



**ESG**  
**Strategy**

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## Leadership Statement



Nowadays, there is a growing demand for sustainable investments in alignment with global commitments and sectoral initiatives that contribute to sustainability.

At the same time, the EU focuses on the transition towards a digital, low-carbon, and inclusive economy, highlighting investment industry's crucial role in achieving these targets.

IDEAL Holdings acknowledges these international and regional developments while embracing responsible business conduct.

IDEAL Holdings's ESG<sup>1</sup> Strategy articulates the company's ESG goals and targets and IDEAL Holdings's commitment to achieving sustainability excellence.

Through sustainable development and innovation, we aim to become a dynamic Greek Holding company with a diversified portfolio that will create value for its stakeholders. We enable our investments to comply with the evolving of international and EU regulation on ESG issues, and to thrive even more by contributing to the protection of the environment and the well-being of the society, thus shaping a better future for all of us.

**Panos Vassiliadis**  
**CEO, IDEAL Holdings**

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<sup>1</sup> ESG= Environmental, Social, Governance

## **About IDEAL Holdings**

IDEAL Holdings is a Greek holding company listed on the Athens Stock Exchange, which operates with the aim of creating goodwill for its stakeholders. IDH strategy is summarized in the following principles: presence in different industries with majority participation in leading companies.

Today IDEAL Holdings portfolio consist of the following investments and sectors:

In the specialized retail business, Attica Department Stores S.A., attracting over 5 million visitors per year.

In the technology sector, Byte Computer S.A. in Systems Integration, ADACOM in Trust Services and Cyber Security and IDEAL Holdings Electronics in IT distribution.

In the manufacturing sector, ASTIR Vitogiannis Bros SA in Greece and Coleus Packaging in South Africa both active in the production of metal crown corks.

### **Our Goal**

Our goal is to become, through sustainable development and innovation, a dynamic Greek holding company with a diversified investment portfolio that will create lasting value for its stakeholders. We envision a future where businesses thrive while contributing to a better world.

### **Our Vision**

Our vision is to pioneer a paradigm shift in the investment industry. We strive to propel our portfolio companies towards profit maximization and integration of Environmental, Social, and Governance (ESG) principles, thereby creating shared value for all stakeholders.

### **Our Mission**

At IDEAL Holdings, our mission is to leverage investment opportunities that drive positive change. We are dedicated to identifying, nurturing, and investing in healthy businesses that endorse our ESG commitments.

## **IDEAL Holdings' ESG Strategy**

IDEAL HOLDINGS's ESG Strategy demonstrates the company's commitment to driving positive environmental, social, and governance impacts across the industries we operate in.

This ESG Strategy defines the ESG pillars that will be reflected in future sustainable investments.

IDEAL Holdings - ESG Pillars		
Environmental	Social	Governance
Environmental Stewardship	Shared Value Creation	Responsible Business Conduct

The objectives of our ESG Strategy are the following:

1. Assist IDEAL HOLDINGS to fulfil its ESG commitments.
2. Embed ESG considerations into IDEAL HOLDINGS’s strategic priorities, governance practices and ESG risk management processes.
3. Guide and enhance IDEAL HOLDINGS’s responsible investment approach.
4. Navigate IDEAL HOLDINGS’s portfolio companies towards a sustainable business model.
5. Foster IDEAL HOLDINGS’s partnerships with key stakeholders.
6. Increase IDEAL HOLDINGS’s positive impact on communities and the environment.

Annual monitoring and updating of the ESG Strategy will be critical in achieving our ESG objectives.

## IDEAL HOLDINGS’s ESG Policy

IDEAL Holdings is committed to integrating Environmental, Social, and Governance (ESG) principles across its investment portfolio. We recognize the significance of responsible business conduct in creating long-term value for our stakeholders.

### Our ESG Commitments

- We **integrate ESG considerations** into our investment decision-making processes, evaluating potential investments based on their ESG performance and potential impact, among others.
- We aim to **prioritise sustainable investments** that mitigate environmental footprint, promote social well-being, and uphold ethical governance standards.

- We **collaborate with our portfolio companies** to enhance their ESG practices, fostering a culture of continuous improvement and responsible business conduct.
- We **enhance engagement with stakeholders** to advocate for and promote greater ESG awareness and adoption **across the industries we operate in.**
- We **embrace innovation and technology** as catalysts for sustainable progress and seek investments that drive positive change through innovative solutions.
- We take responsibility for our investments, ensuring **transparency, and accountability** in promoting ESG values across our portfolio.
- We are committed to **generating long-term value** for our stakeholders, recognising that sustainable businesses yield enduring financial returns alongside positive social and environmental impacts.

## ESG Investment Strategies

To enhance ESG factors integration into the investment cycle, IDEAL HOLDINGS shall consider incorporating one or more of the **most widely accepted and used ESG investment strategies**, as displayed in the table below.

ESG Strategy	Description
<b>Negative / Exclusions</b>	<b>Exclusionary Screening:</b> The exclusion from a portfolio of certain sectors, companies or practices based on specific ESG criteria.
<b>Positive</b>	<b>Best in Class Screening:</b> Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers.
<b>Norms based screening</b>	<b>Screening of investments against minimum standards</b> of business practice based on international norms.

<b>Integration of ESG factors</b>	The systematic and explicit integration of ESG factors into financial and investment analysis.
<b>Sustainability Themed Investing</b>	Investment in themes or assets specifically related to sustainability (for example clean technologies, renewable energy). Thematic investments could also target specific UN Sustainable Development Goals (SDGs).

Along with the above ESG Investment Strategies, IDEAL Holdings may utilize the following:

<b>ESG Strategy</b>	<b>Notes</b>
<b>Negative / Exclusions</b>	<p>IDEAL Holdings may comply with the following exclusion lists of International Financial Institutions:</p> <ol style="list-style-type: none"> <li>1. EBRD's Environmental &amp; Social Exclusion List<sup>2</sup></li> <li>2. IFC Exclusion List<sup>3</sup></li> </ol>
<b>Positive</b>	<p>IDEAL Holdings strives to include targets and considerations within its asset portfolio that have a positive impact in alignment with:</p> <ol style="list-style-type: none"> <li>1. The UN Sustainable Development Goals (SDGs)</li> <li>2. The Paris Agreement</li> </ol>
<b>Norms based screening</b>	<p>The following international norms, standards and principles may be considered in the investment analysis:</p> <ol style="list-style-type: none"> <li>1. The EBRD Performance Requirements</li> <li>2. The IFC Performance Standards</li> <li>3. The Principles for Responsible Investment</li> </ol>

<sup>2</sup>[https://www.ebrd.com/downloads/about/sustainability/Environmental\\_and\\_Social\\_Exclusion\\_and\\_Referral\\_Lists\\_15092008.pdf](https://www.ebrd.com/downloads/about/sustainability/Environmental_and_Social_Exclusion_and_Referral_Lists_15092008.pdf)

<sup>3</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/company-resources/ifcexclusionlist](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist)

## ESG Actions and Targets

### ESG Action Plan for IDEAL Holdings

#### Year 1 (2024)

- Incorporate **ESG factors** into the investment cycle.
- Enhance ESG **governance structure** by assigning new roles and responsibilities.
- Initiate **executives training programmes** on ESG risk management, sustainable finance and ESG investing.
- Establish **partnerships with local communities** for community development projects.
- Implement **renewable energy projects** in manufacturing facilities to increase reliance on clean energy sources.
- Conduct **ESG assessments** across all portfolio companies to identify baseline ESG performance metrics.

#### Year 2 (2025)

- Monitor the progress on **renewable energy sources**.
- Enhance **ESG supplier assessment procedures** to ensure alignment with international and EU standards.
- Appoint independent directors to the Board where necessary and enhance **ESG governance structure and practices**.
- Conduct **ESG audit** across all portfolio companies.

#### Year 3 (2026)

- Expand community development initiatives and measure their impact on local communities.
- Publish the first **comprehensive annual ESG report** outlining progress, achievements, and areas for improvement.
- **Review and update ESG goals and targets** based on the achieved milestones and evolving industry best practices.
- Conduct **ESG audit** across all portfolio companies.



## ESG Targets for Portfolio Companies

This ESG Strategy indicates guidelines for our portfolio companies to integrate ESG principles. The following targets aim to support our companies in implementing a step-by-step approach of ESG Integration, as follows:

1. **Commitment**
2. **Measurement**
3. **Target Setting & Monitoring**
4. **Integration into the supply chain**
5. **Leadership**

### Environmental:

- Measure & Report on the company's greenhouse gas (GHG) emissions (**Scope 1 & 2**) by 2024.
- Increase the use of **renewable energy sources to account for 50%** of total energy consumption by 2030.
- Achieve a **20% reduction** in overall waste generation by 2026 through introduced recycling and circular economy practices, wherever applicable, based on portfolio activity.

### Social:

- Develop a **Supplier Code of Conduct** to ensure that all suppliers adhere to responsible sourcing and labour standards by 2025.
- Implement Environmental, Health and Safety (**EHS**) **training programmes** for all employees by 2025.
- Establish **community initiatives in at least two locations** where businesses operate by 2026.

### Governance:

- Integrate ESG considerations into strategic decision-making processes.
- Develop an **ESG Policy** reflecting the company's commitment to sustainability by 2024.
- Introduce an advanced **ESG Action Plan** including objectives, targets, and timelines by 2025.
- Enhance transparency by publishing an **annual ESG report**, disclosing ESG progress and performance by 2025.
- Strengthen board independence and diversity by appointing at least two independent directors and achieve 25% of female board members by 2026.

## Environmental & Social Risk Assessment

### Environmental & Social (E&S) Risk Screening

IDEAL Holdings shall apply a holistic Environmental & Social (E&S) Risk Screening in its investment analysis to identify potential or existing environmental and social risks through a 5-step process, as described below.

**1. Exclusion List/s Review:** The designated function will check first if the investment involves any excluded activity of the **EBRD & IFC Exclusion Lists**. If the investment concerns an excluded activity, all relevant stakeholders shall be promptly informed and exclude them from the investment plan.

**2. Regulatory Compliance Review:** The designated function will also check if the investment complies with **national laws and regulations**, including the EU directives and regulations on ESG issues.

**3. ESG Data Collection:** The designated function will request and record **preliminary E&S information** associated with the investment.

This information includes the following data:

- Geographic location and details on the surrounding area and communities of the investment/asset.
- Approvals and permits from relevant local authorities.
- History of Health and Safety issues and accidents
- Annual reports (if any)
- Any E&S issues indicated.
- Any health and safety, environmental or social fines or complaints.
- Stakeholder engagement activities and grievance systems.
- Governance structure that operates/manages the asset/s.

**4. Onsite Visit:** An assigned person or external expert may conduct, if needed, an initial on-site visit to identify potential E&S risks and impacts.

**5. E&S Risk Categorization:** The assigned person will conduct an E&S Risk Categorization (High/Medium/Low) of the investment/ asset to determine its E&S Risk Categorization Level in accordance with international best practices, as outlined in the table below.

<b>E&amp;S Risk Categorization</b>
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<p style="text-align: center;"><b>Low-Risk Assets</b></p>	<ul style="list-style-type: none"> <li>• An investment/asset may be classified as a <b>Low-Risk</b> if it has minor or few E&amp;S risks and impacts.</li> <li>• For low-risk investment/asset, the extent of the environmental and social assessment shall be limited to a <b>review of the asset compliance to national E&amp;S laws and regulations.</b></li> </ul>
<p style="text-align: center;"><b>Medium-Risk Assets</b></p>	<ul style="list-style-type: none"> <li>• An investment asset may be classified as a <b>Medium-Risk</b> if it has limited E&amp;S risks and impacts that can be <b>readily prevented or mitigated</b> through technically and financially feasible measures.</li> <li>• For medium-risk assets, the environmental and social assessment may include an on-site visit, in addition to compliance with national E&amp;S laws and regulations, to identify potential environmental and social impacts.</li> </ul>
<p style="text-align: center;"><b>High-Risk Assets</b></p>	<ul style="list-style-type: none"> <li>• An investment/asset may be classified as a <b>High-Risk</b> if it may lead to significant or long-term E&amp;S risks and impacts.</li> <li>• For high-risk investments/assets, an in-depth environmental and social due diligence will be necessary to fully understand potential environmental and social risks associated with the investment/asset. This will require:             <ul style="list-style-type: none"> <li>• an on-site visit and depending on the complexity of the project and the sector.</li> <li>• an environmental and social due diligence (ESDD) process and report by an expert.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>Category A Assets</b></p>	<ul style="list-style-type: none"> <li>• An investment/asset may be classified as <b>Category A</b> if it involves developments on "greenfield" land, or major extension or transformation-conversion projects, which may give rise to significant or long-term E&amp;S risks and impacts. For Category A investments/assets, an in-depth environmental and social assessment will be necessary. This will require:             <ul style="list-style-type: none"> <li>• an on-site visit and depending on the complexity of the project and the sector.</li> <li>• an environmental and social due diligence (ESDD) process</li> </ul> </li> </ul>

	and report by an expert.
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**Environmental & Social (E&S) Due Diligence**

By identifying the E&S Risk Category of the asset, IDEAL HOLDINGS shall set out the level of E&S due diligence required and the actions that may be needed according to the following table:

E&S Risk Assessment Activity	Project E&S Risk Level		
	Low	Medium	High
Regulatory compliance check	√	√	√
Interviews with the management team		√	√
Onsite visit & Environmental and Social Due Diligence (ESDD) process			√

**Regulatory Compliance Check**

For all risk categories, a regulatory compliance check including review of the following:

- planning permissions, operating licenses, permits.
- environmental/climate/labor/corporate governance laws.

**Interviews with the management team**

IDEAL Holdings shall engage in discussions with the operational/management team of the asset/investment to assess:

- Commitment & Policies to managing E&S issues.
- Record of regulatory breaches, fines, lawsuits, protests/complaints.

**Environmental and Social Due Diligence & On-site Visit**

To identify E&S risks and how the E&S management systems are applied in practice, IDEAL Holdings shall appoint an expert to conduct an Environmental and Social Due Diligence and onsite visit.

**Environmental & Social Checklist for On-site Visits, Environmental & Social Checklists** for each risk category provided **in the respective Annexes** to develop the Environmental and Social Due Diligence (ESDD) report in accordance with the

**ESDD Report Content Outline per Investment Category** available in the Annex.

According to ESDD Report, IDEAL Holdings may suggest corrective actions to proceed with an investment. The E&S Action Plan (ESAP) developed according to the respective **ESAP Template** may indicate necessary mitigation actions.

#### **Environmental & Social (E&S) Monitoring Process**

IDEAL Holdings should ensure that a proper E&S monitoring process is in place to make sure that potential E&S risks are identified and addressed through the following **E&S Monitoring Activities to portfolio companies**:

- **Regular Meetings on quarterly basis**
- **ESG Reports on annual basis.**
- **On-site Visits if/when needed.**

#### **Environmental & Social Action Plan for new investments**

For new investments categorized as medium/high risk, IDEAL Holdings may assign an officer or external expert to develop an **Environmental & Social Action Plan (ESAP)** in accordance with the following ESAP Template which is aligned with the EBRD Performance Requirements (PRs) and the IFC Performance Standards (PRs).

Best Practices	E&S Risk/Impact Identified	Action Required	Compliance Requirements	Financial/ Human Resources Needed	Responsible Person	Timeframe	Status
Mapping with the EBRD PRs/ IFC PSs	What is the potentially adverse E&S risk/impact identified for this project/activity?	What is the required action to address the identified risk/impact?	Does this action comply with national regulatory, and/or other compliance requirements e.g., EBRD PRs, IFC PSs	What are the needed financial and/or human resources for this action?	Who is responsible for this action?	When will this action be accomplished?	
<b>PR1/PS1</b>	<b>Environmental and Social Risk Management</b>						
		For example, develop an E&S policy					
<b>PR2/PS2</b>	<b>Labour and Working Conditions</b>						
		For example, Occupational Health & Safety Procedures					
<b>PR3/PS3</b>	<b>Resource Efficiency and Pollution Prevention and Control</b>						
		For example, Storage/Disposal Procedures					
<b>PR4/PS4</b>	<b>Community Health, Safety, and Security</b>						
		For example, consultation groups and stakeholder					

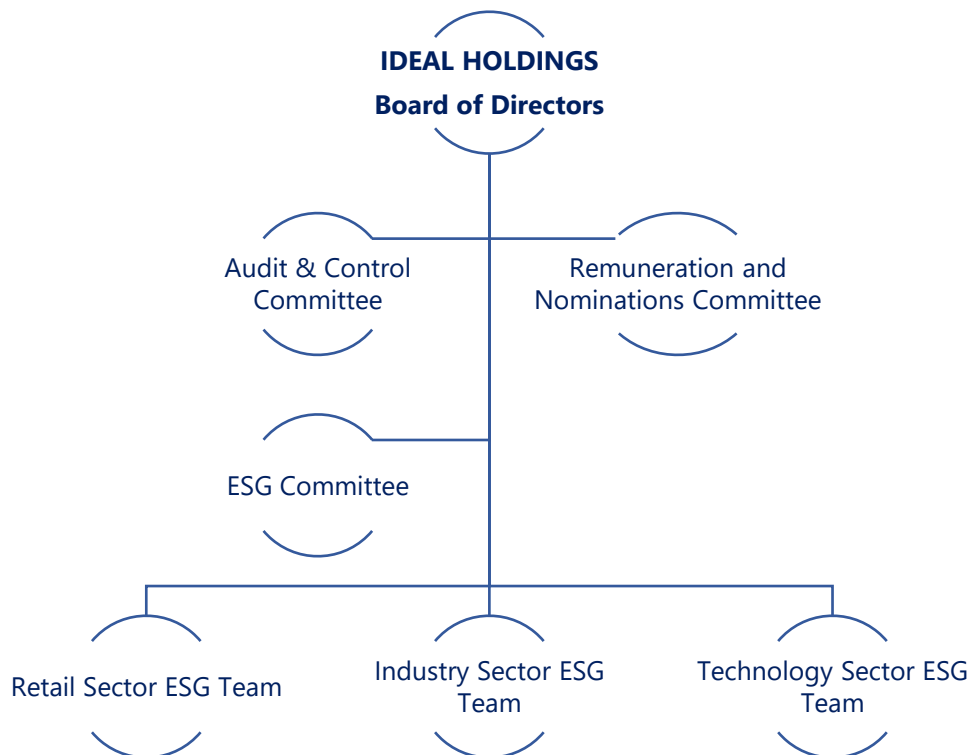
		engagement for new facilities/infrastructure					
<b>PR5/PS5</b>	<b>Land Acquisition, Involuntary Resettlement, and Economic Displacement</b>						
		For example, whistleblowing policy/grievance mechanisms					
<b>PR6/PS6</b>	<b>Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>						
		For example, environmental impact assessment					
<b>PR7/PS7</b>	<b>Indigenous People Protection</b>						
		For example, study for potential E&S risks/impacts of the investment on indigenous people					
<b>PR8/PS8</b>	<b>Cultural Heritage Preservation</b>						
		For example, archaeological review in the procurement phase					
<b>PR10</b>	<b>Information Disclosure and Stakeholder Engagement</b>						
		For example, Stakeholder Engagement Plan, ESG Report					

## ANNEXES

### ANNEX 1. ESG Governance

To ensure the efficient implementation of its ESG Strategy and simultaneously support its portfolio companies, IDEAL Holdings may consider enhancing its ESG governance with the following recommended structure:

1. The establishment of an **ESG Committee**.
2. The appointment of a **Chief Sustainability Officer (CSO)**.
3. The **introduction of an ESG Team** in each portfolio sector.



#### Establishment of an ESG Committee

The purpose of establishing an ESG Committee is to support the company's leadership and decision-making for investment strategies and initiatives that contribute to ESG and are linked to the company's ESG Action Plan and key performance indicators (KPIs). It aims to design, coordinate, and monitor the components that contribute to the successful implementation of the company's ESG strategy.

The ESG Committee may consist of the CEO, member/s of the Audit & Control Committee, and chief/executive members of the Investment/Risk Management functions.



The ESG Committee may be responsible for:

- Review and report to the Board on the effectiveness of the ESG Strategy.
- Oversee the implementation of ESG investment strategies and investment planning.
- Ensure transparent ESG disclosure/reporting lines internally and externally.
- Ensure that management procedures are in place to assess ESG risks and opportunities relating to investments.
- Inform the Board about developments on responsible investment practices.
- Collect and analyse data from all departments of the company.
- It proposes sustainability and corporate responsibility programs to the company's executives and staff of portfolio companies.
- Ensure the adequate training of the in matters of social and environmental responsibility.
- Monitor developments at national (Circulars / Law on Non-Financial Information, etc.) and at international level.

If an **ESG Committee** is not formed, IDEAL HOLDINGS may examine to allocate related roles and responsibilities to already established Board Committees.

#### **Appointment of a Chief Sustainability Officer (CSO)**

The Chief ESG/Sustainability Officer (CSO) will work with C-Level managers, employees, and portfolio companies to address IDEAL Holdings 's ESG Strategy.

CSO Responsibilities:

- Oversee the overall execution of the ESG Strategy.
- Assess IDEAL Holdings's policies and internal processes to identify areas of improvements in accordance with IDEAL Holding's commitment to sustainability.
- Map ESG investment strategies with IDEAL Holdings's ESG pillars and priorities.
- Ensure compliance with, all applicable international, local, and internal ESG laws and regulations relevant to IDEAL Holdings's activities and areas of operation.
- Introduce ESG capacity-building programmes for the management and staff, as needed.
- Collaborate with portfolio companies to facilitate effective ESG integration and implementation of their ESG Action Plan.

- Supervise monitoring processes and the submission of progress/ESG reports by portfolio companies.
- Communicate risks and reports to ESG Committee.

**Appointment of an ESG Team in each portfolio company**

IDEAL Holdings may encourage its portfolio companies to introduce an ESG Team consisting of representatives from key departments, such as accounting/finance, HR, procurement, operations, logistics. The ESG Team:

- Leads the implementation of the ESG Action Plan.
- Performs tasks and responsibilities assigned by IDEAL Holdings’s ESG Committee.
- Coordinates the ESG data collection and reporting.
- Communicates regularly with and reports to IDEAL Holdings’s Chief ESG/Sustainability Officer (CSO).

**Annex 2. IDEAL Holdings’s Grievance Mechanism**

IDEAL Holdings applies a transparent grievance procedure and encourages its portfolio companies to follow this procedure accordingly.

IDEAL Holdings - Grievance Process		
Grievance Submission	Grievance Validation	Grievance Handling

**Step 1. Grievance Submission**

Grievances can be raised to IDEAL Holdings via any of the following channels:

1. By contact form on IDEAL Holdings’s official website
2. By email.

Grievances should include the following information:

- Full Name
- Name of Organisation (if applicable)
- Address & Contact Number
- Email Address (at least one contact point)
- Description of the grievance in detail (date, place, people involved)
- Evidence to support the grievance/complaint.

Notification by IDEAL Holdings to the grievance raiser will be sent once the

grievance has been received.

**Step 2. Grievance Validation**

The Grievance Management Team or the assigned person -according to the topic- will communicate with the grievance raiser to obtain further details and/or evidence of the grievance.

The aim of the validation process is to confirm if the complaint is valid and will be recorded or does not fall into the grievance category and is rejected.

**Step 3. Grievance Handling**

An assessment process and report shall be developed by the assigned business unit providing a summary of the issues and recommended actions to close the grievance(s).

The assessment report and further actions will be provided to the grievance raiser. The Grievance Management Team shall take steps to implement the actions until the grievance is closed.

Upon closure of the grievance, the grievance raiser will be notified. Any stakeholder that is not satisfied can reply in writing to the company.

**Annex 3. Toolkit for Environmental & Social Risk Assessment**

**E&S Checklist for Low-Risk Assets**

<b>Environmental &amp; Social Checklist for Low-Risk Assets</b>		
Investment/Asset: Industry: Assigned Officer: Assessment Date:		
<b>Compliance with National Environmental and Labour Laws and Regulations</b>	<b>Check</b>	<b>Comments</b>
Is the project compliant with the national environmental laws and regulations?		
Are there environmental permits and licenses in place?		
Is the project compliant with the national labour law?		
Are there Occupational Health and Safety procedures in place?		
Is there any personal protective equipment provided where needed?		
Is there any negative record of Occupational Health & Safety issues? E.g., injuries, accidents		
Is there a grievance mechanism for employees and suppliers/contractors?		

Are there procurement requirements in terms of the suppliers' labour and H&S standards?		
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**E&S Checklist for Medium/High-Risk Assets**

<b>Environmental &amp; Social Checklist for Medium/High-Risk Assets</b>		
Assigned Person:		
Assessment Date:		
Investment/Asset:		
<b>Compliance with National Laws and Regulations</b>	<b>Check</b>	<b>Comments</b>
Does the activity comply with the national environmental and labour laws?		
Are there environmental permits and licenses?		
<b>Environmental &amp; Social Risk Management</b>	<b>Check</b>	<b>Comments</b>
Is there an Environmental & Social Policy/E&S Risk Management and/or an Emergency Response Plan in place?		
Is there a designated person for the assessment and management of Environmental & Social issues?		
Are there any procedures to identify and manage Environmental & Social risks of suppliers/contractors? e.g., Supplier Code of Conduct, E&S Due Diligence		
<b>Labor and Working Conditions</b>	<b>Check</b>	<b>Comments</b>
Is there a Human Rights Policy or Code of Conduct that includes such provisions and is compliant with the national labour law?		
Are there Occupational Health and Safety procedures in place?		
Is there any personal protective equipment provided if needed for the project?		
Is there any negative record of Occupational Health & Safety issues? E.g., injuries, accidents		
Is there a grievance mechanism for staff and other stakeholders?		
Are there procurement requirements in terms of the suppliers' labour and H&S standards?		
<b>Resource Efficiency and Pollution Prevention and Control</b>	<b>Check</b>	<b>Comments</b>

Are there any procedures to measure, manage and monitor associated emissions generated by the asset?		
Are there any procedures to mitigate and monitor the water use and solid/liquid waste disposal for this asset?		
Is there any past or present evidence of land contamination in the asset?		
Is there any evidence of safety measures on any storage/disposal of hazardous materials?		
Are there any procedures in case of an accidental discharge/spill?		
<b>Community Health, Safety, and Security</b>	<b>Check</b>	<b>Comments</b>
Is there evidence of any negative impact on the surrounding communities' health, safety, and security?		
Are there any safety measures to manage any hazardous waste disposal close to local communities?		
Is there any plan to safeguard communities' security and well-being?		
<b>Land Acquisition, Involuntary Resettlement, Economic Displacement</b>	<b>Check</b>	<b>Comments</b>
Is there any existing or planned land acquisition for this asset?		
If yes, is there evidence of involuntary resettlement because of the land acquisition?		
Is there evidence of communication and consultation with the local communities regarding the decision-making process for the resettlement?		
Is there a resettlement plan and/or compensation in place?		
<b>Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	<b>Check</b>	<b>Comments</b>
Is there any evidence of a negative impact on biodiversity due to this investment?		
Is the asset/investment in any legally protected area?		
If yes, are there the necessary operational approvals?		
<b>Indigenous People Protection</b>	<b>Check</b>	<b>Comments</b>
Is there any evidence of a negative impact on indigenous people due to this investment?		

<b>Cultural Heritage Preservation</b>	<b>Check</b>	<b>Comments</b>
Is the asset located in an archaeological area?		
If it's a cultural asset, is there any archaeological monitoring in the procurement procedures?		
<b>Disclosure and Stakeholder Engagement</b>	<b>Check</b>	<b>Comments</b>
Is there evidence of good relationships with stakeholders? For example, stakeholder engagement plan, regular consultations for planned investments?		
Is there an available grievance mechanism for addressing any complaints by the local communities?		
Is there any evidence of disclosure on Environmental & Social issues? E.g., sustainability report		
Is there any evidence of stakeholder engagement and feedback on Environmental & Social issues?		

**E&S Checklist for On-site Visits**

<b>Environmental &amp; Social Checklist for On-site Visits</b>		
Assigned Person:		
Assessment Date:		
Investment/Asset:		
<b>Labor and Working Conditions</b>	<b>Check</b>	<b>Comments</b>
Can you see on-site any of the following labor conditions?		
Child labor		
Forced labor		
Migrant labor		
Poor working conditions		
Age restriction/Minimum age requirement		
Fair payment practices		
Contracts compliant with the national labor law		
Grievance mechanism for employees		
<b>Workplace Health and Safety</b>	<b>Check</b>	<b>Comments</b>
Can you see on-site any of the following operational hazards (existing and/or potential)?		
Falls from Height		
Movement of Vehicles		
Road Safety		
Confined Spaces		

Fire Safety		
Excavation Safety		
Other		
Is there a health and safety policy in place?		
Is there a person in charge of health and safety on-site?		Provide Name, Title, E-mail/Telephone Number
Are workers provided with health and safety training?		
Are all health and safety risks well-managed?		
Is there a regular internal audit on Health and Safety issues?		Provide the most recent internal audit report
Is there a track record of workplace injuries/health and safety-related incidents?		
Is there a ventilation system?		
Is there compliance with the Ministry of Health's COVID-19 regulations?		
Are workers provided with face masks and PPE equipment?		
<b>Emergency Management</b>	<b>Check</b>	<b>Comments</b>
Is there a crisis management plan on-site in case of fire/explosion/flood or any other emergency?		
Is there trained personnel on firefighting?		
Is there firefighting equipment on site?		
<b>Environmental Policy</b>	<b>Check</b>	<b>Comments</b>
Is there an adequate environmental policy in place?		
Is there an environmental risk assessment?		
<b>Air Pollution</b>	<b>Check</b>	<b>Comments</b>
Are national requirements met in terms of air emissions?		
Is there any evident or potential source of air emissions?		
Is there evidence of air quality monitoring?		
Is there any asbestos management plan in place?		
Are there any unpleasant odors?		
<b>Water Pollution</b>	<b>Check</b>	<b>Comments</b>
Can you see on-site any existing or potential contamination of the local water source?		
Is there a water waste disposal system?		
Is there a wastewater treatment?		

<b>Land Contamination</b>	<b>Check</b>	<b>Comments</b>
Can you see on-site existing or potential ground/soil contamination caused by stored chemicals?		
Are there any safety guidelines for hazardous materials use and disposal?		
<b>Resource and Waste Management</b>	<b>Check</b>	<b>Comments</b>
Is there an energy efficiency policy in place?		
Are any fossil fuel energy sources used?		
Is there a waste management system in place?		
Are there any recycling and/or circular economy practices in place?		
<b>Community Protection</b>	<b>Check</b>	<b>Comments</b>
Do the activities on-site pose any health risks to the local community?		
Do the activities on-site pose any safety risks to the local community? (For instance, in case of an explosion, fire, etc.?)		
Do the activities on-site cause noise to the local community?		
Do the activities on-site cause unpleasant odors to the local community?		
Does transportation to and from the site cause risks/challenges to the local community?		
Do the activities on the site impact the surrounding environment of the local community?		
Do the security personnel on the site pose a risk to the local community?		
Is there any community engagement plan to have feedback on their concerns for the project/site?		



## ESDD Report Content Outline per Risk Category

ESDD Report Content Outline for High-Risk/Category A Investment	
1. Background	<ul style="list-style-type: none"> <li>- Investment Description</li> <li>- Site information</li> <li>- Land requirement</li> </ul>
2. Compliance	<ul style="list-style-type: none"> <li>- Exclusion list/s</li> <li>- National laws</li> <li>- EBRD Performance Requirements/ IFC Performance Standards (if applicable)</li> </ul>
3. Environmental Issues	<ul style="list-style-type: none"> <li>- Climate Risk</li> <li>- Air &amp; Water Pollution</li> <li>- Solid and Hazardous Wastes</li> <li>- Noise Pollution</li> <li>- Site/Land Use &amp; Contamination</li> <li>- Other sector-specific issues</li> </ul>
4. Resources Utilisation	<ul style="list-style-type: none"> <li>- Water management</li> <li>- Other sector-specific issues</li> </ul>
5. Community & Culture Sensitive Issues	<ul style="list-style-type: none"> <li>- Local human settlements</li> <li>- Local ecologically sensitive areas</li> <li>- Sites of cultural importance</li> </ul>
6. Social Issues	<ul style="list-style-type: none"> <li>- Land acquisition</li> <li>- Rehabilitation and resettlement</li> <li>- Indigenous peoples</li> <li>- Impact on local livelihood</li> <li>- Public opinion</li> <li>- Social license to operate</li> <li>- Stakeholder consultation</li> </ul>
7. Labour Relations	<ul style="list-style-type: none"> <li>- No child labour</li> <li>- No forced labour</li> <li>- Compliance with national labour law</li> </ul>
8. Consultation and Disclosure	Engagement, Disclosure & reporting to stakeholders
9. Other Issues	Incidents, records

10. Environmental & Social Action Plan (ESAP)	(if applicable)
11. Summary and Recommendations	(actions, assigned person/s, time plan)

## Annex 4. Global Commitments, Principles, and Frameworks

### The UN Sustainable Development Goals

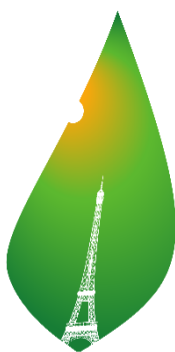


The United Nations Sustainable Development Goals (SDGs) were adopted by the United Nations in September 2015, set to be achieved by 2030.

The SDGs are a universal call to address the **global challenges** we face, including poverty, inequality, and climate change, among others. The 17 SDGs are defined in a list of **169 Targets**.

The financial sector has been accelerating efforts to contribute to SDG-aligned finance and investing.

### The Paris Agreement on Climate



**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
**COP21·CMP11**

The Paris Agreement is a legally binding international treaty, adopted in **Dec 2015** at the Paris Climate Conference (**COP21**) and entered into force on 4 November 2016, to address and tackle climate change, signed by 196 countries.

Its goal is to **limit global warming to well below 2, preferably to 1.5 degrees Celsius**, compared to pre-industrial levels.

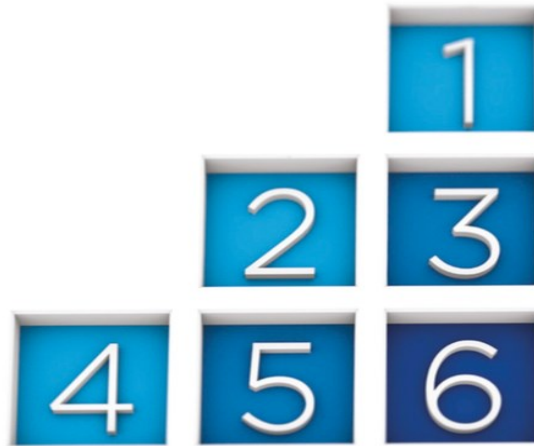
**The financial market participants** have been aligning their portfolios and activities with the goals of the Paris Agreement. Heightened requirements by other market participants for Paris alignment of companies, especially for heavy emitters.

## The Principles for Responsible Investment



The six Principles for Responsible Investment (PRI) are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

- 1 We will incorporate ESG issues into investment analysis and decision-making processes.
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4 We will promote acceptance and implementation of the Principles within the investment industry.
- 5 We will work together to enhance our effectiveness in implementing the Principles.
- 6 We will each report on our activities and progress towards implementing the Principles.



## The IFC Performance Standards



The IFC Performance Standards (IFC PSs) are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.

1. Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
2. Performance Standard 2: Labor and Working Conditions
3. Performance Standard 3: Resource Efficiency and Pollution Prevention
4. Performance Standard 4: Community Health, Safety, and Security
5. Performance Standard 5: Land Acquisition and Involuntary Resettlement
6. Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
7. Performance Standard 7: Indigenous Peoples
8. Performance Standard 8: Cultural Heritage.

## The EBRD Performance Requirements



and social issues and impacts.

The EBRD has defined **ten (10) Performance Requirements (PRs)** covering the key areas of environmental

The PRs provide a solid base from which clients can improve the sustainability of their business operations. Where possible, projects should avoid adverse impacts on workers, communities, and the environment. If avoidance is not possible, negative impacts should be reduced, mitigated or compensate for, as appropriate.

If a proposed business activity relates to existing facilities that do not meet the EBRD Performance Requirements, the client is required to adopt and implement an **Environmental and Social Action Plan (ESAP)**.

If EBRD is to provide general corporate finance, working capital or equity financing for a multi-site company, the client is required to develop and implement an ESAP at the corporate level (as opposed to the site-specific level). This must be both technically and financially feasible, and deliverable within an acceptable time frame.

PR 1: Assessment and Management of Environmental and Social Risks and Impacts

PR 2: Labour and Working Conditions

PR 3: Resource Efficiency and Pollution Prevention and Control

PR 4: Health, Safety and Security

PR 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

PR 7: Indigenous Peoples

PR 8: Cultural Heritage

PR 9: Financial Intermediaries

PR 10: Information Disclosure and Stakeholder Engagement.

## The Corporate Sustainability Reporting Directive (CSRD)



On 5th January 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force.

Companies subject to the CSRD will have to report according to **European Sustainability Reporting Standards (ESRS)**. The draft standards are developed by the European Financial Reporting Advisory Group (EFRAG).

The companies under its scope will also need to report under the EU Taxonomy.  
The CSRD application stages:

- **2025**, report on FY2024 – Companies already subject to the NFRD.
- **2026**, report on FY2025 – Large companies not currently subject to the NFRD.
- **2027**, report on FY2026 – Listed **SMEs** (except micro undertakings), small and non-complex credit institutions and captive insurance undertakings.
- **2029**, report on FY2028 for third-country undertakings with net turnover above 150 million in the EU if they have at least one subsidiary or branch in the EU exceeding certain thresholds.

### The European Sustainability Reporting Standards



On 31st July 2023, the EU Commission adopted the **European Sustainability Reporting Standards (ESRS)** for use by all companies subject to the Corporate Sustainability Reporting Directive (CSRD).

In October 2023, The European Financial Reporting Advisory Group (EFRAG) released a full set of data points for CSRD Reporting in a draft list of the **1,178 metrics** contained in the approved ESRS as well as guidelines for reporting practices.

The “**Draft List of ESRS data points – Implementation Guidance**” is a Microsoft Excel workbook containing all data points.

More information is available here:

- Implementation guidance of the ESRS Data Points: [Download \(efrag.org\)](https://www.efrag.org)
- EFRAG ESRS Q&A Platform: <https://www.efrag.org/lab7>