable) site/virtual visits.
- Description of how impact performance, gender outcomes, climate/reef outcomes and IMM systems

will be reviewed against the reference framework.
- Any proposed additional or "Optional Tasks" beyond the minimum scope.

Project team and qualifications
- Names and roles of principal staff and sub-consultants.
- Summary of relevant impact/IMM, gender, climate/reef, and Pacific regional experience, including prior work with GCF, GFCR, DFIs or similar funds.

Estimated costs
- A total lump-sum cost estimate (not to be exceeded), in US Dollars, for the required scope.
- A breakdown of estimated costs by task and by staff member (days and daily rates), including travel and other direct costs.

All reasonable project-related expenses will be reimbursed by Matanataki at cost (no mark-up) upon provision of receipts. If needed, final costs can be revised and agreed with Matanataki following initial discussions with the Company and finalisation of the scope; all assumptions must be clearly stated.

Conflicts of interest
The Consultant shall confirm that they have no conflict of interest and can provide an adequate, accurate and objective impact review.

9- Additional Sections

Add new sections as appropriate, e.g.:

- Confidentiality and data protection.
- Ownership and use of outputs.
- Coordination with parallel ESG/ESDD work under the ESMS.
- Requirements for participation in feedback/learning sessions with MPF1 portfolio companies.

Appendix D.3
Terms of Reference for Gender Review

Date: Day/Month/Year

Matanataki Pte Ltd. requires the services of an independent Consultant (the "Consultant") to perform a Gender Review of [describe portfolio company/companies, project or fund-level scope].

The following Terms of References apply to the execution of the requested services.

1- Description of the Project or Company

[Insert description ***Include: sector, country(ies), size, ownership/leadership profile, workforce profile, and the role of the Company/Project in MPF1's gender-equitable, reef-positive and community resilience strategy.]***

2- Objective

The purpose of this assignment is to support MPF1's gender-equity objectives by independently reviewing how the Company/Project/Portfolio is performing on gender equality and women's empowerment, and how this aligns with:

- MPF1 Gender Policy and Action Plan.
- MPF1 Gender Impact Roadmap and Guideline (leadership & ownership, workplace equity & agency, gender-responsive products, inspirational returns).
- 2X Challenge Criteria and MPF1's gender KPIs.

The Gender Review will:

- Examine current gender outcomes, practices and culture.
- Identify gaps, barriers and opportunities for transformational change.
- Provide a Gender Review Action Plan for the Company and, where relevant, recommendations for MPF1's support and portfolio-level learning.

3- Reference Framework

The Consultant will review gender performance against the following reference framework:

- MPF1 Gender Policy and Action Plan (including fund-level gender objectives and KPIs 1–6).
- MPF1 Gender Impact Roadmap and Guideline (transformative, regenerative approach, indigenous and feminist framing).
- MPF1 Impact Measurement & Management framework (gender-related indicators, reporting requirements).
- 2X Challenge Criteria for:
  - Women ownership/founding.
  - Women in leadership and boards.
  - Women in workforce and quality employment.
  - Women in supply chains.
  - Products/services that benefit women and girls.
  - Relevant national laws and policies on gender equality, labour and non-discrimination, and applicable international norms.

Where relevant, the review should be grounded in:

- Pacific and local cultural context, including indigenous and customary norms.
- MPF1's commitment to relational, participatory, and story-based approaches to gender impact.

4- Team

The assignment must be conducted by independent gender experts with:

- Demonstrated expertise in gender equality and women's empowerment in private sector/SME settings.
- Experience applying 2X Challenge criteria or similar gender-smart financing standards.
- Understanding of Pacific Island contexts and, preferably, experience working with indigenous and local communities.

- Experience with participatory and narrative-based approaches to gender analysis (e.g. stories, lived experience, qualitative methods).

[Add any specific requirements – years of experience, language skills, Pacific regional experience, etc.]

5- Scope of Work and Tasks

The scope is an independent Gender Review of the Company/Project/Portfolio, focusing on performance, practice and learning rather than a one-off ex-ante assessment.

The Consultant will:

i. Document and data review
   a. Review Company policies, HR data, organisational charts, pay structures, relevant ESMS/IMM content and any existing gender action plans.
   b. Review MPF1's Gender Policy, Gender Impact Roadmap, and relevant impact/gender reporting for the Company/Portfolio.

ii. Gender baseline and 2X status
   a. Establish or update a gender baseline for ownership, leadership, workforce, supply chain and customers/beneficiaries.
   b. Assess alignment with 2X criteria and MPF1 gender KPIs 1–6 (including where the Company fully meets, partially meets or does not yet meet criteria).

iii. Leadership & ownership
   a. Review women's representation and influence at ownership, board, IC and senior management levels.
   b. Identify barriers and enabling factors for women's leadership and decision-making power.

iv. Workplace equity & agency
   a. Review recruitment, promotion, pay, contracts, flexible work, parental leave, childcare support, policies on sexual harassment and gender-based violence, and grievance mechanisms.
   b. Examine workplace culture, agency and safety for women and other genders, including informal norms.

v. Gender-responsive products, services and value chains
   a. Assess how products/services and value chains affect women and men differently (e.g. women smallholders, women suppliers, women consumers).
   b. Identify opportunities to design or adjust offerings to better serve women and girls and to support gender-equitable livelihoods.

vi. Inspirational returns and transformational practice
   a. Explore stories of change, healing, cooperation and leadership that illustrate gender impact beyond numeric KPIs.
   b. Identify emerging practices that reflect MPF1's kincentric, regenerative gender vision (e.g. ceremony, new language, community dialogue) and where these could be deepened.

vii. Systems, capacity and support needs
   a. Review internal capacity, roles and responsibilities for gender within the Company.
   b. Identify specific areas where MPF1's Technical Assistance Facility or other support could accelerate gender transformation (e.g. training, coaching, policy development, infrastructure).

viii. Gender Review Action Plan
   a. Develop a prioritised, time-bound Gender Review Action Plan with clear actions, responsibilities, timelines, and required support for:
      - Company-level changes (policies, practices, culture, products, data).
      - MPF1-level support (TA, peer learning, tools, portfolio learning).

For clarity and planning, the Consultant may structure the work into:

A. Kick-off meeting.
B. Desk review and initial 2X and policy/gap analysis.
C. Interviews, focus groups and, where appropriate, site/virtual visits.
D. Draft Gender Review Report and Gender Review Action Plan.
E. Finalisation and presentation of findings.

6- Reporting and Deliverables

The Consultant will provide:

1. Headline Gender Findings Note

   a. Short note summarising:

b. Key strengths and promising practices.
c. Critical gender gaps and risks (including any urgent red flags).
d. Priority areas to focus on in the Action Plan.

2. Gender Review Report The report will typically include:

a. Overview of context and Company/Project/Portfolio.
b. Gender baseline and 2X/KPI status.
c. Findings on leadership & ownership, workplace equity & agency, gender-responsive products/value chains, and inspirational returns.
d. Summary of stories and qualitative insights that illuminate lived experience and transformational potential.
e. Capacity, systems and TA needs.

3. Gender Review Action Plan – Excel format

a. Excel table compatible with MPF1 templates, setting out:
b. Actions, linked to the four Gender Roadmap levels and to 2X/gender KPIs where relevant.
c. Priority (short/medium/long-term).
d. Responsible party (Company/MPF1/TA Facility/other partners).
e. Timeline and indicative resource needs.

One round of consolidated comments will be provided on the draft report and Action Plan before finalisation.

7- Timeframe

Insert due date for proposals and expected dates for kick-off, draft and final deliverables.
Example (to be adapted):

- Proposal due: date
- Kick-off meeting: date
- Headline Gender Findings Note: date
- Draft Gender Review Report and Gender Review Action Plan: date
- Final Report and Action Plan: date

8- Proposal

Proposals should include:

Understanding and approach – how the Consultant will carry out a gender review that is both standards-aligned (2X, MPF1 policy) and grounded in Pacific, indigenous and relational perspectives.

Methodology – including qualitative and quantitative methods, participatory processes, and approach to safeguarding and ethics in interviews/focus groups.

Team and experience – CV summaries showing relevant gender, 2X and regional experience.

Workplan and budget – tasks, days per team member, fees and expenses; total lump-sum in USD with breakdown by task.

All reasonable expenses will be reimbursed by Matanataki at cost (no mark-up) against receipts, with assumptions clearly stated.

If you confirm whether this is intended for: (i) a single company, or (ii) a cross-portfolio review, the language can be tightened and pre-filled with specific examples and 2X thresholds for that scope.

Conflicts of interest
The Consultant shall confirm that they have no conflict of interest and can provide an adequate, accurate and objective impact review.

9- Additional Sections

Add new sections as appropriate, e.g.:

- Confidentiality and data protection.
- Ownership and use of outputs.
- Coordination with parallel ESG/ESDD work under the ESMS.
- Requirements for participation in feedback/learning sessions with MPF1 portfolio companies.

Appendix E.1
Environment and Social Due Diligence Questionnaire

Environment

	Due diligence on environmental matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
Compliance with local laws	What are the local environmental laws, standards and regulations of relevance for the company's operations?				Documents: Company environmental policies, permits, certifications; environmental sign-offs or audits performed; effluent and emission records; energy and resource consumption records; recycling contracts; waste treatment contracts; environmental impact assessments.
	Are local environmental laws, standards and regulations effectively enforced by the local authorities?				
	Does the company comply with all relevant local environmental laws, standards and regulations?				
	What environmental permits or certifications for the company's operations are required by the local environmental authorities?				
	Has the company obtained all relevant environmental permits and certifications and are they up to date? Request copies as part of the due diligence.				
	Are there any environmental sign-offs, checks or audits required by the local environmental authorities?				
	Has the company successfully complied with all locally required environmental sign-offs, checks and / or audits? Request copies of any relevant records as part of the due diligence.				
International environmental conventions and standards	Are there any international environmental conventions or standards of particular relevance to the operations of the company? Examples include hazardous wastes, ozone depleting substances, herbicides and pesticides, timber, desertification, etc.				
IFC Performance Standards & industry specific environmental guidelines	Does the company operate in a sector for which the IFC has issued industry specific Environmental, Health and Safety (EHS) Guidelines? **If so, use the industry specific environmental guidelines as reference for the due diligence.**				
Risk Management	What processes does the company have to assess the environmental risks arising from its operations?				
	What processes does the company have to ensure that protective measures are put in place and enforced?				
Environmental Track Record	Have there been any serious environmental incidents in the last five years?				Interviews: CEO, operations and plant managers, workers responsible for effluent and emission monitoring, workers dealing
	Does the company record all serious environmental incidents and conduct full investigations?				
	Had the company paid charges, fines or penalties for non- compliance with environmental regulations and standards in the last two years? Request to see copies of records as part of the due diligence.				

	Due diligence on environmental matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
	Is the company exposed to potentially significant environmental liabilities, such as those arising from land or ground water contamination, related to the company's past or ongoing operations? If yes, specify magnitude.				with any hazardous substances and wastes, specialist consultants, local authorities, local community representatives.
	If the company is not materially in compliance with environmental regulations and standards, or if there are potentially significant environmental liabilities, please describe further actions required by the authorities and / or planned by the company to address these issues satisfactory and to achieve regulatory compliance.				
Effluents	Does the company generate waste water or other effluents?				
	What types, qualities and quantities? Are any of the effluents hazardous or toxic? How are these dealt with?				
	Where are effluents released?				
	Are effluents treated before release?				
	Is there an effluent treatment plant?				
	Are effluent quantity and quality monitored regularly and effectively?				
	Are company effluents (quality and quantity) and pollution prevention measures in line with local laws, standards and regulations?				
	Are company effluents and pollution prevention measures in line with IFC industry specific environmental guidelines? (If applicable – see Appendix 5 of the 2010 CDC Toolkit for a list of IFC industry specific Environmental, Health and Safety (EHS) guidelines).				
Emissions	Does the company generate air emissions? What types, qualities and quantities?				
	Are any of the emissions hazardous? How are these dealt with?				
	Does the company take measures to reduce emissions?				
	Are emissions quantity and quality monitored regularly and effectively?				
	Are company emissions (quality and quantity) and pollution prevention measures in line with local laws, standards and regulations				
	Are company emissions and pollution prevention measures in line with IFC industry specific environmental guidelines? (If applicable – see Appendix 5 of the 2010 CDC Toolkit for a list of IFC industry specific Environmental, Health and Safety (EHS) guidelines).				
Resource Conservation	Does the company keep records of and monitor its use of energy and other resources?				See first page of this table
	Could use of energy and / or other resources be reduced with more efficient processes and controls or different technologies?				
	What wastes does the company generate (types, quantities)?				

	Due diligence on environmental matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
Waste Management	Are any of the wastes hazardous? How are these dealt with?				
	How is the waste managed?				
	Are wastes recycled?				
	Could wastes be reduced? If so, how?				
	Does the company produce a significant amount of packaging which creates substantial solid waste elsewhere?				
Water Use	Does the company use large quantities of water?				
	Might water supply for the company be under threat of shortages?				
	Does the company's use of water reduce the supply available to other users?				
International Certifications	Does the company have ISO 14000 certification(s), including ISO 14001 for its environmental management systems?				
	Does the company have any relevant industry specific certifications, e.g. from the Forestry Stewardship Council (FSC) or other relevant industry bodies?				
	If relevant, does the company qualify for 'organic' certification of its products, which could command a premium price in international markets?				
Land Clearance	Do the company's activities involve land clearance?				
	Are any land clearances well managed, including thorough consultations with local authorities and affected communities?				
Biodiversity	Are there any risks for negative impacts on local flora or fauna from the company's operations? See IFC Performance Standard 6,				
	Are there any risks for biodiversity loss from the company's operations?				
	Has the company identified and addressed all biodiversity impacts of its operations if it operates within an industry with significant risks through an environmental impact assessment? Check Sector Guidance (WBG etc for sector risks)				
Sensitive forests	Does the company source materials from sensitive forests or use inputs in its production process which could contribute to loss of sensitive forests?				
Climate change	Does the company operate in a carbon-intensive industry, e.g. cement, aviation, power generation?				
	Has the company taken measures to reduce greenhouse gas emissions?				
	Could greenhouse gas emissions be reduced further through use of different technologies?				
	Do the company's activities include significant use of transportation?				

	Due diligence on environmental matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	**Questions to ask**	**Yes**	**No**		
	In what ways could carbon emissions from transportation be reduced?				
	Can the company certify its reductions in greenhouse gas emissions and thereby augment cash flows under the Clean Development Mechanism?				
Supply Chain	Is the company aware of the environmental practices of its sub- contractors and / or of other companies from which it sources significant inputs?				
	Are the environmental practices of sub-contractors and / or of other companies from which the company sources significant inputs as sound as those deployed by the company?				
	If not, can the company influence its major sub-contractors and / or suppliers to improve their environmental practices, potentially by making improved practices a condition for continued business?				

Social Matters

	Due diligence on social matters: labour and working conditions	Tick Yes / No		Comments / action required	Answer source
Key due diligence Areas	**Questions to ask**	**Yes**	**No**		
Compliance with local laws	What are the local labor laws, standards and regulations of relevance for the company's operations?				Documents: Company human resource policies, including on wages, nondiscrimination, representation, grievance mechanism, etc; contracts for different types of employees and seasonal / temporary workers if applicable; other labor records as relevant. Interviews: CEO, company managers, human resource manager, workers (of different gender),
	Are local labour laws, standards and regulations effectively enforced by the local authorities?				
	Does the company comply with all relevant local labour laws, standards and regulations?				
	What labour records are the company required to keep according to local laws and regulations?				
	Are all of the company's labour records and contracts properly kept and up to date?				
Child Labour	Is the company operating in a country or sector where child labour is common? *See Appendix 2 and 5 of the 2010 CDC Toolkit.*				
	What is the local minimum working age?				
	Is the local minimum working age consistent with ILO Conventions 138 and 182? *See Appendix 5 of 2010 CDC Toolkit.*				
Minimum Wage	Does the company adhere to local and / or industry minimum wage standards?				
	Are local minimum wage standards consistent with decent living wages?				
	Is the company operating in a sector where competitive advantage arises from paying low wages? See Appendix 2 of the 2010 CDC Toolkit.				
	If so, what systems are in place to ensure that the legal minimum wage is adhered to?				

	Due diligence on social matters: labour and working conditions	Tick Yes / No		Comments / action required	Answer source
Key due diligence Areas	Questions to ask	Yes	No		
	Is the company operating in a country where the cost of living has increased substantially (e.g. because of inflation or drought)?				seniority and pay levels, representatives of minority groups, union representatives.
	If so, have wages kept up with increases in living costs?				
Discrimination	Does the workforce appear to be representative of the local population with respect to gender, race, religion, etc?				
	Are any local customs likely to result in discriminatory practices?				
	What are local norms regarding the employment of women?				
	Does the company have a non-discriminatory policy with respect to gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status? Is such a policy adhered to?				
	Does the company adhere to good gender practices?				
	Does the company improperly conduct non-confidential or mandatory HIV tests for its workers?				
Representation	What systems does the company have in place to enable workers to present and argue their views to management?				
	Is the workforce unionized?				
	If so, is the union representative of all workers including minority groups?				
Vulnerable Labour	Does the company employ migrant labour, non-local workers or other workers which are likely to be particularly vulnerable? If so, how are their interests looked after?				
Human resources	Does the company have a human resource policy which informs workers of their rights and conditions of employment?				
	Are workers aware of their rights?				
	Are proper labour contracts in place for all staff, including for temporary and seasonal workers?				
	Does the company have policies in place for overtime, maternity leave, sick leave and disability?				
	Does the company have a grievance mechanism for staff to make formal complaints to human resources?				
Supply chain	Is the company aware of the labour practices of its sub-contractors and / or of other companies from which it sources significant inputs?				
	Are the labour practices of sub-contractors and / or of other companies from which the company sources significant inputs as sound as those deployed by the company?				
	If not, can the company influence its major sub-contractors and / or suppliers to improve their labour practices, potentially by making improved practices a condition for continued business?				

	Due diligence on social matters: health and safety	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
Local laws	What are the local health and safety laws, standards and regulations of relevance for the company's operations?				Documents: Health and safety policy; health and safety records; documentation of any
	Are local health and safety laws, standards and regulations effectively enforced by the local authorities?				
	Does the company comply with all relevant local health and safety laws, standards and regulations?				
	What permits or certifications on health and safety are required by the local authorities for the company's operations?				accidents; any relevant permits and certification ; records of any health and safety checks or audits performed. Interviews: CEO, company management, HR manager, operations and plant managers, workers, especially any worker that has been exposed to a serious health and safety incident, specialist consultants (where relevant), local authorities (where relevant), local community representatives (where relevant).
	Has the company obtained all relevant health and safety permits and certifications? Request copies as part of the due diligence.				
	Are there any health and safety checks or audits required by the local authorities?				
	Has the company successfully complied with any locally required health and safety checks or audits?				
IFC Performance Standards & industry specific health and safety guidelines	Does the company operate in a sector for which the IFC has issued industry specific Environmental, Health and Safety (EHS) Guidelines? If so, use the industry specific health and safety guidelines as reference for the due diligence.				
Risk Management	Does the company have an appropriate health and safety policy for the health and safety risks of its operations?				
	What processes does the company have in place to assess the health and safety risks arising from its activities? (e.g. hazardous chemicals, machinery, dust, noise, odours, fumes, vibrations)				
	What processes does the company have to ensure that appropriate protective health and safety measures are put in place?				
	What processes does the company follow to ensure that workers use protective equipment (e.g. hats, goggles, gloves) when dealing with hazards (e.g. handling chemicals, machinery)?				
	Does the company have regular training programs for all relevant staff on occupational health and safety?				
	Does the company have an emergency plan in place, if relevant including provisions for fires, leakage of hazardous chemicals or explosions?				
	Does the company conduct regular and effective inspections and compliance checks on health and safety?				
	Has the company paid charges, fines or penalties for non-compliance with health and safety regulations and standards in the last two years? Request to see copies of records as part of the due diligence.				

Health and safety track record	Is the company exposed to potentially significant health and safety liabilities, such as those from ongoing or future claims from negatively affected workers and / or communities, related to the company's past or ongoing operations? If yes, specify magnitude.				
	If the company is not materially in compliance with local health and safety laws, regulations and standards, or if there are potentially significant health and safety liabilities, please describe further actions required by the authorities and / or planned by the company to address these issues satisfactorily and to achieve regulatory compliance.				
	Does the company record accidents and conduct full investigations of any serious incidents?				
	Have there been any accidents in the last five years?				
	What is the company's health and safety record (ask to see the accident record book)?				
	On a tour of the factory or other site of operations (if applicable), keep an eye out for obvious areas of health and safety risks and				
	ask for management's and workers' views. Any issues?				
Community health and safety	Are there any health and safety risks for local communities or consumers associated with the company's operations or products?				See previous section on labor and working conditions
	Are any health and safety risks for local communities or consumers managed in a satisfactory manner? Refer to the IFC Performance Standards and any relevant industry specific health and safety guidelines.				
International certifications	Does the company have OHSAS 45001 certification?				
Supply chain	Is the company aware of the health and safety practices of its subcontractors and / or of other companies from which it sources significant inputs?				
	Are the health and safety practices of sub-contractors and / or of other companies from which the company sources significant inputs as sound as those deployed by the company?				
	If not, can the company influence its major sub-contractors and / or suppliers to improve their health and safety practices, potentially by making improved practices a condition for continued business?				

	Due diligence on social matters: other social matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
Local communities	What impacts may the company's activities have on local communities and other stakeholders?				Documents: Company community consultation policy, records of consultations, retrenchment policy, social impact assessments, indigenous peoples plan.
	Are there identified indigenous peoples (IP) among the local communities and stakeholders of the company or project?				
	Does the company employ local workers? If not, why not?				
	If there could be significant adverse impacts, has the company conducted a social impact assessment and followed up on its findings and recommendations with mitigating measures?				
	Does the company have good relations with the local communities and NGOs?				
	Do the company's activities have a direct or indirect impact on marginal or vulnerable social groups with identities distinct from the dominant groups on the basis of race, religion, HIV status or other potential basis for discrimination?				
	Does the company contribute to any community development programs through financial donations or in other ways?				
Consultations	What systems does the company have in place to consult with persons and groups affected by its operations and / or products?				
Consent	Has formal and legal consent for project activities been obtained, and in particular, in the case of IP stakeholders, has the company or project obtained Freely given, Prior Informed Consent from such for activities, projects, use of land or resources?				
Adverse effects and mitigation	If there are any adverse effects on local communities or other stakeholders from the company's operations, how are such effects minimized, reduced or compensated for?				
Relocation	Are persons being moved as a result of the company's new or expanded operations?				Interviews: CEO, company management, operation and plant managers, workers, representatives from local
	Even if persons are not being moved, might their livelihoods be affected because of a change in land use as a result of the company's operations?				
	If persons are being moved or otherwise negatively affected as a result of the company's operations? , including through provision of new housing and / or financial compensation?				
					communities, NGOs, local authorities.
Particular social issues	Are there any particular sensitive social issues to consider for the country of company operations, such as a high HIV / AIDS prevalence rate, civil conflict or discrimination against indigenous, religious or other minority groups? ***See IFC Performance Standard 7, GCF IP Policy***				

	2018				
	If so, does the company have appropriate policies and procedures to address such sensitive social issues?				
Cultural matters	Do the company's operations have an impact on a natural or historical location with a local cultural significance? This is particularly relevant for new or expanded operations***. See IFC Performance Standard 8, GCF IP Policy 2018***				
Non-local workers and remote locations	Does the establishment or expansion of the company's operations require the import of non-local labour to the region, either for construction or for longer-term employment?				
	Why is it appropriate or necessary to use non-local labour?				
	What are the company's measures to ensure that non-local labour has no or insignificant negative impact on the local communities? Note the risk of an increase in prostitution as a frequent result of the import of non-local male workers, with subsequent increases in HIV / AIDS prevalence.				
	Have the local communities and NGOs been consulted as relevant?				
	How are non-local workers accommodated? Do they have decent housing conditions and other adequate facilities, including health care and other provisions for remote locations?				
	What are the plans for non-local labor to return to their destination of origin?				
	Are the families of non-local workers also relocated by the company?				
	Are they, in that case, adequately provided for (schools, health centres, family housing, etc).				
Retrenchment	Are substantial job losses expected as a result of this investment or the company's future strategy?				
	What is the company's retrenchment policy (who would be affected by job losses, what compensation is provided, etc)?				
	How has the company dealt with any major retrenchments in the past?				
	Impressions from workers and unions?				
	What has the company done to ensure that any retrenchment is managed fairly?				
Use of security force	Will / does the company employ its own security force?				
	How are company security guards trained?				
	Will / does the company employ its own security force?				See previous section on health and safety
	How are company security guards trained?				
Road safety	What is the company's road safety record?				
	Have there been any accidents and / or fatalities in the last five years?				
	What road safety measures does the company follow?				

Governance

	Due diligence on E&S Governance matters	Tick Yes / No		Comments / action required	Answer source
Key due diligence areas	Questions to ask	Yes	No		
	Does the company have a code of ethics?				Corporate Policy Ethics, Whistle Blowing, Board Minutes Agenda etc
	Does the company have a corporate governance code and / or policies?				
	What are the procedures for monitoring compliance with these? Who does the monitoring?				
	Does the company have a whistleblower policy and procedures?				
	Does the company disclose the extent to which it is complying with its corporate governance policies and procedures?				
	Does the company have a designated officer responsible for ensuring compliance with the company's corporate governance policies?				
Structure and functioning of the board of directors					Documents: Articles of incorporation, board charter, directors' profiles, calendar of board meetings, minutes of board meetings, related party transactions table. Interviews: Board chair, corporate secretary, board committee chairmen, CEO, CFO.
					Documents: Audit committee charter, internal control and risk
	Does the company have an audit committee?				

Control and risk managemen t	What is the role of the audit committee and the board of directors in ensuring that proper internal controls are maintained, risks are managed and that the company is in compliance with all relevant laws and regulations?				management policies, management letters, compliance Programme Interviews: Board chair, audit committee chair, CFO, controller, internal audit responsible risk officer, compliance officer, external auditor.
	Does the board of directors set the company's risk profile and periodically review the company's risk management system?				
	Does the company have an internal audit (IA) function? Does the IA function have a charter that is approved by the audit committee or board of directors? Does the IA function have full access to records, property and personnel relevant to their audit? To whom does the IA function report? Is the IA chief independently hired and dismissed with the consent of the board of directors? Does the board of directors monitor management's response to deficiencies and weaknesses identified by the IA function and / or external auditors?				
	Does the company have a risk management system including ESG matters?				
	Who is responsible for developing the company's risk management system?				
	How are the risks identified and compared with industry standards?				
	Does the company regularly consult with local communities, NGOs and other relevant stakeholders? Has there been negative media coverage about the company or its staff / management / board directors? How is the company perceived by media and NGOs?				In addition to above – public records search and interviews with external stakeholders

Appendix E.2

Sexual Exploitation Abuse & Harassment

1. Screening Questionnaire[1]

Ensuring basic risk mitigation measures are in place ahead of stakeholder engagement	Responsibility	Comments
Does the MPL/MPF1 have a SEAH Policy (or SEAH provisions in another policy)?	MPL/MPF1	
If the MPL/MPF1 has contracted out stakeholder consultations, does that entity have a SEAH Policy (or are they contractually bound to apply the MPL/MPF1's)?	MPL/MPF1/Consultant	
Does the MPL/MPF1 have an employee Code of Conduct?	MPL/MPF1	
If the MPL/MPF1 has contracted out stakeholder consultations, does that entity have an employee Code of Conduct (or are they contractually bound to apply the MPL/MPF1's)?	MPL/MPF1/Consultant	
Have MPL/MPF1 employees and consultants conducting stakeholder consultations been trained on preventing SEAH and the Code of Conduct?	MPL/MPF1/Consultant	
Does the MPL/MPF1 have a grievance mechanism in place in case of early SEAH complaints from stakeholder engagement?	MPL/MPF1	
Does the MPL/MPF1 have a specialist on staff who can undertake the more advanced assessment in Stage 4 as well as deal with early SEAH complaints if they arise; and if not, does the MPL/MPF1 require budget and /or assistance with this?	MPL/MPF1	
Contextual Level (and Baseline Conditions)	**Reference**	**Comments**
Does the country have laws prohibiting sexual harassment / stalking generally?	National /State law (Gender Assessment)	
Do labor laws prohibit sexual harassment in the workplace?	National/State law (Gender Assessment)	
Does the country have laws prohibiting intimate partner violence (IPV)?	National/State law (Gender Assessment)	
What is the prevalence of GBV in the country?	National statistics (Gender Assessment)	
What is the legal age a person can marry?	National law	
Despite any laws, what is the prevalence of child marriage in the country?	National statistics	
What is the income level of the country?	World Bank ranking (H, HM, M, LM, L)	
Where does the country rank on global gender indices?	World Bank Reports / Other	
Is there a national action plan on GBV and/or sexual harassment?	National government	
Does the country have specialized services for survivors of GBV (at both the national and local level) including women's shelters, adequate medical facilities and facilities which provide psycho-social support?	Local gov / NGOs	

[1] GCF SEAH Risk Assessment Tool 2021

Is the country currently experiencing war, internal conflict or humanitarian disaster?	National / Media	

Project Level Risks	Responsibility	Comments
Are women concentrated in lower paid roles and mostly line-managed and supervised by men?	MPL/MPF1	
Are piece-rate systems or other performance-related pay structures used where individuals are in control of how much other workers get paid?	MPL/MPF1	
Will project workers have control over life-changing resources such as the allocation of compensation for displacement or access to basic or highly sought-after resources?	MPL/MPF1	
Will security personnel be used? Will they be armed?	MPL/MPF1	
Will there be an influx of male workers into the project area (as opposed to only using local labor)?	MPL/MPF1	
Are local communities poor and lacking basic resources?	MPL/MPF1	
Will migrant workers be employed by the project, especially those who may not speak the local language? Will they be employed on a temporary or daily basis?	MPL/MPF1	
Will project workers all have formal contracts?		
Will goods frequently be transported over long distances, especially through poor and/or remote communities?	MPL/MPF1	
Are worksites or project activities based in remote locations? Will worksites be spread out, with isolated spaces?	MPL/MPF1	
Will project workers live in the community or in worker housing? If in worker housing, is it mixed sex?	MPL/MPF1	
Will workers be required to travel long and potentially unsafe distances, and at times of day when transport options may be limited?	MPL/MPF1	
Will the project operate in highly pressurised work environments, with tight seasonal deadlines?	MPL/MPF1	
Is the project located within a male-dominated sector where female workers will be employed?	MPL/MPF1	
Have communities, especially low income/ vulnerable communities, voluntarily raised concerns in relation to SEAH/GBV during consultations?	MPL/MPF1	
Have any changes been made to project design or adaptive management undertaken due to concerns of stakeholders and communities? (If yes, work through this checklist again)	MPL/MPF1	

2. Check List of Potential SEAH Mitigation Measures

Mitigation	Comments
POLICY AND CODE OF CONDUCT	
Does the MPL/MPF1 have a SEAH policy which covers the project?	
Does the project have a Code of Conduct prohibiting SEAH by workers?	
Are clauses included in procurement contracts which commit contractors, subcontractors, suppliers, drivers and security personnel (if applicable) to adhere to the MPL/MPF1 Code of Conduct (or EE equivalent)?	
SUPERVISION AND TRAINING	
(For larger, longer-term projects) Is there a trained SEAH specialist in the project team?	
Does the project plan to train all project workers on the Code of Conduct, SEAH and what is prohibited behaviour?	
RECRUITMENT AND PERFORMANCE ASSESSMENT	
Are recruitment procedures in place, with interview panels staffed by at least two people?	
Are candidates' identities checked at interview and are references requested?	
Are all workers required to be hired on formal contracts?	
Are written procedures in place for performance appraisals, promotions, and any performance-related pay increases (if applicable)?	
GRIEVANCE REDRESS MECHANISMS (GRM)	
Does the project have a GRM for community members to raise SEAH-related complaints and concerns and is it confidential and survivor-centred, with multiple reporting channels?	
Does the project have a GRM for project workers to raise SEAH-related complaints and concerns and is it confidential and survivor-centred, with multiple reporting channels?	
Are the staff who manage the GRMs equipped and trained to respond to SEAH reports in a safe and effective way?	
Are persons, communities and countries affected or potentially affected by the activities consulted and that effective SEAH GRMs to receive complaints and feedback are established and function in a collaborative manner and in a way that is complementary to GCF independent Redress Mechanism, and requiring that any gaps or weaknesses be addressed?	
Are affected communities (or likely to be affected, by the GCF-financed activities) informed about SEAH GRMs at all three levels – at the earliest opportunity of the stakeholder engagement process and in an understandable format and in all relevant languages?	
INVESTIGATION AND RESPONSE	
Are there written procedures for dealing with SEAH complaints or concerns and a dedicated and trained female staff member to deal with these (if no specialist is available)?	
Has a service provider mapping been undertaken to identify which services are available for survivors of SEAH?	
If there are no public or private service providers in the area, has the project identified and budgeted for outside providers?	
AWARENESS RAISING	
Will/have gender-sensitive and culturally appropriate outreach materials been prepared (such as posters, signage, etc.) on SEAH in all relevant languages?	
Has the community been informed about potential SEAH risks for the project and how to prevent them and use the GRM?	

Have any rapid mobile surveys or text surveys been developed to regularly obtain feedback from workers and/or the community?	
PROCUREMENT AND PARTNERSHIP	
Have SEAH prohibitions and mitigation measures been included in procurement documents?	
Are there clauses in the EE contract requiring them to prohibit SEAH in their workforce?	
PHYSICAL WORKSPACE	
Will separate facilities for men and women be provided at all work sites?	
Are SEAH risks included in workplace safety assessments, including worker accommodation and transportation?	
Are project workers informed of areas that are off-limits, for example areas around schools (or other places where children are present)?	

Identified risks and mitigation measures need to be inserted into both the GAP (as needed related to gender) and draft ESMF/ESMS/ESMP.

Appendix F

Table of Contents

Environmental & Social Due Diligence Report Outline

1.0 Introduction

1.1 Project background: Project Description, Site and Environment Setting, Land Requirement;
1.2 Applicable Performance Standards and Environmental Social Standards; E&S categorization and rationale; and
1.3 E&S Risk Framework applied – I.e Matanataki Pte Ltd framework and applicable requirements for the fund e.g. Matanataki pacific Fund 1.

2.0 Scope of review and methodology

(Methodology used, documents reviewed, interviews etc.)

3.0 Findings, Environmental and Social Issues and Mitigation

(By relevant Performance Standards: examine Environmental and Social issues and compliance with respective performance standards, identify performance gaps and corrective action plans)

Assessment and Management of Environmental and Social Risks and Impacts

- Environmental and Social Assessment and Management Program
- Policy
- Identification of Risks and Impacts
- Management Programs
- Organizational Capacity and Competency
- Emergency Preparedness and Response
- Monitoring and Review
- Stakeholder Engagement
- External Communications and Grievance Mechanism
- Ongoing Reporting to Affected Communities

Labor and Working Conditions

- Human Resources Policies and Procedures
- Working Conditions and Terms of Employment
- Worker's Organization
- Non-Discrimination and Equal Opportunity
- Gender (may be a separate report)
- SEAH
- Retrenchment
- Grievance Mechanism
- Protecting the Workforce
- Occupational Health and Safety
- Workers Engaged by Third Party
- Supply Chain

Resources Efficiency and Pollution Prevention

- Resource Efficiency
- Greenhouse Gases (see also Climate Change)
- Water Consumption
- Pollution Prevention
- Wastes
- Hazardous Materials Management
- Pesticide Use and Management

Climate Change
- Green House Gases
- Climate Risks (Physical and Transition)
- Climate Governance and Strategy
- Climate Reporting
- Climate Change Considerations in Project (ESIA, EIA)

Community Health, Safety and Security
- Community Health and Safety
- Emergency Preparedness and Response
- Security Personnel

Land Acquisition and Involuntary Resettlement
- Project Design
- Compensation and Benefits for Displaced Persons
- Community Engagement
- Resettlement and Livelihood Restoration and Planning and Implementation
- Physical Displacement
- Economic Displacement
- Private Sector Responsibilities under Government-Managed Resettlement

Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Protection and Conservation of Biodiversity
- Management of Ecosystem Services
- Sustainable Management of Living Natural Resources
- Supply Chain

Indigenous Peoples, Vulnerable Groups
- Avoidance of Adverse Impacts
- Participation and Consent
- Impacts on Land and Natural Resources Subject to Traditional Ownership or under Customary Use
- Relocation of Indigenous Peoples (IPs)
- Critical Cultural Heritage
- Mitigation and Development Benefits
- Private Sector Responsibilities where Government is Responsible for Managing IP Issues

Cultural Heritage
- Protection of Cultural heritage in Project Design and Execution
- Project's use of Cultural Heritage

4.0 Other project specific issues

5.0 Environmental and Social Management /Corrective Action Plan,

6.0 Summary and Recommendations

Appendix G.1

Guidance on Environmental & Social Impact Assessment (ESIA) and Environmental & Social Management Plan (ESMP) Frameworks

Purpose

This Appendix provides guidance on the circumstances under which an Environmental and Social Impact Assessment (ESIA) and/or Environmental and Social Management Plan (ESMP) may be required for investments supported by Matanataki Pacific Fund 1 (MPF1). It also provides indicative outlines for the preparation of such documents. The purpose of these instruments is to ensure that environmental and social risks and impacts are identified, assessed, managed and monitored in a manner consistent with applicable national legislation, the MPF1 Environmental and Social Management System (ESMS), the Green Climate Fund Revised Environmental and Social Policy, and relevant Environmental and Social Standards.

Applicability

The requirement for an ESIA and/or ESMP shall be determined through environmental and social screening, risk categorisation and due diligence. The scope and level of assessment shall be proportionate to the nature, scale, location and significance of potential environmental and social risks and impacts.

An ESIA may be required where a proposed investment involves new construction, greenfield development, significant expansion of existing facilities, activities requiring environmental impact assessment under applicable national legislation, or activities with potentially significant site-specific environmental or social impacts. Particular consideration shall be given to projects located in or near environmentally sensitive areas, critical habitats, legally protected areas, areas of cultural significance, customary land or marine tenure areas, or areas supporting vulnerable communities.

An ESMP may be required where environmental and social risks and impacts can be effectively managed through defined mitigation, monitoring and management measures. ESMPs may be prepared as standalone documents or incorporated within an ESIA, depending on the nature and complexity of the investment.

Environmental and Social Impact Assessment

An ESIA is a systematic process for identifying, predicting, evaluating and managing the environmental and social risks and impacts associated with a proposed investment. The ESIA should consider direct, indirect, induced and cumulative impacts, as appropriate, and should assess impacts during construction, operation and, where relevant, closure or decommissioning.

The ESIA process shall include appropriate baseline studies, stakeholder engagement and consideration of alternatives. The assessment shall identify measures to avoid, minimise, mitigate or compensate for adverse impacts and enhance positive outcomes.

- Indicative ESIA Outline
- Executive Summary
- Project Description
- Policy, Legal and Institutional Framework
- Description of the Environmental and Social Baseline
- Stakeholder Engagement and Information Disclosure
- Analysis of Alternatives
- Identification and Assessment of Environmental and Social Risks and Impacts
- Climate Change and Disaster Risk Considerations
- Mitigation Measures and Impact Management
- Environmental and Social Management Plan
- Grievance Mechanism
- Monitoring and Reporting Arrangements
- Conclusions and Recommendations

Environmental and Social Management Plans

An ESMP describes the measures required to manage identified environmental and social risks and impacts throughout the investment lifecycle. The ESMP shall clearly define mitigation measures, monitoring requirements, implementation responsibilities and reporting arrangements.

The level of detail included within the ESMP shall be proportionate to the nature and significance of identified risks and impacts and shall reflect the requirements of applicable permits, approvals, ESAPs and other safeguard instruments.

- Indicative ESMP Outline
- Introduction and Project Description
- Summary of Environmental and Social Risks and Impacts
- Applicable Legal, Regulatory and ESMS Requirements
- Mitigation and Management Measures
- Environmental and Social Monitoring Programme
- Roles and Responsibilities
- Capacity Building and Training Requirements
- Stakeholder Engagement and Information Disclosure
- Grievance Management Arrangements
- Implementation Schedule
- Budget and Resource Requirements
- Reporting and Corrective Action Procedures
- Relationship with Other Safeguard Instruments

Where environmental and social risks and impacts require specialised management measures, the ESIA and ESMP shall be prepared and implemented in conjunction with other relevant safeguard instruments, including Biodiversity Management Plans, Indigenous Peoples Plans, Land Acquisition and Resettlement Plans, Livelihood Restoration Plans, Gender Action Plans, Occupational Health and Safety Plans, Emergency Preparedness and Response Plans, and Environmental and Social Action Plans.

Review and Approval

All ESIAs and ESMPs prepared for MPF1 investments shall be reviewed as part of the environmental and social due diligence process. The scope and findings of such documents shall inform investment decision-making, Environmental and Social Action Plans and ongoing monitoring requirements. Independent specialist review may be required for investments involving complex environmental or social risks.

Example Contents
Environmental Social Impact Assessment (ESIA)

1. A description of the **applicable environmental and social legal framework**, including a gap analysis indicating the differences between the relevant national legislation and EIB standards, as applicable.
2. The description of the **country and/or sector context** relevant to the specific social-related risks at project level, such as human rights, labour conditions, enabling environment for public participation, gender-based and other types of violence and harassment, including risks of reprisals, socio-economic inequalities including those related to gender, as well as any impacts and risks specific to conflict-affected and fragile situations.
3. The description of the **company/project**, including in particular:
4. The location, site, design, size;
5. The physical characteristics of the company/project (including any demolition or land-use requirements);
6. The technical capacity and the characteristics of the operational phase;
7. An estimate of any residues, emissions and quantities and type of waste produced.
8. The description of the **reasonable alternatives** (for example in terms of project design, technology, location, size and scale) which are relevant to the proposed investment, and an indication of the main reasons for selecting the chosen option, including a comparison of the environmental and social effects.
9. The description of the **baseline scenario** against which the investment's impacts are assessed. This should be based on adequate and appropriate quantitative and qualitative, primary and secondary data on the relevant aspects. Baseline studies if required by LPs are discussed and agreed in advance of investment.
10. The description of the **environmental, climate and/or social aspects likely to be affected** by the proposed investment, including comprehensive and context-specific identification and analysis of people and communities likely to be affected, as well as other relevant stakeholders, paying particular attention to persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio- economic characteristics.
11. Assessment of the **likely significant environmental and social effects** of the proposed investment (also taking into account the outcomes of any complementary assessments and/or focused studies as referred to in paragraphs 9 and 10, if applicable), resulting from inter alia:
    - construction and existence of the company/project;
    - use of natural resources, considering as far as possible the sustainable availability of these resources;
    - technologies and substances used;
    - emissions of pollutants, noise, vibration, light, heat and radiation, and the disposal and recovery of waste;
    - risks to human health, well-being, persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics, cultural heritage or the environment;
    - cumulation of effects with other projects and/or activities.
12. The description should cover the direct effects and any indirect, secondary, cumulative, transboundary, short-, medium- and long-term, permanent and temporary, positive and negative effects of the investment.
13. A description of the **forecasting methods or evidence** used to identify and assess the significant environmental, climate and social effects, including details of difficulties related to technical deficiencies or lack of knowledge, as well as the main uncertainties involved.
14. A description and justification of the **measures planned to prevent, reduce and where possible, compensate/remedy** any significant environmental, climate and/or social adverse effects as outlined in the environmental and social management plan (ESMP), as defined in paragraph.
15. A description of the **expected significant environmental, climate and/or social adverse effects** deriving from the vulnerability of the company/project to risks of major accidents and/or disasters that are relevant to the company/project concerned, including those caused by climate change. Where appropriate, a description of the measures planned to prevent such risks, as well as measures regarding preparedness for and response to emergencies, should be included in the ESMP.
16. A description of **opportunities and measures to further enhance** the environmental and social (including human rights) performance of the company/project and augment its positive impacts.
17. Arrangements for **monitoring and evaluation of the effectiveness** of impact management and any positive enhancement action, where applicable, measured as part of the overall environmental and social management plan and system, which should include appropriate qualitative and quantitative indicators and draw on feedback from both internal and external sources, including affected stakeholders.

18. A summary of the **stakeholder engagement process** (including public consultation) undertaken with different groups of affected men and women and/or communities, as well as other relevant stakeholders, including its results and how those results have been incorporated/taken into account or otherwise addressed.
19. Arrangements for **grievance mechanisms** and the steps that will be taken to ensure effective access to remedy for affected stakeholders; such mechanisms should reflect prevailing social norms and cultural context to ensure that they are culturally and socially appropriate to and inclusive of the intended users.
20. A non-technical **summary** (or equivalent) **of the information** provided under the above headings.

Appendix G.2
Guidance Biodiversity Action/Management Plan (BAP)

Introduction

The Environmental Social Impact Assessment (ESIA) will usually be the main mechanism for identifying the need for a Biodiversity Action Plan (BAP) or Biodiversity Management Plan (BMP), typically where IFC Performance Standard 6 is triggered. Refer to Appendix G.1 for ESIA guidance.

This Guidance draws on the IFC Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012).

"*A BAP differs from a BMP in that the latter is an operational document developed largely for site managers and contractors); whereas the BAP will almost always include actions for off-site areas (for example, offsets and additional actions) and involve external partners (for example, implementing partners, reviewers, or advisors)*".

A BAP is required for projects located in critical habitat and is recommended for high-risk projects in natural habitats. The BAP describes (i) the composite of actions and a rationale for how the project's mitigation strategy will achieve net gain (or no net loss), (ii) the approach for how the mitigation hierarchy will be followed, and (iii) the roles and responsibilities for internal staff and external partners. BAPs are living documents that should include agreed-on timelines for regular review and update as new information arises, project implementation progresses, and conservation context changes over time.

Where project mitigation measures are included in the project ESMS/BMP, theses should be referenced in the BAP.

The BAP may also be accompanied by documents that would be developed at a later timeframe, such as an Offset Management Plan. Depending on the nature and scale of the project, an initial BAP may describe a strategy and timeline for identifying actions to deliver net gain (or no net loss)

Biodiversity-related commitments and mitigation and management actions should be captured in the ESMS. For all projects that have the potential to significantly convert or degrade natural habitats and for projects in critical habitats, these biodiversity actions should be captured in a single dedicated BMP or integrated into one or more topic-specific management plans (for example, Invasive Species Management Plan, Induced Access Management Plan, or Water Management Plan).

The BMP or equivalents should be auditable management plans and integrated into a project's ESMS, which defines parties responsible for an action, monitoring and/or verification requirements of an action, and an implementation schedule or frequency for an action. The BMP or equivalents are operational tools for' site managers and contractors, with focus on on-site mitigation measures. If biodiversity-related mitigation and management measures appear in other management plans, cross-references to the BMP or to the biodiversity-relevant section in the ESMS should be included.

The corresponding monitoring/verification requirements should reflect the principal of adaptive management where relevant.

Purpose

Typically, a BAP is a plan that sets out actions to mitigate identified actual and potential impacts caused by the business or development activities, and to conserve or enhance biodiversity. It should identify priority receptors (those biodiversity receptors that are particularly irreplaceable or vulnerable in the context of the project and are the focus off the BAP).and detail appropriate management actions, which should be clearly described, planned and measurable.

When a BAP or BMP May Be Required

A Biodiversity Management Plan may be required where screening, environmental and social due diligence or an ESIA identifies biodiversity-related risks and impacts requiring specific management measures. Examples may include impacts on natural habitats, ecosystem services, invasive species risks, habitat fragmentation, pollution affecting aquatic or terrestrial ecosystems, or impacts on protected species.

A Biodiversity Action Plan shall normally be required where a project is located within, or may affect, critical habitat, internationally recognised biodiversity areas, legally protected areas, or where the achievement of no net loss or net gain outcomes is required. A BAP may also be required where biodiversity offsets, restoration measures or additional conservation actions form part of the mitigation strategy.

The requirement for a BMP or BAP shall be determined through environmental and social screening, due diligence and, where applicable, the ESIA process.

Stakeholder Consultation

Early and meaningful stakeholder engagement is critical to the successful development and implementation of a BAP. Many BAP actions depend on, or can be strengthened by, contributions from relevant stakeholders. Engagement should begin at an early stage and continue throughout the BAP lifecycle. Stakeholders can play different roles at various stages, from identifying key biodiversity features and providing baseline data, to supporting the delivery of conservation actions and offering third-party verification.

Refer to the MPF1 SEP for guidance on Stakeholder Engagement.

Scoping

The scoping inputs to the BAP or BMP derive from the ESIA. Scoping elements to consider include:

- Geography and spatial location
- Marine or terrestrial environment
- Connectivity between habitats and species
- The identified risks and mitigation measures required
- Potential existence of additional biodiversity action plans that might be material to its scope, for example national biodiversity plans or local biodiversity plans.
- Timeframe for actions to be implemented
- Data limitations

Preparation of the BAP

The specific actions will relate to the individual species and habitats that are the focus of the BAP.

Actions may also include those to further avoidance efforts of sensitive areas (e.g. newly discovered bat/bird roosting areas, amphibian breeding ponds), species impact mitigation measures (e.g. faunal road crossing pathways, coral translocation, aquatic/marine pollution abatement measures like silt fences, noise reduction measures etc.), habitat restoration and creation, habitat enhancement for specific species, species protection and re-introduction measures, or avoided loss actions.

Biodiversity offset actions typically focus on creation of new habitat or habitat of greater biodiversity value than that being lost (a 'trade up' offset) or averted loss offsets.

Each action should have a corresponding set of KPIs and indicators that are Smart – Specific Measurable Achievable Realistic and Timebound.

Responsibility for implementing the actions and the overall BMP or BAP should be clearly assigned.

Risk / Issue	Action / Mitigation Measure	KPI or Indicator	Timeline	Responsibility

Monitoring and Evaluation

A monitoring plan should be included as part of the BAP or BMP. Where KPIs or indicators are not being met, the risk management actions should be reviewed and adapted to more effectively manage or mitigate the risk.

Table of Contents

Biodiversity Action Plan

Appendix G.3

Guidance for Voluntary Land Transactions, Relocation and Livelihood Restoration

Rationale

This Guidance for Voluntary Land Transactions, Relocation and Livelihood Restoration describes the procedures for screening, assessing, compensating and managing adverse risks and impacts generated by Portfolio Company operations.

The Fund, MPFI specifically excludes investments where involuntary land acquisition or involuntary resettlement is required or occurs as a result of the investment.

A Land Acquisition and Resettlement Plan (LARP) ensures compliance with national land resettlement laws and regulations, and the Fund requirements.

This Framework applies where a Portfolio Company acquires land through voluntary, negotiated transactions or where project activities may result in relocation or livelihood impacts requiring mitigation.

Objectives of LARP

LARPs are intended to guide the Fund, the Portfolio Company, and affected stakeholders through the land acquisition and resettlement process. Specific objectives of the LARP include:

- To determine if a Portfolio Company will be purchasing or expanding their land usage and, if so, that the land is obtained legally and not involuntarily displacing residents or impacting existing livelihoods;
- To minimize Portfolio Company acquisition of land resulting in unintended adverse social impacts using Fund proceeds;
- To ensure affected persons are fairly compensated and that livelihoods are restored or improved where project activities result in adverse impacts;
- To outline roles and responsibilities by various stakeholders in the project planning, implementation, and monitoring process of resettlement activities;
- To ensure that the grievance redress mechanism entitles complainants to a thorough investigation of their complaint.

All voluntary resettlement must meet national and local legal and regulatory requirements.

Guiding Principles for Land Resettlement

1. Avoid land acquisition resulting in physical displacement and economic displacement wherever feasible and, where avoidance is not possible, minimise impacts through meaningful consultation, careful project design and consideration of feasible alternatives.
2. Avoid forced eviction and ensure that all land transactions are voluntary, lawful and based on informed agreement.
3. Undertake land acquisition only through transparent, negotiated transactions that respect the rights and interests of affected landowners and users.
4. Ensure meaningful, timely and inclusive consultation and participation of affected persons and communities throughout planning, implementation and monitoring.

5. Provide compensation at replacement cost, together with appropriate assistance and support, prior to the commencement of project activities where applicable.
6. Restore, and where feasible improve, the livelihoods and living standards of affected persons whose income sources, productive assets or access to natural resources are adversely affected by the investment.
7. Provide additional support and appropriate safeguards for vulnerable or disadvantaged individuals and groups to ensure they are not disproportionately affected by project activities.
8. Recognise and respect customary land tenure systems, traditional resource rights and applicable national legal requirements throughout the land acquisition and consultation process.

Screening Criteria

This Guidance applies where a proposed or existing Portfolio Company investment involves, or may involve, the acquisition of land, changes in land use, negotiated land access arrangements, relocation of households or businesses, or impacts on livelihoods resulting from the use of Fund proceeds.

During environmental and social screening and due diligence, MPF1 and the Portfolio Company shall determine whether the proposed investment has the potential to:

- Require the acquisition or leasing of land, including customary land or marine areas;
- Involve voluntary, negotiated land transactions or land access agreements;
- Affect customary land tenure, traditional resource rights or community access to land, fisheries, forests or other natural resources;
- Result in physical relocation of households, businesses or community infrastructure;
- Result in economic displacement through loss of assets, income sources, productive land, fishing grounds, grazing areas or access to natural resources;
- Affect Indigenous Peoples or other vulnerable or disadvantaged groups;
- Require consultation with affected persons, traditional authorities or government agencies responsible for land administration; or
- Require the preparation of a Land Acquisition and Resettlement Plan (LARP), Livelihood Restoration Plan (LRP), Compensation Plan or other safeguard instrument proportionate to the nature and scale of the identified impacts.

Where screening identifies potential land acquisition or livelihood impacts, the Portfolio Company shall undertake further environmental and social due diligence to confirm that land transactions are voluntary, lawful and appropriately documented, and that any associated social risks are identified, assessed and managed in accordance with this Framework, the MPF1 ESMS and applicable national legal requirements.

Livelihood Restoration

Where a voluntary land transaction or project activity results in adverse impacts on livelihoods, income-generating activities or access to natural resources, the Portfolio Company shall prepare and implement livelihood restoration measures proportionate to the nature and significance of the impacts identified.

Livelihood restoration measures shall seek to restore, and where feasible improve, the livelihoods and living standards of affected persons to at least pre-project levels. Measures shall be developed through consultation with affected persons and shall take account of local livelihoods, customary land and resource use, gender considerations and the needs of vulnerable groups.

Depending on the nature of the impacts, livelihood restoration measures may include, as appropriate:

- Provision of replacement land or access to equivalent productive resources;
- Transitional assistance during relocation or the restoration of livelihoods;
- Compensation at replacement cost for lost assets, crops or productive resources;
- Support for alternative income-generating activities, employment opportunities or business development;
- Skills development, vocational training or other capacity-building measures to assist affected persons in restoring their livelihoods;
- Measures to restore or maintain access to fisheries, forests, grazing land, water resources or other natural resources where access has been affected;
- Additional assistance for vulnerable households where required to achieve equitable livelihood restoration outcomes.

The effectiveness of livelihood restoration measures shall be monitored through the Portfolio Company's environmental and social management processes until affected persons have demonstrably restored, or where feasible improved, their livelihoods and living standards. Where monitoring identifies that restoration objectives have not been achieved, appropriate corrective measures shall be implemented.

Valuation
Valuation of any resettlement or restitution will consider the following factors:
- Fair market value of land
- Transaction costs
- Interest accrued
- Transitional and restoration costs
- Other applicable payments

Expected Budget
MPF1 cannot determine an appropriate budget given the unlikely nature of land resettlement issues across the portfolio. However, portfolio companies are expected to have sufficient funds to pay the costs of any voluntary land acquisitions and resulting voluntary land resettlement or livelihood restoration.

Grievance Mechanism
Project affected communities may use the MPF1, GCF or portfolio company grievance redress mechanism to trigger a land resettlement or livelihood restoration incidents.

Monitoring and Reporting
The Matanataki team will monitor ongoing land resettlement and livelihood restoration investigations and settlements.

<u>Contents of Land Acquisition and Resettlement Action Plan</u>
The contents of an LARP will include at least the following information:
1. Description of project: General project description and identification of project area

2. Project impacts including:
   - The project activity that creates resettlement
   - The area of impact of the project activity
   - Alternatives considered to avoid and exclude involuntary resettlement
   - Strategy used to minimize resettlement during the project implementation

3. Objectives: Primary objectives of the resettlement project and a summary of stakeholder engagement, studies, and research accomplished for the resettlement project.

4. Regulatory summary: Summary of relevant host country laws and regulations around resettlement.

5. Stakeholder Engagement: Summary of discussions, engagements, information sharing with communities and people affected by resettlement activity. Summary should include a list of the stakeholder groups, meetings, outcomes, and significant grievances.

6. Socioeconomic characteristics: if available, share relevant studies or research into the socioeconomic demographic data of project affected people. Relevant information may include household and census data, information on vulnerable groups, information on livelihood and standards of living.

7. Eligibility: Define the criteria for displaced or voluntarily resettled populations who are eligible for LARP consideration.

8. Valuation and compensation for losses: The methodology used for valuing losses to determine replacement cost. Description of proposed compensation types and values that fit local regulatory and legal criteria.

9. Magnitude of displacement: Number of persons, households, structures, public buildings, croplands, and other persons and physical properties affected and relocation requirements.

10. Entitlement Summary: Explains categories of affected people and investigation, grievance mechanisms, and options they were offered.

11. Resettlement sites: If available and applicable, the company will share relocation plans for displaced persons.

12. Grievance procedures: Company will outline how LARP connects to grievance mechanism and if there is any third-party arbitration necessary.

13. Organizational responsibilities: Summary detailing who is responsible for implementing the LARP, how the project team will coordinate with local jurisdictions and relevant stakeholders. The summary will detail responsibilities of any outside agency, parties, consultants, or firms in enacting the resettlement plan.

14. Implementation schedule: This section will summarize the LARP implementation timeline with milestones and targets.

15. Budget: If applicable, this section will detail the budget for compensation for resettlement. It will include budget estimates and expenditures, source of budget, and contingencies.

16. Monitoring, evaluation, and reporting: LARPs will be reported to investors when appropriate. This section will detail the monitoring and evaluation plan and ensure organizational capacity to monitor the LARP.

Appendix G.4
Example Table of Contents
Company or Project Level Stakeholder Engagement Plan (SEP)

Reference is made to the MPF1 Stakeholder Engagement Plan (SEP) for guidance and method for the implementaion of a SEP.

This Table of Contents has been prepared based upon the IFC Stakeholder Engagement: Good Practice Handbook for Companies Doing Business in Emerging Markets, 2007, Appendix 3, SEP Sample Contents.

The scope and level of detail of the Stakeholder Engagement Plan (SEP) should be scaled to fit the specific needs of the project (or company operations). A successful SEP builds and maintains constructive relationships with Stakeholders and Rightsholders of the company or project. The SEP should:
• describe regulatory, lender, company, and/or other requirements for consultation and disclosure;
• identify and prioritize key stakeholder groups;
• provide a strategy and timetable for sharing information and consulting with each of these groups;
• describe resources and responsibilities for implementing stakeholder engagement activities; and,
• describe how stakeholder engagement activities will be incorporated into a company's management system.

The SEP should be implemented in accordance with the key principles described in the IF SEP Good Practice Handbook 2007.

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1. Introduction
Briefly describe the project (or the company's operations) including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.

2. Regulations and Requirements
Summarize any legal, regulatory, lender, or company requirements pertaining to stakeholder engagement applicable to the project or company operations. This may involve public consultation and disclosure requirements related to the social and environmental impact assessment (ESIA) process.

3. Summary of any Previous Stakeholder Engagement Activities
If the company has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:

i. Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was disseminated
ii. The locations and dates of any meetings undertaken to date
iii. Individuals, groups, and/or organizations that have been consulted
iv. Key issues discussed and key concerns raised
v. Company response to issues raised, including any commitments or follow-up actions
vi. Process undertaken for documenting these activities and reporting back to stakeholders

4. Project or Company Stakeholders
List the key stakeholder groups who will be informed and consulted about the project (or the company's operations). These should include persons or groups who:
• are directly and/or indirectly affected by the project (or the company's operations)
• have "interests" in the project or parent company that determine them as stakeholders
• have the potential to influence project outcomes or company operations

5. Stakeholder Engagement Programmeme

i. Summarize the purpose and goals of the programmeme (either project-specific or corporate).
ii. *Disclosure*: Briefly describe what information *will be disclosed*, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in section 4 above.
iii. *Consultation*: Briefly describe the methods that *will be used to consult* with each of the stakeholder groups identified in section 4.
iv. Describe how the views of women and other relevant sub-groups (e.g. minorities, elderly, youth etc.) will be taken into account during the process.
v. Describe any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programmes, community development initiatives, resettlement and development programmes, and/or training and micro-finance programmes.

6. Timetable
Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into the company's management system (at either the project or corporate level).

7. Resources and Responsibilities
Indicate the staff and resources, roles and responsibilities, and budget devoted to managing and implementing the company's Stakeholder Engagement Programmeme.

8. Grievance Mechanism
Describe the process by which people affected by the project (or company's operations) can bring their grievances to the company for consideration and redress.

9. Monitoring and Reporting
Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programmemes.
Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups.

Examples include social and environmental assessment reports; company newsletters; annual monitoring reports submitted to lenders; company annual report; company or corporate sustainability report.

10. Management Functions
Describe how stakeholder engagement activities be integrated into the company's management system and core business functions.

Appendix G.5

Guidance Indigenous Peoples Plan Guide

Introduction

Purpose and Scope

The Indigenous Peoples Planning Framework is guided by the GCF Indigenous Peoples Policy (2018) and its Operational Guidelines (2021), GCF Revised Environmental and Social Policy 2021, and is aligned with IFC Performance Standard 7.

The IPPF is designed to provide clear, detailed operational guidance and methodology to MPFI on screening, risk assessment, FPIC processes, and IPP preparation, ensuring full alignment with the GCF IP Policy operational guidelines.

In accordance with the GCF Indigenous Peoples Policy, the Fund commits to the following:

- Screening each potential investment for potential impacts on Indigenous Peoples;
- Conducting meaningful, inclusive consultations to ensure Free, Prior and Informed Consent (FPIC) where rights, resources, or livelihoods may be affected;
- Requiring the preparation of an Indigenous Peoples Plan (IPP) if such impacts are anticipated;
- Respecting Indigenous knowledge and ensuring culturally appropriate benefit-sharing mechanisms.

Investee companies (portfolio companies) must disclose the presence or likely impact on Indigenous Peoples in their initial environmental and social screening. Where required, the Fund will provide technical assistance to ensure compliance with FPIC procedures and support the preparation and implementation of IPPs.

This document provides guidance on thekey elements of an IPP.

Guidance for Preparation of an Indigenous Peoples Plan

1.0 Project Description

- Overview of the proposed investment/project activities
- Geographic area of influence
- Indigenous Peoples affected or potentially affected
- Project components relevant to Indigenous Peoples

2.0 Summary of Social Assessment

2.1 Indigenous Peoples Baseline Information

- Demographics and location of Indigenous Peoples
- Social, cultural and political characteristics
- Customary governance structures
- Livelihoods and resource use
- Cultural, spiritual and economic links to land, waters and natural resources
- Vulnerabilities and development priorities

2.2 Assessment of Potential Impacts

- Potential positive impacts
- Potential adverse impacts

- Impacts on customary land and resource rights
- Impacts on cultural heritage and traditional knowledge
- Impacts on vulnerable groups (including women and youth)
- Cumulative impacts, where relevant

3.0 Stakeholder Engagement, Consultation and Participation

- Stakeholders consulted (Indigenous organisations, communities and customary stakeholder groups consulted);
- Dates and locations of consultations;
- Consultation methods used
- Timing and frequency of consultations
- Information disclosed
- Key issues raised by Indigenous Peoples
- How consultation outcomes influenced benefit-sharing measures, mitigation measures and monitoring.
- Measures to ensure participation of women, youth and vulnerable groups

4.0 Free, Prior and Informed Consent (FPIC)

(where required under the GCF Indigenous Peoples Policy)

- Assessment of whether FPIC is required
- Description of FPIC process undertaken
- Indigenous institutions involved
- Evidence of consent process
- Outcomes and agreements reached
- Outstanding concerns and proposed actions

Supporting documentation may include:

- Meeting records
- Attendance sheets
- Community resolutions
- Signed agreements
- Other culturally appropriate evidence

5.0 Mitigation, Management and Benefit-Sharing Measures

Impact / Opportunity	Mitigation, Management or Enhancement Measure	Responsible Party (Portfolio Company)	Timeline

Measures should include, where relevant:

- Protection of traditional knowledge
- Protection of cultural heritage
- Measures relating to customary land and resource rights
- Livelihood restoration or enhancement
- Capacity building and employment opportunities
- Equitable benefit-sharing arrangements
- Gender-responsive measures

- Measures addressing vulnerable groups

6.0 Grievance Redress Mechanism

- Project-specific grievance channels
- Procedures for Indigenous Peoples to raise concerns
- Culturally appropriate dispute resolution mechanisms
- Timeframes for response and resolution
- Appeals process
- Contact details

7.0 Monitoring, Reporting and Adaptive Management

Monitoring Indicators

Indicator	Baseline	Target	Reporting Frequency

Monitoring should include:

- Participation of Indigenous Peoples
- Implementation of mitigation measures
- Delivery of agreed benefits
- Resolution of grievances
- FPIC commitments (where applicable)

8.0 Implementation Arrangements and Budget

Roles and Responsibilities

Activity	Responsible Party

Budget

Activity	Budget (USD)

9.0 Disclosure

- Method of disclosure
- Languages used
- Locations where documents are available
- Disclosure dates

Appendix H

Gender Due Diligence Questionnaire (Deskbased)

1.	**Women Leadership: Founder/Shareholder/Board of Directors/Management team**
	Please provide a breakdown by gender in number and percentages of the Company's a) Founders b) Shareholding by individual shareholders. In case a shareholder is a corporation, please provide similar breakdown of the gender of the corporate shareholder(s) by gender c) Management team d) Department Head e) Full time employees f) Part time employees g) Management trainees h) Interns
2.	**Commitment to a gender diverse and equitable workforce**
	• Please provide the Company's policy statement for gender diversity, if available. • Please provide contact details of the Company's representative(s) who are responsible for championing gender diversity and managing gender diversity risk. • Please provide information on the company's recruitment policy and process and explain if gender lens has been included to the process. Please share details of the process if available. • Please provide a breakdown of remuneration and work force benefits expenses distribution by gender in the past three financial years. • Please provide the breakdown by gender of the Company's new hires in the last three financial years and the company/projected hires by gender for the next 36 months. • Please provide breakdown by gender of employee departure in the past three years. Please provide the percentage of involuntary departure. Please provide the number of women employees who were pregnant at the time of departure. Please provide percentage and number of women employees who undertook maternity leave in the past three years. • Please provide details of the company's benefits for women employees. Please confirm if these guidelines comply with local manpower law and regulations. Please provide details of areas that differ from local manpower law and regulations, both short fall and excess. • Please provide the Company's health and safety policy and confirm if work-place bully prevention and anti-sexual harassment guidelines are included in the policy. Please provide details of such guidelines. • Please provide details of the channel that the Company has established for employees to file complaints regarding matters of gender discrimination or harm. • Please provide details of all lawsuits, complaints, fine, judgement whether past or current regarding mistreatment of employees since the incorporation of the Company. Please provide the percentage and number of cases that involved women employees.
3.	**Products or services that consider the distinct needs of women as a consumer segment**
	• Please provide a list of products/services that the company offer cater to improving life quality of women consumers. Please provide the contribution of such product/services to total revenue in number and percentage. • Please provide a list of new products/services that are under development that aim to cater to improve life quality of women consumers. • Please provide breakdown of capital expenditure for product development by consumer gender group in the past three years.

4.	**Gender inclusive supply chain**
	• Please provide details of the company's vendor procuring process and confirm if gender diversity guidelines have been included in the process. Please provide details of such guidelines, if available. • Please provide a breakdown of vendors & suppliers company ownership by gender. • Please provide a breakdown of total spend with each of these vendors suppliers by gender. • Please provide a breakdown of attributable revenue and profit of each of these vendor/suppliers by gender for the past three years. Please provide an analysis to demonstrate the growth or decline of business contribution by each of these gender group. Please provide explanation for the trend.
5.	**Ensuring business operations do no harm to women in the community or employment**
	Please provide details on incident(s), if any, that has taken place at the Company's premises or during business activities whereby harm to women was made. Please provide details outstanding incidents that remained uncured. Please provide details of the process that has been undertaken to resolve and cure such incident.

Appendix I
Template Gender Gap Assessment

From the data obtained from the Gender Due Diligence questionnaire (Appendix H), the investment team will be able to provide a preliminary assessment of the gender diversity risks and gaps present in the target investee company.

Rating	Best in Class	Average	Weak
Performance matrix	Gender Diversity Policy in place; Meet all gender diversity matrix in 5 key dimensions from leadership to community engagement	Incomplete Gender Diversity Policy in place. Meet less than 75% of the gender diversity matrix	No Gender Diversity Policy. Meet less than 50% of the gender diversity matrix.
Gaps	No history of incidents or less than 3 incidents in 10 years and all have been remedied with a high level of satisfaction	Several outstanding gaps to close; Less than 5 incidents in 10 years and not all have been remedied.	Several outstanding gaps to close; More than 5 incidents in 10 years and not all have been remedied.
Recommendation	Qualify as a gender smart company	To Appoint a consultant to assist company in closing gender diversity gap as Condition Subsequent to disbursement of investment within an agreed timeline for closing gaps.	Condition Precedent to investment: To appoint a board member as gender diversity champion. Appoint a consultant or a full-time senior executive to focus on closing gender diversity gap within an agreed timeline

Appendix J

ESAP, Gender and Impact Action Plan Template

The Environmental & Social due diligence report, Gender Assessment and Impact Assessment, if applicable, should each include a standalone action plan (Environmental & Social Action Plan, ESAP, Gender Action Plan, GAP, and Impact Action Plan, IAP) to address the gaps identified against the reference framework.

The action plan will identify the actions required to remove, mitigate or manage the E&S, Gender risks or Impact opportunities identified. These will be tabulated as exemplified below.

- Each action will be SMART, Specific Measurable, Achievable, Realistic and with a Timeframe.
- Responsibility for the action will be assigned together with an estimated cost (Capital expenditure or Operational expenditure, internal resources or external resources).
- Each measure and/or corrective action description should be succinct, but suitably detailed, accurate and clear and referenced against the appropriate standard.
- The completion indicator should be the key deliverables that can be reviewed or confirmed

Additionally, where issues are identified that carry associated high risks or potential for regulatory action, addressing these issues should be prioritised in the action plan. The action plan should take into account any additional staff or skills required by the company E&S management. Where appropriate, larger or longer-term measures or corrective actions should be further broken down into stages or milestones to facilitate achievability and tracking.

The ESAP should be provided in a trackable Excel™ format.

Example:

Reference standard / law / regulation	Actions	Priority (Low, Medium, High)	Responsibility	Deadline	Completion indicator	Estimated cost

Gender Action Plan should also be provided in a trackable Excel™ format. Example developed from Criterion Institute: https://www.criterioninstitute.org/resources/gender-lens-investing-tool-designing-an-action-plan

Required Action Purpose	***Activities / actions***	***Priority (High / medium / Low)***	***Owners and Resources required***	***Targets and Deliverables***	***Timeframe***	***KPIs (Direct Indicator / Financial Indicator)***

Appendix K

BII (CDC)Environmental, social and governance best practice

Drafting Guide for equity investments

Contents:

Last updated: 29 September 2016

Introduction

This Drafting Guide is for lawyers acting for funds or fund managers on equity investments. It contains suggested wording to cover environmental, social and governance matters for inclusion in investment documentation. Please refer to the detailed notes for more information on the purpose and use of these clauses.

The clauses in this drafting guide are designed to meet CDC's requirements for environmental, social and governance (ESG) compliance. Although there is considerable overlap with the requirements of other development finance institutions, the principal source of the underlying standards is CDC's Code of Responsible Investing.

The clauses should be inserted into the investment documentation for equity investments. Additional options are included for investments into financial institutions, which are generally *in italics*. For financial institutions, the additional requirements are intended to require the institution to screen its clients for ESG risks and apply certain elements of the ESG requirements to the institution's own clients.

This guide is not intended to be a complete investment or shareholders agreement, nor is it an exhaustive list of what CDC, as a direct investor or limited partner in a fund, would expect to see in such an agreement. The drafting is intended to supplement customary shareholder protections for a minority equity investor (such as board seats, veto rights, tag-alongs etc). As with any precedent, it will require adaptation to the circumstances of the transaction, the definitions used in the underlying investment document and any local legal requirements.

The drafting assumes the requirements should apply to the entire Group (i.e. the portfolio company and any present or future subsidiaries) through the "Group Company" expression. A definition of 'Group' is included, but most standard investment agreements should include such a concept.

The 'Agreed Form' documents referred to in this guidance are:

- ESG Action Plan (this may be part of a broader diligence action plan or 100-day plan)
- ESG monitoring report
- Anti-bribery and corruption policy (if no such policies exist at the target company, CDC typically makes the adoption of new policies a condition precedent of its investment)
- Whistleblowing policy

The ESG Action Plan is a document prepared following due diligence incorporating the main steps required of the portfolio company to bring it into compliance with the ESG standards.

Your firm should have a template ESG monitoring report. CDC can provide samples if required.

Finally, there is always scope to improve legal drafting. If you have any comments or improvements to suggest, please feed these back to CDC.

ESG definitions

See *[General Definitions](#)* ***in Part Two for definitions of 'Group' and 'Group Company'***

"**Business Integrity Laws**" means any law, rule or regulation relating to bribery, corruption, financial crime, anti-terrorism, terrorism financing, anti-money laundering, export controls, trade embargoes, travel bans applicable to any Group Company or to the Investors including, without limitation, the economic sanctions and regulations of a Sanctioning Body, any European Union restrictive measure that has been implemented pursuant to any European Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the European Union's Common Foreign and Security Policy;

Definitions in italics for financial institutions only

*["**Client**" means each customer, depositor or borrower of a Group Company (not being a natural person);*

*"**Client ESG Standards**" means:*

(a) *in the case of High Risk Clients, the ESG Requirements; and*

(b) *in the case of all other Clients, the ESG Laws and the requirements set out in paragraph 2 of Part A of Schedule [X] (Working conditions and labour rights);]*

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

(c) air (including, without limitation, air within natural or man-made structures, whether above or below ground);

(d) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(e) land (including, without limitation, land under water);

Words in italics for financial institutions deals only

"**Environmental Law**" means any applicable law, rule or regulation (including international treaty obligations) concerning the Environment and natural resource management applicable in each jurisdiction in which a Group Company carries on business [*or in which a Client carries out business activities financed by the Company*];

ESG may be part of a broader Action Plan

"**ESG Action Plan**" means [an environmental, social and governance action plan in the Agreed Form][that part of the Action Plan] defining actions, responsibilities, budgets, deliverables, compliance indicators, and a timeframe for the measures required to remedy any known non-compliances with the ESG Requirements in the business activities of the Company, [including the establishment of an appropriate ESG Management System], as may be amended with the approval of the Investors from time to time;

See note on ESG Breaches below. Cross reference the core ESG Requirements covenant, the ESG Action Plan and the ESG Schedule

"**ESG Breach**" means the breach by any Group Company of any obligation in clauses [3.1] and [3.2] and Schedule [X];

"**ESG Claim**" means any claim, proceeding or investigation by a person in respect of any ESG Laws;

Discuss with your environmental/social team whether an ESG committee is required – it will be appropriate for businesses with greater environmental or social impact. Language should conform to the SHA. If used, changes to terms of reference of the ESG Committee should be a reserved matter and the formation of the committee should be a condition precedent to closing.

["**ESG Committee**" means a committee of the Board comprising [three] directors of which [one] must be [an Investor Director][a appointed by the Investors;]

"**ESG Laws**" means Environmental Laws, Social Laws or Business Integrity Laws and the terms of any permits, licenses, consents, approvals or other authorisations held by a Group Company under Environmental Law or Social Law;

Not financial institutions

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

Financial institutions only

*["**ESG Management System**" means the part of the overall management system of the Group dedicated to the systematic and structured improvement of environmental, social and governance performance, targeted to identify and manage ESG risks and opportunities in both the Group's activities and in the loan and investment appraisal and management processes, integrated in the Group's organisational structure, planning activities, responsibilities, practices, procedures, processes and resources, which meets the requirements set out in Part E of Schedule [X] and is satisfactory to the Investors;]*

"**ESG Requirements**" means the requirements set out in Part A of Schedule [X] to the extent applicable to any Group Company;

"**Exclusion List**" means the list of activities in Part B of Schedule [X];

"**Financial Malpractice**" means:

(a) promising, offering or giving, or soliciting or accepting, directly or indirectly, anything of value, to induce any person to act improperly or improperly refrain from acting in connection with any business or public function (or to reward them for improperly acting or refraining from acting) and includes a breach of anti-corruption law in any jurisdiction applicable to an Investor or a Group Company;

(b) any act or omission, including any misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation; or

(c) materially impeding an investigation by the Investors, a governmental or regulatory agency or any third party into allegations of the matters referred to in paragraphs (a) or (b) of this definition, including deliberately destroying, falsifying, altering or concealing material evidence, making false statements, limiting access, or threatening, harassing or intimidating any person in order to stop them (i) disclosing their knowledge of matters relevant to such an investigation, or (ii) pursuing the investigation;

Financial institutions only

*[“**High Risk Clients**” means Clients who are or may be active in the industry sectors or otherwise falling within the criteria in Part D of Schedule [X] (Definition of High Risk Client industry sectors);]*

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

(a) IFC Performance Standards: http://www.ifc.org/PerformanceStandards; and

(b) World Bank Group EHS Guidelines: http://www.ifc.org/EHSGuidelines;

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

“**Irremediable ESG Breach**” is defined in clause [5.1];

“**KYC Checks**” means obtaining information from a Person to verify the identity and address (and, where applicable, ownership and control) of the Person concerned (to the standard required by any law or regulation to which the Group Company is subject and the UK Financial Conduct Authority regulations) and to ensure that the person concerned is not a Prohibited Person;

“**Prohibited Person**” means:

(a) any person or entity who at the relevant date is, or in the five years preceding such date was, listed on any Sanctions List;

(b) any person who appears, or during such five year period appeared, on the World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr);

(c) any person who has been convicted of or is the subject of a serious allegation of (other than vexatious allegations) a breach of any Business Integrity Law;

(d) any person Controlled (directly or indirectly) by any such person referred to in paragraphs (a) to (c) above or who such person has (directly or indirectly) any interest in;

"**Sanctioning Body**" means any one or combination of the following entities: the Office of Foreign Assets Control of the Department of Treasury of the United States of America, the United Nations Security Council, the European Union and/or Her Majesty's Treasury of the United Kingdom;

"**Sanctions List**" means a list of designated persons or entities held by a Sanctioning Body (as amended, supplemented or substituted from time to time);

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

References to governmental, supranational, or international bodies or their procedures, protocols or conventions (including IFC Performance Standards and ILO Conventions) or to treaties or to other rules, regulations issued by or deriving from them shall include those bodies, procedures, protocols, conventions, standards, treaties, rules, or regulations as they may be renamed, reorganised, replaced, amended, or superseded from time to time.

Similar language is common in most investment agreements. Delete if repetitious

The expressions "**include**" and "**including**" shall be construed without limitation.

ESG conditions precedent

Depending on the outcome of due diligence, conditions precedent to create remuneration, audit or ESG committees may be required

1.1 The Company must adopt an anti-bribery and corruption policy and a whistle-blowing policy for the Group (including explanations and procedures) in each case in [the Agreed Form][a form satisfactory to the Investors];

ESG representations and warranties

Notes on warranties:

(i) It is usually appropriate for warranties to be repeated on subsequent drawdowns, but this is a matter for commercial negotiation. Caps and limitations may be negotiated although the aim is to ensure an incentive for the giver of the warranties to disclose - legal redress is typically less important on minority investing.

(ii) Discuss with your ESG team following DD whether the Investors require warranties on compliance with all ESG requirements or simply compliance with law and the ILO working conditions requirements. This version assumes the latter as generally we do not expect businesses to comply with these standards prior to investment. But for follow-on

investments or investments in businesses where the investors or other DFIs already have a stake we may expect full compliance with the ESG Requirements prior to investment.

(iii) The disclosure letter should cross refer to relevant breaches identified in the ESG Action Plan - either specifically or generally.

(iv) The Investors may accept in negotiations that the warranty is limited to compliance **[in all material respects]** ***but a 'reasonable efforts' or 'best efforts' basis for this warranty is generally not acceptable as it does not necessarily cover material issues, merely the efforts made by the giver.***

2. ESG compliance and claims

2.1 Each Group Company complies with all applicable ESG Laws and with the requirements set out in paragraph 2 of Part A of Schedule [X] (Working conditions and labour rights).

The content of 2.2 is covered under more a general 'no litigation/no claims' warranty, in which case duplication would not be necessary

2.2 No ESG Claim has been commenced or (to the best of its knowledge and belief) is threatened against any Group Company.

2.3 No written notice or other allegation has been received by, or brought to the attention of, any Group Company to the effect that a Group Company has breached any ESG Laws.

[Financial institutions only - 'knowledge' or 'awareness' may be defined. ESG Requirements may be appropriate if the financial institution already has DFI investment

2.4 [To the best of the Company's knowledge, each Client complies with all applicable ESG Laws and with the requirements set out in paragraph 2 of Part A of Schedule [X] (Working conditions and labour rights) [and each High Risk Client also complies with all other ESG Requirements].]

3. Corruption and illegal payments

3.1 No Group Company has committed any Financial Malpractice.

3.2 No Group Company has directed or knowingly permitted any person to commit any Financial Malpractice on its behalf.

3.3 The Group has in place procedures designed to prevent Group Companies and those acting on their behalf from committing any Financial Malpractice.

3.4 No proceeds of any illegal act or act related to drug trafficking, corruption, bribery, organised crime or terrorism have been received by any Group Company, directly or indirectly (including for the purchase of shares in any Group Company) or as a contribution to or otherwise to support the activities or business of any Group Company or the Group as a whole.

Financial institutions only

3.5 *[To the best of the Company's knowledge, [after due inquiry,] no Client has committed any Financial Malpractice nor has any Client directed or knowingly permitted any person to commit any Financial Malpractice on its behalf.*]

4. Exclusion List

Use italicised words in square brackets on financial institutions deals

No Group Company[*nor any Client*] is carrying on or financing any activity on the Exclusion List.

ESG information rights

5. Content of annual report

Add this wording to the customary requirement to deliver annual reports to the Investors

5.1 The Company's annual audited accounts must include:

(a) an analysis of the principal risks that the directors believe the Group faces and the steps taken to mitigate those risks

(b) a review of:

(i) the bribery and financial crime risks faced by the Group,

(ii) the systems, policies and procedures for managing such risks, and

(iii) the implementation and effectiveness of those systems, policies and procedures

5.2 The Company must promptly send the Investors a copy of any management letter addressed to a Group Company by its external auditors.

6. ESG and development impact reporting

Financial Year or Financial Period may be a defined expression

6.1 The Company must, as soon as it is available, but in any event no later than [90] days after the end of each [financial year], deliver to the Investors a monitoring report in the Agreed Form which addresses environmental, social, business integrity and development impact matters.

6.2 Without prejudice to clause 6.1, the Company must provide the Investors with such assistance, access and information as the Investors reasonably require in order to monitor and evaluate the development impact of their investment.

Not required if these matters are subject to Investor veto right/reserved matters

6.3 The Company must promptly inform the Investors of any proposed change in the Directors, internal or external auditors or the bankers of any Group Company.

Financial institutions only

6.4 The Company must deliver to the Investors no later than the date it has to deliver its audited [consolidated] financial statements in accordance with sub-Clause 2.1(a) (Financial Statements), a summary of all Clients and confirmation as to whether or not any of them are or may be High Risk Clients.

7. Internal audit

7.1 The Company must promptly send the Investors any internal audit report prepared for the Company which addresses the Group's compliance with all or any part of the ESG Requirements.

7.2 The Company must ensure that the work plan of any internal audit firm (or internal audit function within the Group) includes a review of:

(a) the assessment of the bribery and financial crime risks faced by the Group,

(b) the systems, policies and procedures for managing such risks, and

(c) the implementation and effectiveness of those policies and procedures.

8. ESG breaches and claims

Use italicised words in square brackets on financial institutions deals

8.1 The Company must inform the Investors in writing immediately upon becoming aware of:

(a) any ESG Claim being commenced or threatened against any Group Company[*or any Client*] or any facts or circumstances which will or are reasonably likely to result in such an ESG Claim being commenced];

(b) any written notice or other allegation received by, or brought to the attention of, any Group Company to the effect that a Group Company has breached any ESG Requirement;

(c) any actions which may constitute a Financial Malpractice committed by or on behalf of any Group Company [*or, to the best of its knowledge, by or on behalf of any Client*]; and

(d) any enquires from government enforcement authorities concerning any act that may constitute a Financial Malpractice by or on behalf of any Group Company.

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

9. Serious incidents

The Company must notify the Investors of Serious Incidents promptly and in any event within 3 days after becoming aware of their occurrence. The Company must supply the Investors within 14 days of the Serious Incident with a report in the form set out in Part C of Schedule [X] incorporating, in each case, details of (1) the nature of the incident and the on-site and off-site effects and (2) any action the Group Company [*or* *the Client (as the case may be)*] proposes to take in order to remedy the effect of the Serious Incident. The Company must keep the Investors informed about the progress of any remedial action.

A "**Serious Incident**" is one of the following which affects any employee, customer, supplier or other person who has dealings with, or is affected by the activities of, a Group Company [*or a Client*] or which occur on or nearby any site, plant, equipment or facility of any Group Company [*or Client*]:

(a) an incident resulting in death or permanent injury to any person;

(b) any other incident which has a material negative impact on the environment or the health, safety and security situation (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination); and

(c) any incident of a social nature (including without limitation any violent labour unrest or dispute with local communities), which has or is reasonably likely to have a material negative effect on the social and cultural context.

Note: the following provisions may be merged with more general 'access' or 'costs' clauses - eg for default in providing financial information. The company will normally push back on giving a 'blank cheque' for adviser's visits – this clause limits reimbursement to one inspection a year plus default

10. Inspection rights

10.1 The Company must permit the Investors, their accountants and their other advisers unrestricted access to each Group Company at all reasonable times and on reasonable notice to:

(a) meet with senior management of the Company to discuss any questions or issues in relation to ESG Requirements;

(b) investigate any failure to comply with or implement the ESG Requirements (including the non-implementation of any ESG Action Plan);

(c) inspect and to take copies and extracts from the books, accounts and records of each Group Company; and

(d) view the premises of each Group Company.

10.2 The Company must reimburse the Investors on demand for all costs and expenses (including consultancy costs and any travel expenses) incurred in connection with any meetings, investigations or inspections made under clause [2.6] provided that the reimbursement shall only be for:

(a) meetings, investigations or inspections which reveal a material breach of the ESG Requirements; and

(b) one other meeting, investigation or inspection in any financial year of the Company.

All other meetings, investigations or inspections shall be at the Investors' cost.

ESG on-going covenants

11. ESG Requirements

11.1 The Company must and must ensure that each other Group Company (whether acquired before or after the date of this Agreement) will:

(a) comply with the ESG Requirements, subject to any period permitted to achieve compliance with a ESG Requirement set out in the ESG Action Plan; and

(b) take all reasonable steps in anticipation of known or expected future changes to the ESG Requirements.

Financial institutions only – reasonable endeavours in relation to Clients is acceptable on the basis that the Company adopts all the actions listed in Part E

11.2 [The Company must use all reasonable endeavours to ensure that each Client complies with the applicable Client ESG Standards].

11.3 For the purposes of clause 11.2, 'all reasonable endeavours' includes (but is not limited to) compliance by the Company with paragraph 5 of Part A of Schedule [X] (ESG Management System) and Part E of Schedule [X] (ESG Management Systems for Financial Institutions)].

11.4 The Company must implement all actions set out in the ESG Action Plan within the time-frames set out in that plan.

Board process

12. Board qualification

No Prohibited Person shall be appointed as director of the Company and/or any Group Company. The Company shall carry out KYC Checks on the proposed director and send the information received for that purpose to the Investors.

Use the following to the extent not covered in standard SHA wording. 'Board' may be defined already. If the Investors have board seats, some of these provisions may be in place already

13. Board schedule and papers

The Company must ensure that:

(a) each year it adopts a schedule of meetings of the Company's board of directors (the "**Board**") and Board committee meetings, including details of when statutory and regulatory returns are due. A copy of the schedule will be sent to the Investors [on request][when the schedule is adopted];

(b) copies of agendas and papers for Board and Board committee meetings will be sent to the Investors in advance; and

(c) the Investors are supplied on request with minutes of Board and Board committee meetings unless the Company is legally prevented from circulating those minutes.

Share transfers

14. Restriction on new shareholders

No Prohibited Person shall be registered as a shareholder of the Company. The Company shall carry out KYC Checks on the proposed shareholder and send the information received for that purpose to the Investors.

ESG Breach

The following drafting is suggested to help define an ESG Breach and those which are capable of remedy

15. Breach of ESG obligations

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

Discuss with the ESG team whether, in the context of the business concerned, other breaches would be automatically irremediable.

15.2 If the ESG Breach is not capable of remedy this shall be an "**Irremediable ESG Breach**". The following ESG Breaches shall for the avoidance of doubt be Irremediable ESG Breaches:

(a) Financial Malpractice by a Group Company where (i) the Financial Malpractice or any payment in connection with the Financial Malpractice was authorised by [one or more directors of a Group Company][the Promoters/Managers] or (ii) the Group Company failed to have or to operate adequate procedures to prevent Financial Malpractice; and

(b) a breach of Environmental Law or Social Law which results in death or significant permanent physical injury to natural persons or significant adverse environmental and/or social impacts that are diverse, irreversible or unprecedented.

15.3 Other than in relation to Irremediable ESG Breaches, if there is an ESG Breach the Company shall have a defined period (as agreed by the Investors and not to exceed a maximum period of six months) in which to remedy the ESG Breach in the manner agreed between the Investors and the Company.

15.4 If the ESG Breach is remedied to the Investors' satisfaction within the defined time period or the same is waived by the Investors, then the ESG Breach shall lapse. If the ESG Breach is not so remedied, this shall be an "**Unremedied ESG Breach**".

See note below on consequences

15.5 If an Irremediable ESG Breach or an Unremedied ESG Breach occurs: …

Note: Consequences of ESG Breach

Note: Practice varies in terms of what happens following an irremediable/unremedied ESG Breach, depending on the commercial bargaining position, the nature of the Investors' instrument (debt, mezzanine or equity) and the broader deal context. Examples might include:

- a restriction on further drawdowns until the breach is remedied,
- a put option on other parties to buy shares, although these frequently have enforcement challenges – particularly on portfolio company buybacks,
- repayment of loan instruments,
- ability to implement exit rights sooner,
- ability to sell shares without transfer restrictions (and this is included in the drafting in Part Two),
- drag alongs,
- ability to appoint additional directors,
- ability to appoint advisers at the cost of the company (included above) and to require the board to adopt the recommendations

You should discuss options with your legal advisers.

ESG schedule

SCHEDULE [X]

Environmental, social and governance

Part A - ESG Requirements

Discuss with your environmental/social team the relevance of each item to the business in question

1 Compliance with law

Each Group Company must comply with ESG Laws.

2. Working conditions and labour rights

Each Group Company must:

2.1 not employ or make use of forced labour in accordance with ILO Convention No. 29 (Forced Labour) and ILO Convention No. 105 (Abolition of Forced Labour);

2.2 not employ or make use of child labour in accordance with ILO Convention No. 138 (Minimum Age) and ILO Convention No. 182 (Worst Forms of Child Labour);

2.3 pay wages which meet or exceed industry or legal national minima;

2.4 not discriminate in terms of recruitment, progression, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, colour, caste, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, marital status, membership of workers' organisations, legal migrants, or HIV status (unless positive discrimination is permitted by law and is intended to address a historical imbalance);

2.5 adopt an open attitude towards workers' organisations and respect the right of all workers to join or form workers' organisations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace in accordance with ILO Convention No. 87 (Freedom of Association and Right to Organise) and ILO Convention No. 98 (Right to Organise and Collective Bargaining);

2.6 provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive in accordance with ILO Convention No. 1 (Hours of Work (Industry)) and clearly documented terms of employment, respecting any collective bargaining agreements that are in place or (where these do not exist or do not address working conditions) or conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area where the work is carried out;

2.7 provide an appropriate grievance mechanism that is available to all workers and where appropriate other stakeholders, and which includes grievances brought by those affected by the operation of the Group; and

2.8 implement policies and procedures for, and encourage, the reporting of wrongdoing and misconduct by staff, employees and contractors in their dealings with each other or with third parties that includes protection for the reporter and appropriate disciplinary action for anyone found to harass the reporter.

3. Restrictions on activities

Delete '[or finance]' for financial institutions – the provisions in 3.2 to 3.5 are designed to present a reasonable solution for financial institutions in terms of securing compliance by Clients

3.1 The Company must not (and the Company must ensure that no other member of the Group will) carry on [or finance]any activity on the Exclusion List.

Financial institutions only

3.2 [No Group Company shall make any loan or other facility to any Client that is engaged in any activity on the Exclusion List.

3.3 Each Group Company shall have a covenant in any loan or facility document entered into after the date of this Agreement prohibiting any Client from engaging in any activity on the Exclusion List. If a Group Company becomes aware that any Client has breached the covenant, the Group Company shall:

(a) promptly notify the Investors of the breach and require the relevant Client to undertake as appropriate, in the Group Company's reasonable judgement, corrective measures to remedy the breach; and

(b) if the relevant Client does not implement the corrective measures, use commercially reasonable efforts to accelerate or dispose of the Client's loan on commercially reasonable terms, taking into account liquidity, market constraints and fiduciary responsibilities.]

Financial institutions only. There may be a defined expression for the investment proceeds

3.4 No Group Company shall make the [proceeds of the Investors' investment in the Company] available to any Client to finance (or re-finance) any Coal Power Generation:

(a) *outside of the Permitted Countries; or*

(b) *inside the Permitted Countries if the aggregate funding of Clients engaged in Coal Power Generation represents (or would, following that financing, represent) more than 10% of the Group's underlying portfolio volume.*

For the purpose of this clause:

*"**Permitted Countries**" means any country eligible for support from the International Development Association (see http://ida.worldbank.org/about/borrowing-countries); and*

*"**Coal Power Generation**" means the production of electricity (for public energy supply or captive energy production in industrial or commercial activities) using coal as the source of power, including dual-power plants/projects where coal is one of the energy sources.]*

3.5 No Group Company may be formed without the Investors' prior written consent form in any jurisdiction:

(a) who has not undergone a peer review as part of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes (the "**Global Forum**") or

(b) following a phase 1 review has not been permitted by the Global Forum to proceed to a phase 2 review; or

(c) has undergone a phase 2 review and has not received an overall rating from the Global Forum of 'compliant' or 'largely compliant'

4. Activities with greater environmental or social impact

4.1 If the activities of a Group Company involve or could be reasonably expected to involve:

(a) significant air emissions (including of greenhouse gases), use of water or generation of liquid effluents, generation of hazardous or other solid wastes or resource use inefficiencies;

(b) transactions that generate adverse community health and safety impacts;

(c) the acquisition and/or use of land that will lead to the economic or physical displacement of communities;

(d) significant negative impacts on biodiversity, habitat or ecosystem services, including without limitation (i) provisioning services such as food or timber, (ii) regulating services such as water flow regulation, (iii) cultural services such as sacred sites and (iv) supporting services such as soil formation;

(e) impacts to indigenous peoples (or other marginalised and vulnerable groups);

(f) impacts to cultural heritage; or

(g) other significant negative environmental or social impacts

then (i) the relevant IFC Performance Standards should be implemented, (ii) an appropriate stakeholder engagement plan should be developed in line with the applicable IFC Performance Standard, and (iii) an environmental and social impact assessment and/or issue specific action plan (e.g. a resettlement action plan) should be developed for any such activities.

4.2 If the activities of a Group Company could reasonably be expected to involve:

(a) significant risks to the health and safety of workers or to other stakeholders, including affected communities, the Group Company must assess and mitigate those risks, for example through a Health and Safety audit and action plan, in line with the relevant IFC Performance Standards;

(b) coal-fired power, the Investors must be satisfied that the use of coal is justified by the impact of the proposed activity by the Group Company and that no practicable alternatives exist;

(c) significant emissions of greenhouse gases, ensure that adequate measures to reduce emissions to the extent possible and mitigate adverse climate impacts are implemented and that the Company reports to the Investors on its emissions[.][; and]

Financial institutions only

(d) *[microfinance, the Group Company must endorse and apply the SMART Campaign Client Protection Principles (see www.smartcampaign.org).]*

5. ESG Management System

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

5.2 The Company must implement, maintain and continuously improve the ESG Management System, including deploying employees of sufficient expertise and seniority as is necessary for this purpose.

5.3 The ESG Management System must be supervised by [the Board][the ESG Committee][a named director satisfactory to the Investors][a director appointed by the Investors]. Supervision of the ESG Management System must include:

(a) overseeing implementation of the ESG Action Plan;

(b) quarterly reports to the Board on any material issue that has arisen as a result of the operation of the ESG Management System since the last meeting and an explanation as to how it is being dealt with;

(c) ensuring that the Group has the systems and resources (including employees of sufficient expertise and seniority) to understand and determine the applicability of the ESG Requirements to the Group and monitor the underlying ESG Laws, IFC Performance Standards and ILO Conventions for applicable changes;

(d) examining policies and procedures relating to the ESG Requirements and their implementation and making recommendations for their improvement to the Board;

(e) considering [quarterly] reports from management on the implementation of the ESG Action Plan;

(f) reviewing and approving the report to the Board and the Investors required under clause [2(a)];

(g) considering ESG assessment reports on new projects or acquisitions [and veto [transaction][project][contract] bids] where [the reports advise that][in the Investors' reasonable opinion] there is a material risk that the transaction, if consummated, would cause the Group to be in breach of the ESG Requirements]; [and]

(h) appointing consultants to investigate alleged breaches of the ESG Requirements or the related policies and procedures of the Group[.][; and]

Financial institutions only

(i) monitoring and seeking to secure the compliance of Clients with the applicable Client ESG Standards in accordance with Part E of this Schedule [X].

6. Opportunities for environmental or social improvement

Each Group Company should consider the potential for positive environmental and social impact from their business activities and how these could also benefit the business, for example through cost savings, reduced staff turnover or improved stakeholder relations. These should include adopting, developing, offering or marketing:

(a) products, services, skills or employment opportunities that could benefit community stakeholders;

(b) a living wage that is sufficient to meet workers' needs; and

(c) resource efficient, greenhouse gas reducing or low carbon technologies or working practices.

7. Business integrity

7.1 The Company must not commit (and the Company must ensure that no other Group Company or any agent or delegate commits) any Financial Malpractice or direct or knowingly permit any person to commit any Financial Malpractice on its behalf.

7.2 The Company must procure that the Group:

(a) upholds high standards of business integrity and honesty;

(b) adopts and implements policies and practical procedures to prevent extortion, fraud, bribery, corruption and financial crime in accordance with Business Integrity Laws and international best practice, including anti-corruption and anti-money laundering best practice, including:

Adoption of (or amendment of existing) anti-bribery and whistle-blowing policies should be a CP if there are no adequate procedures in place already

(i) the adoption and periodic review of a code of ethics which must incorporate a whistleblower policy, the anti-bribery and corruption policy (including explanations and procedures) in the Agreed Form and other appropriate business integrity and legal compliance policies to ensure compliance with applicable Business Integrity Laws (including prohibiting employees and contractors acting on the Group Company's behalf from promising, making or receiving gifts of substance in the course of business or making of payments as improper inducement to confer preferential treatment);

(ii) employee training programmes; and

(iii) appropriate due diligence procedures to evaluate the integrity and business history of persons and entities with whom they wish to transact;

(c) properly records, reports and reviews financial and tax information and adopt internationally recognised accounting standards satisfactory to the Investors;

(d) establishes corporate governance practices appropriate to the size and nature of the business;

(e) deals with regulators in an open and co-operative manner;

(f) uses information received from its business partners only in the best interests of the business relationship and not for personal financial gain by any worker; and

(g) ensures that employees and third parties providing material goods and services to any Group Company are contractually bound not to engage in any Financial Malpractice in the performance of employment or services on its behalf.

Use paragraph 8.1 for financial institutions and for businesses which operate in sectors where trade sanctions may be an issue (e.g. supply of equipment to sensitive countries or sectors, or where equipment could be used for military and non-military purposes). Sanctions laws are also within the 'Business Integrity Laws' definition so the general covenant on compliance with ESG Laws will be sufficient for other investments with low sanctions risks.

8. [Sanctions

8.1 The Group shall [institute and] maintain internal procedures, consistent with its business and customer profile, to ensure that no member of the Group will enter into any transaction:

(a) with, or for the benefit of, any person or entity listed on any Sanctions List; or

(b) related to any activity prohibited by any Sanctioning Body.

Use for financial institutions

8.2 [*Each Group Company shall ensure that it has a covenant in any loan or facility document entered into after the date of this Agreement prohibiting any Client from being named on any Sanctions List or engaging in any activity prohibited by any Sanctioning Body. If a Group Company becomes aware that any Client has breached the covenant, the Group Company shall:*

(a) *promptly notify the Investors of the breach and require the relevant Client to undertake as appropriate, in the Group Company's reasonable judgement, corrective measures to remedy the breach; and*

(b) *if the relevant Client does not implement the corrective measures, use commercially reasonable efforts to accelerate or dispose of the Client's loan on commercially reasonable terms, taking into account liquidity, market constraints and fiduciary responsibilities*.]]

Part B - Exclusion List

1 The production of, or trade in:

1.1 hazardous chemicals, pharmaceuticals, pesticides and wastes, as specified in the 2004 Stockholm Convention on Persistent Organic Pollutants; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and WHO Recommended Classification of Pesticides by Hazard Class 1a (extremely hazardous); or 1b (highly hazardous);

1.2 ozone depleting substances, as specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer;

1.3 endangered or protected wildlife or wildlife products, as specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna;

1.4 any other product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements;

1.5 arms (i.e. weapons, munitions or nuclear products, primarily designated for military purposes); or

1.6 radioactive materials (excluding medical equipment, quality control (measurement) equipment and any equipment in which the radioactive source could reasonably be considered to be trivial or adequately shielded).

2 Production of, use of, or trade in unbonded asbestos fibres.

3 Unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometres in length.

4 Prostitution.

Consider deleting the introductory wording for direct investments in non-financial institutions where the activities are not considered to be likely – in these cases an outright prohibition may be appropriate.

[Any of the following, to the extent that the activities represent more than 10% of the Group's [consolidated balance sheet or earnings][*underlying portfolio volumes*]:]

5 Gambling, gaming casinos and equivalent enterprises[;][[.]

6 Tobacco or tobacco related products (except where the Group proposes to cease such activities completely within a period agreed with the Investors)[.][; or]

7 Pornography.

Part C - Serious Incident Report

REPORT on ESG ISSUES/INCIDENT in [Name of Company]	
Date of report	
Company contact person	
Description of issue	1. Date and time of incident. 2. Type of incident: environmental issue, fatality, alleged fraud or other. 3. Name of person/s involved/injured/deceased, if applicable 4. Narrative and contextual information. 5. Whether incident was work or non-work related. 6. Causes of incident. 7. Status of investigation. 8. Listing of parties involved in investigation (witnesses and staff, unions, police, other authorities and other parties. 9. Publicity
Follow-up by Company management	1. Company view of incident – degree of severity, possible uncertainties or disputed facts to be investigated. 2. Status of investigation. 3. Reports produced (and outstanding, if any). 4. Immediate actions taken by company and other parties. 5. Further actions to prevent re-occurrence of incident. 6. Monitoring/reporting arrangements to follow up on efficacy of actions taken. 7. Results to date of actions taken.
Conclusion	Next steps: whether to close the case, or proceed investigations, how to do so, and the rationale for it.

Financial institutions only

Part D - High Risk Client industry sectors

The following sectors are considered usually to be high risk industry sectors, for both new developments (greenfield) as for existing companies (brownfield). The list is derived from the EDFI Harmonized List of High Risk Sectors (October 2012). Depending on project specifics the environmental and social risks of individual projects may be considered to be medium. In such cases detailed rationales for categorisation must be documented.

The sectors as listed below cover the activities as defined under the heading 'Applicability' of the corresponding IFC Environmental, Health, and Safety Guidelines in the IFC Performance Standards or directly trigger IFC Performance Standard 5-8.

Infrastructure

- *Railways*
- *Ports, harbours and terminals*
- *Airports*
- *Toll roads*
- *Crude oil and petroleum product terminals*
- *Pipelines*
- *Long distance overhead transmission lines*
- *Large dams (hydro power plants / irrigation/water supply)*
- *River-run-off hydro power plants (> 50 MW)*
- *Waste management / Waste treatment facilities*
- *Thermal power: new plants (> 50 MW)*
- *Thermal power: existing plants (> 50 MW)*
- *Wind parks (> 100 MW installed capacity)*

Oil & Gas

- *Offshore oil and gas development*
- *Onshore oil and gas development*
- *Liquefied natural gas (LNG) facilities*

Large Scale Primary Production (Plants / Animals)

- *Plantation crop production*
- *Forestry*
- *Aquaculture*
- *Animal production*

Heavy Industry

- *Cement and lime manufacturing*
- *Glass manufacturing*
- *Construction materials extraction*
- *Integrated steel mills*
- *Base metal smelting and Refining*
- *Pulp and paper mills*

- *Foundries*
- *Pharmaceuticals and biotechnology manufacturing*
- *Coal processing*
- *Natural gas processing*
- *Oleo chemicals manufacturing*
- *Nitrogenous fertiliser manufacturing*
- *Phosphate fertiliser manufacturing*
- *Pesticides manufacturing and packaging*
- *Petroleum-based polymers manufacturing*
- *Petroleum refining*
- *Large volume petroleum-based organic chemicals manufacturing*
- *Large volume inorganic compounds manufacturing and coal tar distillation*

Mining

- *Mining (open pit and underground)*

Socially Critical Projects

- *Projects with large groups of low-skilled labour, for instance in free trade zones etc. (e.g. textiles manufacturing projects which may affect indigenous or tribal populations)*
- *Projects which may affect areas of archaeological or cultural significance*
- *Projects which cause or have caused (during last 5 years) physical or economic resettlement*
- *Projects which cause retrenchment of more than 10% of the present work force (or > 50 workers)*

Environmentally Critical Projects

- *Projects in or bordering ecological sensitive or protected areas (e.g. agriculture in areas which comprised natural habitat, large scale tourism projects)*
- *Large scale conversion of natural habitats (as a guide anything greater than 10 hectares)*
- *Large scale land reclamation*
- *Projects that have potential to heavily impact ecosystem services (e.g. due to intensive use of ground water)*

Financial institutions only

Part E - ESG management system for financial institutions

The Group must adopt responsible investment management systems which must include:

1 **Policy and Processes**

1.1 *ensuring the Group's own operations comply with the ESG Requirements;*

1.2 *identifying the environmental, social and governance risks of all potential Clients and appropriately managing and monitoring those risks (including the identification* *of climate change risks, and reporting on greenhouse gas emissions from high carbon intensity activities);*

1.3 *preventing any investment by the Group in an activity on the Exclusion List;*

1.4 *assessing compliance by all Clients with the applicable Client ESG Standards;*

1.5 *developing an environmental, social and governance action plan agreed between the relevant Group Company and each Client, defining actions, responsibilities, budgets, deliverables, compliance indicators, and a timeframe for the measures required to remedy any known non-compliance with the applicable Client ESG Standards in the business activities of the Client and for any other measure agreed upon, as amended from time to time (the "**Client ESG Action Plan**");*

1.6 *using all reasonable endeavours to procure, through the inclusion of binding obligations of each Client in favour of a Group Company, that:*

(a) *each Client complies in all material respects with the applicable Client ESG Standards;*

(b) *where applicable, each Client complies with the requirements set out in the relevant Client ESG Action Plan; and*

(c) *each High Risk Client institutes and maintains a management system that ensures compliance with the ESG Requirements; and*

1.7 *establishing a public grievance process for the reporting of environmental, social or governance matters and use all reasonable endeavours to ensure that each High Risk Client does so.*

2. Roles and Responsibilities

assigning environmental, social and governance responsibilities to (i) designated representative(s) of senior management, who are members of appropriate credit and governing bodies and (ii) suitably trained employee(s) or consultant(s).

3. Performance Management

3.1 *working with Clients continually to improve their performance on environmental (including climate change risks), social, corporate governance and business integrity matters;*

3.2 *monitoring Clients' performance and continued compliance with the applicable Client ESG Standards including their timely progress against the relevant Client ESG Action Plans, including periodic meetings and/or site visits (as warranted by the risks of such business) and using technical experts where necessary;*

3.3 *identifying and recording any serious incidents involving Clients that result in loss of life, severe permanent injury or severe permanent damage to health, a material* *adverse environmental or social impact, or material breach of ESG Laws, including financial irregularities, and promote appropriate corrective actions; and*

3.4 *ensuring integration of ESG management systems into their business so that they continue after any exit from the investment.*

4. Reporting

ensuring regular (and no less than annual) reporting of environmental (including climate change), social and governance matters (and immediate reporting of any serious incidents, such as fatalities or breaches of ESG Laws) to the Board and to the Investors.

Appendix L

Whistle Blower Policy

Whistle Blower Policy
The whistle blower policy provides a mechanism for the reporting of illegal activity or the misuse of Matanataki Pte Ltd (MPL) and Matanataki Pacific Fund 1 (MPF1) assets while protecting the employees who make such reports from retaliation.

Questionable Conduct. This policy is designed to address situations in which an employee suspects another employee has engaged in illegal acts or questionable conduct involving:

- MPL and MPF1›s assets. This conduct might include outright theft (of equipment or cash), fraudulent expense reports;
- Misstatements of any accounts to any manager or to MPL and MPF1›s auditors;
- Staff conflict of interest that results in financial harm to MPL and MPF1but also extends to acts of corruption and legal non-compliance.

MPL and MPF1 encourages staff to report such questionable conduct and has established a system that allows them to do so anonymously if necessary.

Making a Report. If an employee suspects illegal conduct or conduct involving misuse of MPL and MPF1 assets or in violation of the law, he or she may report it, anonymously if the member wishes, and will be protected against any form of harassment, intimidation, discrimination or retaliation for making such a report in good faith.

Staff can make a report to any of the following MPL and MPF1 Senior Management at any time: Matanataki Director, Partner. Reports can be made by telephone or in writing by letter or email.

MPL and MPF1 will promptly conduct an investigation into matters reported, keeping the informant's identity as confidential as possible consistent with our obligation to conduct a full and fair investigation. The timeline for response is within 30 days but will depend upon the nature of the issue. The informant will be advised on the timeline once the complaint has been processed.

Alternatively, staff can make a report by calling an **independent "whistle blower" phone line** that will be answered by an outside company. The information provided will be forwarded promptly to MPL and MPF1 for investigation. Callers to the whistle blower hotline may remain anonymous if they wish. The whistle blower phone line and access requirements are set out at the end of this policy.

All reports received either directly or via the Whistle blowing hotline will be passed to MPL and MPF1's Director(s) and/ or Partner(s) and handled with the assistance of MPL and MPF1's legal counsel.

Protection of Employees Who Report Misuse of Matanataki Pte Ltd and Matanataki Pacific Fund 1 Assets
No Retaliation.

MPL and MPF1 strongly disapproves of and will not tolerate any form of retaliation against employees who report concerns in good faith regarding MPL and MPF1's operations. Any employee who engages in such retaliation will be subject to discipline up to and including termination.

Where a member of staff has made a report of suspicious conduct and who subsequently believes he or she has been subjected to retaliation of any kind by any MPL and MPF1, they are directed to immediately report it to the relevant senior staff or Line Manager. Reports of retaliation will be investigated promptly in a manner intended to protect confidentiality as much as practicable, consistent with a full and fair investigation. The party conducting the investigation will notify the member of the results of the investigation.

Matanataki

Whistle Blower Phone Line: Please see below the telephone contact number for the independent Whistleblower hotline – call charges may be reversed if caller wishes.

WHISTLEBLOWER HOTLINE TELEPHONE NUMBER:
In House Legal Counsel, Matanataki Pte Ltd, +679 345 0215

Matanataki

Appendix M
Grievance and Complaints Procedure

Introduction

This protocol outlines the procedure for handling complaints within Matanataki Pte Ltd. It aims to ensure that all complaints are addressed promptly, fairly, and consistently.

Scope

This procedure applies to any person, group or community who wishes to raise a complaint or concern about any aspect of Matanataki Pte Ltd's activities, including those carried out under Matanataki Pacific Fund 1 (MPF1) and any GCF-financed projects or programmes we implement, sponsor or manage. It forms part of our Environmental and Social Management System (ESMS) and is designed to meet GCF's Environmental and Social Safeguards and Results-based Evaluation and Safeguards Policy (RESP) requirements for accessible, predictable and transparent grievance mechanisms. Complaints may be submitted verbally, in writing, by phone, email, or through community representatives. There is no prescribed format, and assistance will be provided to complainants who may have literacy, language or accessibility constraints.

Definition of a Complaint

A complaint is any expression of dissatisfaction, whether justified or not, about any aspect of Matanataki Pte Ltd.

Procedure for Raising a Complaint

- ***Step 1: Informal Resolution***

    - The complainant should initially raise the issue informally with the relevant person or department. This can be done verbally or in writing.
    - The aim is to resolve the issue quickly and amicably without the need for formal procedures.

- ***Step 2: Formal Complaint***

    - If the issue is not resolved informally, the complainant should submit a formal complaint in writing to Matanataki's In House Legal Counsel on +679 345 0215 or info@matanataki.com.

- The complaint should include details of the issue, any previous attempts at resolution, and the desired outcome.

Acknowledgment of Complaint

- Matanataki's In House Legal Counsel will acknowledge receipt of the complaint within 5 working days.
- The acknowledgment will include an outline of the next steps and the expected timeframe for resolution.

Investigation

- The Matanataki's In House Legal Counsel will conduct a thorough investigation into the complaint.
- This may involve gathering evidence, interviewing relevant parties, and reviewing any relevant documentation.

Resolution

- The Matanataki's In House Legal Counsel will provide a written response to the complainant within 20 working days of acknowledging the complaint.
- The response will include the findings of the investigation, any actions taken, and the rationale for the decision.

Appeal

- If the complainant is not satisfied with the outcome, they may appeal the decision in writing within 10 working days of receiving the response.
- The appeal will be reviewed by a senior manager who was not involved in the initial investigation.

Record Keeping

- All complaints and related documentation will be recorded and maintained in a secure and confidential manner.
- Records will be kept for a minimum of 7 years.

Continuous Improvement

- Complaints will be reviewed periodically to identify any trends or areas for improvement.
- Lessons learned from complaints will be used to enhance our services and procedures.

Matanataki

Gender-based Violence and Harassment (GBVH) and Sexual Exploitation, Abuse and Harassment (SEAH) Complaints

Complaints or concerns related to GBVH or SEAH are treated with the highest priority and handled in line with survivor-centred principles, prioritising the rights, needs and wishes of the survivor/victim. Complainants and survivors may choose to report GBVH/SEAH concerns through any of the channels described above or directly to a designated Safeguards or HR focal point, without having to first inform their supervisor.

- Confidentiality will be strictly maintained and information shared only on a need-to-know basis. Breaches of confidentiality may result in disciplinary action.
- Retaliation against complainants, survivors, witnesses or others who assist in raising GBVH/SEAH concerns is strictly prohibited and will lead to disciplinary measures.
- Where appropriate, a qualified specialist or external service provider will be engaged to provide psychosocial support, counselling and advice to survivors, and to help manage or mediate GBVH/SEAH cases, in coordination with the survivor and subject to their informed consent.
- Precautionary measures (such as temporary staff transfer, suspension or paid leave) may be put in place while a complaint is under review, without prejudice to the presumption of innocence.

For any complaint related to activities financed by the Green Climate Fund (GCF), complainants may, in addition to using this Matanataki Pte Ltd procedure or the project-level grievance mechanism, submit a complaint directly to the GCF's Independent Redress Mechanism (IRM).

The IRM is an independent, impartial avenue for people who believe they have been or may be adversely affected by a GCF-funded project or programme to raise concerns and seek redress. Complaints to the IRM can be submitted at any time during project preparation or implementation, and up to two years after the harm becomes known or within two years of project closure.

Complaints to the IRM may be filed by:

- Email to irm@gcfund.org
- Online through the IRM's complaints form at https://irm.greenclimate.fund/case-register/file-complaint
- Mail or other means as described on the IRM website https://irm.greenclimate.fund .

Complainants are free to choose whether to use Matanataki's grievance process, the IRM, or both. Using this company-level procedure is not a precondition for accessing the IRM.

For investments and portfolio companies supported by MPF1, project-level grievance redress mechanisms will be established or strengthened in line with this procedure and the fund-level ESMS, and will be disclosed to affected communities as part of stakeholder engagement processes.

Appendix N

Emergency Preparedness and Response Plan Elements

Emergency Contacts and Maps
- Public Emergency Services and Contractors
- Internal Emergency Contacts – emergency first aid responders, fire responders, H&S Officer
- Community Contacts and Counterparties
- Emergency Maps including muster points

Evacuation Plan

Invacuation Plan (Shelter in Place)

Medical Emergency
- Local hospital details

Fire Emergency
- Local fire station details

Natural Hazards
- High winds
- Tsunami
- Flooding
- Blizzard
- Sandstorm
- Earthquake

Terrorist Activities
- Firearms or weapons incident
- Bomb threat

Uncontrolled Releases
- Chemical Spill
- Gas or particulate releases

Emergency Drills
- Type
- Frequency
- Record

Emergency Communication Plan
- Internal stakeholders
- Exeternal stakeholders

Appendix O

MPF1 Indigenous Peoples Planning Framework

This Indigenous Peoples Planning Framework is guided by the GCF Indigenous Peoples Policy (2018) and its Operational Guidelines (2021), and is aligned with IFC Performance Standard 7.

Introduction

Purpose and Scope: In line with the GCF Policy on Indigenous Peoples and IFC PS7/PS8, the MPF1, the Fund, Indigenous Peoples Planning Framework (IPPF) has been prepared to guide screening, engagement (including meaningful consultation and Free Prior Informed Consent (FPIC) processes where required), risk mitigation and benefit-sharing, monitoring and disclosure.

The IPPF is designed to provide clear, detailed operational guidance and methodology to MPFI on screening, risk assessment, FPIC processes, and IPP preparation, ensuring full alignment with the GCF IP Policy operational guidelines.

In accordance with the GCF Indigenous Peoples Policy, the Fund commits to the following:

- Screening each potential investment for potential impacts on Indigenous Peoples;
- Conducting meaningful, inclusive consultations to ensure Free, Prior and Informed Consent (FPIC) where rights, resources, or livelihoods may be affected;
- Requiring the preparation of an Indigenous Peoples Plan (IPP) if such impacts are anticipated;
- Respecting Indigenous knowledge and ensuring culturally appropriate benefit-sharing mechanisms.

Investee companies (portfolio companies) must disclose the presence or likely impact on Indigenous Peoples in their initial environmental and social screening. Where required, the Fund will provide technical assistance to ensure compliance with FPIC procedures and support the preparation and implementation of IPPs.

Early Stage Screening: MPFI will conduct screening to identify the potential presence of Indigenous Peoples in target geographies / localities (desk review of national sources, academic literature, consultations with relevant public authorities and representative IP organisations and, where appropriate, potentially affected Indigenous communities.).

Where the presence of Indigenous Peoples is confirmed, the Fund will initiate consultations aligned with GCF ESS7 and national frameworks to ensure FPIC and equitable participation in benefits.

Indigenous Peoples Planning Framework (IPPF)

The Fund adopts this IPPF as an operational guidance framework for all investment activities that may affect IPs or communities with customary resource rights. The core purpose of the IPPF is to ensure full respect for the human rights, dignity, culture, and aspirations of Indigenous Peoples, and to provide clear direction on how the Investee will achieve this through a process of avoidance, minimisation, and culturally appropriate engagement.

The IPPF ensures consistency with the core implementation elements indicated in Paragraph 39 of the GCF Indigenous Peoples Policy and Paragraph 23 of its operational guidelines. This includes, but is not limited to, detailed procedures for FPIC documentation, resource devolution, culturally appropriate benefit sharing, and the mandatory content requirements for the IPP where impacts are expected.

Scope and Standards

The IPPF applies to all investments by the Fund that trigger GCF IP Policy/PS7. Indigenous Peoples-related management measures, including IPPs where appropriate, will be prepared proportionate to the nature and significance of identified impacts. A template for the IPP is provided in Appendix G of the ESMS.

Where an IPP is required, relevant investment activities will not commence prior to completion of the applicable consultation, assessment, and development of management measures.

Definition and Identification Criteria

For the purposes of this Framework, "Indigenous Peoples" are defined in accordance with the GCF Indigenous Peoples Policy (2018) and IFC Performance Standard 7. Communities or groups are considered Indigenous Peoples if they, in varying degrees:

- Self-identify as members of a distinct Indigenous cultural group and are recognized as such by others;
- Maintain collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas;
- Have customary cultural, economic, social, or political systems that are distinct from or separate from those of the dominant society or culture; and
- Speak a distinct language or dialect, often different from the official or national language of the country or region in which they reside. This includes cases where a distinct language or dialect previously existed but no longer exists due to historical or ongoing impacts.

The identification of Indigenous Peoples will be undertaken through desk review, consultations with relevant authorities and representative organisations, and engagement with affected communities during project screening and due diligence.

The Fund and portfolio companies will apply these criteria during the screening stage to determine the presence of Indigenous Peoples and ensure appropriate engagement and safeguard planning consistent with GCF ESS7 and IFC PS7.

Indigenous Peoples Context and Scope of Application in Fiji, Tonga and Vanuatu

The Project will operate in Fiji, Tonga and Vanuatu, where communities meeting the criteria set out in Section IV of the GCF Indigenous Peoples Policy comprise a substantial proportion of the population and maintain strong customary relationships with land, waters and natural resources.

Unlike many jurisdictions where Indigenous Peoples constitute minority populations, Indigenous Peoples in Pacific Small Island Developing States (SIDS) are often the principal landowners, resource custodians and intended beneficiaries of development interventions. Consequently, Indigenous Peoples considerations are expected to be relevant across a substantial proportion of the Project portfolio and will be integrated into investment screening, due diligence, implementation and monitoring processes.

The Programme recognises that customary land tenure, customary marine tenure, traditional governance systems, cultural heritage, traditional knowledge and collective decision-making processes remain central features of community life throughout Fiji, Tonga and Vanuatu. Investments may therefore interact with Indigenous Peoples' rights and interests even where Indigenous Peoples are among the intended beneficiaries of project activities.

For the purposes of project screening and application of the GCF Indigenous Peoples Policy, MPF1 recognises that Indigenous Peoples and communities meeting the criteria set out in Section IV of the GCF Indigenous Peoples Policy are widely present across Fiji, Tonga and Vanuatu. Accordingly, MPF1 anticipates that a substantial proportion of investments may involve Indigenous Peoples as rights-holders, beneficiaries, resource custodians or community stakeholders. However, the requirement for an Indigenous Peoples Plan (IPP) and/or Free, Prior and Informed Consent (FPIC) will be determined by the nature and significance of potential impacts identified through screening and due diligence, rather than by the presence of Indigenous Peoples alone.

Country-Specific Considerations

Fiji

In Fiji, customary iTaukei ownership accounts for the majority of land, and customary fishing grounds (qoliqoli) continue to play an important role in livelihoods, food security and cultural identity. Investments may interact with customary landowners, traditional leadership structures, community resource management arrangements and customary marine tenure systems. Particular attention will therefore be given to consultation with affected communities and recognised customary institutions.

Tonga

In Tonga, land and natural resource governance reflects a combination of statutory and customary arrangements, with strong traditional leadership and community governance structures. Investments may affect communities that maintain customary resource-use practices and collective decision-making processes. Stakeholder engagement activities will be designed to ensure inclusive participation of affected community members, including women, youth and potentially vulnerable groups.

Vanuatu

In Vanuatu, customary ownership of land and natural resources is recognised under the Constitution and remains fundamental to social organisation and livelihoods. Investments may interact with customary land tenure systems, customary marine tenure arrangements, traditional governance institutions and community-based natural resource management practices. Particular attention will be given to culturally appropriate consultation and engagement through recognised customary decision-making structures.

Application of the IPPF

Given the Indigenous Peoples context of Fiji, Tonga and Vanuatu, all investments will be screened for potential impacts on Indigenous Peoples, customary land and marine tenure systems, traditional livelihoods, cultural heritage and natural resource use.

However, the preparation of an IPP and the implementation of FPIC processes will be determined based on the nature, scale and significance of potential impacts identified through screening and due diligence.

Investments that do not create differentiated impacts on Indigenous Peoples may require screening, consultation and monitoring only. Investments that may affect customary lands, customary marine tenure systems, access to natural resources, cultural heritage, traditional knowledge, traditional governance arrangements or Indigenous Peoples' rights and interests may require enhanced due diligence, preparation of an IPP and, where applicable, implementation of FPIC processes in accordance with the GCF Indigenous Peoples Policy.

Screening and Risk Assessment Methodology

The Portfolio Company, supported by the Fund's E&S team or external specialists, shall undertake a rigorous, culturally appropriate screening and assessment process:

a. Identification and Presence: Enquire about the presence, customary use, or collective attachment (including seasonal use or occupation) of Indigenous Peoples in the project area, applying the criteria used to identify them as per GCF IP Policy. This assessment must include a detailed overview of IPs potentially present in project areas.
b. Risk and Impact Analysis: Conduct a social assessment to elaborate on potential impacts and risks (economic, social, cultural, environmental) on IPs. This analysis must use culturally sensitive and gender-inclusive assessments to consider women's unique roles in resource management and the gender-differentiated impacts of land loss or cultural disruption.
c. Documentation: Screening must document the collective attachment of IPs to the land and resources, regardless of formal legal title.

Meaningful Consultation and Documentation Standards

Engagement with IPs must be ongoing, culturally appropriate, non-discriminatory, and proportionate to risk. The IPPF requires rigorous documentation of all meaningful consultations to ascertain the following key information

Information Required	Detail to be Documented
When/Where:	Date, location, language(s) used, and format (e.g., focus group, public meeting, one-to-one interview).
Who Participated:	Participant lists, including who they represented (e.g., council of elders, women's association, herder) and sex-disaggregated data on participation.
What was Discussed:	The specific project component or impact assessed, the disclosure of information (e.g., IPP draft), and any options/alternatives presented.
Results and Inputs:	Outcomes/agreements reached, and the specific inputs/feedback provided by IPs.
Informing the Project:	A clear articulation of how inputs were used to inform and result in changes to the project design, the IPP, the mitigation hierarchy, or the benefit-sharing mechanism (i.e., the feedback loop).

Free, Prior, and Informed Consent Procedures

The Fund working with the Portfolio Company will apply FPIC processes, where required under the GCF Indigenous Peoples Policy (2018), from Affected Communities of IPs in the following circumstances:

1. Impacts on lands and natural resources subject to traditional ownership or under customary use;

2. Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use;

3. Impacts on cultural heritage that are essential to the identity, cultural, ceremonial, or spiritual aspects of Indigenous Peoples' lives, including practice of traditional livelihoods, natural areas with cultural or spiritual values such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks; or

4. Use of cultural heritage, including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes.

Application of FPIC in Pacific Small Island Developing States

In Fiji, Tonga and Vanuatu, FPIC processes will be implemented in a manner that respects customary governance structures and collective decision-making processes while ensuring that consultations remain inclusive, transparent and free from coercion. Engagement may involve traditional leaders, customary landowners, marine tenure holders, community committees, women's groups, youth representatives and other relevant stakeholders, depending on the local context.

The Project recognises that customary authority structures vary between communities and countries. Accordingly, FPIC processes will be tailored to local circumstances whilst ensuring that all affected Indigenous Peoples have meaningful opportunities to participate in decision-making. Support from traditional leaders alone will not be considered sufficient evidence of FPIC where other affected groups have not had an opportunity to participate.

Particular consideration will be given to investments that may affect customary land ownership, customary marine tenure systems, fishing rights, access to natural resources, cultural heritage, sacred sites, traditional knowledge or customary livelihood practices.

FPIC will be implemented as an iterative process of information disclosure, consultation, deliberation and decision-making. The process will be proportionate to the nature and significance of potential impacts and will be undertaken through culturally appropriate engagement methods that allow affected Indigenous Peoples sufficient time to consider information, seek advice where desired, undertake internal deliberations and communicate collective decisions through recognised customary and community processes.

Documentation of FPIC processes may include meeting records, attendance sheets, community resolutions, consultation reports, facilitator records, photographs, letters of endorsement from recognised customary authorities and other culturally appropriate forms of evidence demonstrating that the process was inclusive, informed and consistent with customary decision-making practices.

Step-by-Step FPIC Process

Preparation and Disclosure: The Investee identifies potentially affected IPs and discloses relevant project information (scope, impacts, benefits, and rights) in culturally appropriate formats and local languages.

Engagement Planning: Engagement is conducted through legitimate representative institutions of IPs, allowing adequate time for internal deliberation and decision-making according to customary processes.

Consultation and Negotiation: Structured dialogue sessions are held to discuss project risks, benefits, and mitigation options. These meetings are documented, and minutes are shared with participants for validation.

Decision and Documentation: Consent – or lack thereof – is expressed collectively by IP representatives. The process, agreements, conditions, and outcomes must be documented, signed by authorised representatives, and disclosed.

Iterative Nature of FPIC: FPIC is not a one-off event but an ongoing process. The Fund and Portfolio Company should maintain engagement throughout project preparation, implementation, and monitoring phases.

Record-Keeping and Verification: All FPIC documentation (meeting notes, attendance, agreements, photographic evidence, and correspondence) shall be stored by the Investee and verified by the Fund's Environmental and Social Management Unit (ESMU).

Critical Safeguard Requirement: No project activities involving Indigenous Peoples, their lands, or cultural heritage shall commence prior to obtaining and documenting FPIC, in line with section 3.3 of the Operational Guidance to the GCF Indigenous Peoples Policy.

IPP Content, Resource Devolution, and Benefit Sharing

Where an impact is identified, an IPP must be developed and included in the ESAP. The IPP must include, but is not limited to:

- Mitigation Measures: A time-bound plan detailing avoidance, minimisation, restoration, and compensation actions.
- Devolution of Resources and Governance: Clear considerations and arrangements for the devolution of resources and governance to IPs, particularly related to the management of shared resources or project-created assets (e.g., conservation areas, water infrastructure).
- Culturally Appropriate Access Benefit Sharing: Mechanisms for the fair and equitable sharing of project benefits (e.g., livelihood support, employment, capacity building, revenue sharing) and confirmation of how these mechanisms respect Indigenous knowledge and customary practices.
- IPP Budget and Resources: Indicative budget, dedicated resources, and financial responsibilities for IPP implementation, including funds for external expertise needed for FPIC and monitoring.

Roles, Responsibilities, and Capacity

The IPPF clarifies the roles necessary for successful implementation

Role	Responsibility
The Fund:	Overall accountability and strategic oversight, including reviewing and approving the IPP, providing technical guidance, and managing escalated grievances related to IPs.
Portfolio Company IP point of contact:	Direct responsibility for IPP preparation, implementation, budgeting, and all field-level consultations and FPIC processes. The Fund's nominated Investment Partner will work closely with the Portfolio Company IP point of contact to meet this responsibility and provide capacity to deliver on meaningful engagement and implementation. Engagement of qualified external consultants is required where capacity is limited, or risks are complex.

Disclosure and Monitoring

The IPPF will be disclosed in accordance with Disclosure commitments Section 10, ESMS. Where GCF IP Policy or PS7 is triggered the draft IPP will be disclosed in English and the relevant local language(s) at least 30 days prior to the Fund's final investment approval meeting, and final versions will be publicly available; monitoring results will be reported annually by the Fund.