

Environmental Social Governance  
Management System (ESGMS):  
*Green Growth Equity Fund (GGEF)*



## DOCUMENT CONTROL

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## ABBREVIATIONS

|       |   |
|-------|---|
| AIF   | Alternative Investment Fund   |
| AOP   | Annual Operating Plan   |
| AUM   | Assets Under Management   |
| BAP   | Biodiversity Action Plan  |
| BI    | Business Integrity  |
| BIA   | Biodiversity Impact Assessment  |
| BMP   | Biodiversity Management Plan  |
| C&I   | Commercial and Industrial   |
| CBO   | Chief Business Officer  |
| CEO   | Chief Executive Officer   |
| CHA   | Critical Habitat Assessment   |
| CHMP  | Cultural Heritage Management Plan   |
| CIO   | Chief Investment Officer  |
| CITES | Convention on International Trade in Endangered Species or Wild Flora and Fauna |
| CoD   | Commercial Operation Date   |
| COO   | Chief Operations Officer  |
| CP    | Condition Precedent   |
| CPCB  | Central Pollution Control Board   |
| CS    | Condition Subsequent  |
| CSR   | Corporate Social Responsibility   |
| DDs   | Due Diligences  |
| E&S   | Environment and Social  |
| EBRD  | European Bank for Reconstruction and Development                                |
| EHS   | Environment Health and Safety   |
| EIA   | Environmental Impact Assessment   |
| ESAP  | Environmental and Social Action Plan  |
| ESIA  | Environmental and Social Impact Assessment                                      |
| ESG   | Environmental, Social and Governance  |
| ESGDD | Environmental, Social and Governance Due Diligence                              |

|       |   |
|-------|---|
| ESGMS | Environmental, Social and Governance Management Systems |
| ESMP  | Environmental and Social Management Plan                |
| ESR   | Ecosystem Services Review                               |
| ESS   | Environmental and Social Safeguards                     |
| FCDO  | Foreign Commonwealth and Development Office             |
| FGD   | Focused Group Discussion                                |
| FI    | Financial Intermediary                                  |
| FPIC  | Free Prior Informed Consent                             |
| GAP   | Gender Action Plan                                      |
| GCF   | Green Climate Fund                                      |
| GGEF  | Green Growth Equity Fund                                |
| GHG   | Greenhouse Gases  |
| HAZOP | Hazard and Operability Studies                          |
| HCV   | High Conservation Value                                 |
| HIRA  | Hazard Identification and Risk Assessment               |
| HR    | Human Resources   |
| HSE   | Health, Safety and Environment                          |
| IBAT  | Integrated Biodiversity Assessment Tool                 |
| IC    | Investment Committee                                    |
| IFC   | International Finance Corporation                       |
| ILO   | International Labour Organization                       |
| IMF   | International Monetary Fund                             |
| IP    | Indigenous Peoples                                      |
| IPO   | Initial Public Offering                                 |
| IPP   | Indigenous Peoples Plan                                 |
| IPPF  | Indigenous Peoples Plan Framework                       |
| ISO   | International Organization for Standardization          |
| IUCN  | International Union for the Conservation of Nature      |
| KII   | Key Informant Interviews                                |
| LARAP | Land Acquisition and Resettlement Action Plan           |
| LEP   | Livelihood Enhancement Plan                             |

|        |   |
|--------|---|
| LRP    | Livelihood Restoration Plan                                 |
| MoEFCC | Ministry of Environment, Forests and Climate Change         |
| MW     | MegaWatt  |
| NDA    | Non-Disclosure Agreement                                    |
| NDC    | Nationally Determined Contributions                         |
| NDMA   | National Disaster Management Authority                      |
| NIIF   | National Investment and Infrastructure Fund                 |
| O&M    | Operations and Maintenance                                  |
| OCP    | Operational Control Procedures                              |
| OECD   | Organization for Economic Cooperation and Development       |
| PAF    | Project Affected Families                                   |
| PAP    | Project Affected Peoples                                    |
| PIC    | Pre-Investment Committee                                    |
| PO     | Purchase Order  |
| POP    | Persistent Organic Pollutants                               |
| POSH   | Prevention of Sexual Harassment                             |
| RAP    | Resettlement Action Plan                                    |
| RBI    | Reserve Bank of India                                       |
| R&R    | Resettlement and Rehabilitation                             |
| RoW    | Right of Way  |
| RPF    | Resettlement Policy Framework                               |
| SDG    | Sustainable Development Goal(s)                             |
| SEBI   | Securities and Exchange Board of India                      |
| SIA    | Social Impact Assessment                                    |
| SOP    | Standard Operating Procedures                               |
| TMP    | Technical Management Plan                                   |
| ToR    | Terms of Reference  |
| UN     | United Nations  |
| UNPRI  | United Nations Principles of Responsible Investment (UNPRI) |
| USD    | United States Dollar  |
| UNSDGs | United Nations Sustainable Development Goals                |

## 1. INTRODUCTION

### 1.1 GREEN GROWTH EQUITY FUND

The Green Growth Equity Fund (“GGEF” or the “Fund”) is a Category II Alternative Investment Fund (“AIF”) registered under the SEBI (AIF) Regulations, 2012 (the “AIF Regulations”)<sup>1</sup>. GGEF has a fund size of USD 741 million with anchor investment from India’s National Investment and Infrastructure Fund (“NIIF”) and the United Kingdom Government through Foreign, Commonwealth & Development Office (“FCDO”) (together the “Anchor Investors”).

Eversource Capital Private Limited (“Eversource Capital” or “Fund”), is the Investment Manager for GGEF. Eversource Capital is a joint venture between Everstone Capital and Lightsource BP (the “Partners”). Everstone Capital is a premier Asia focused private investment firm with over USD 5 billion Assets Under Management (AUM) and Lightsource BP is a global leader in the development, financing and operation of renewable projects.

The Fund has invested in India across **renewable energy generation and distribution** (utility scale and C&I distribution), **resource efficiency** (waste and water), **e-mobility and energy services** (energy efficiency, energy storage, O&M services and asset management).

### 1.2 STRATEGY OF THE FUND

The Fund’s strategy is to invest in rapidly scalable and sustainable businesses with an objective to contribute towards climate change mitigation and adaptation. The Fund has deployed capital across two key areas: (a) decarbonization of energy including its uses (sub-sectors: renewable energy, resource efficiency, e-mobility and energy services and the associated value chains); and (b) resource or environment conservation, adding to low carbon and circular economy (sub-sectors: water and waste - including effluents and emissions).

The primary focus of the Fund is investing in:

- (i) The transitioning of the Indian energy ecosystem to a renewables-led, low carbon ecosystem by creating scalable platforms for utility scale and distributed renewables.
- (ii) Other green energy related scalable opportunities such as smart grid, energy efficiency services companies, O&M services companies for renewables, e-vehicles, e-mobility linked energy infrastructure and profitable parts of related value chains.

The Fund will have a secondary focus on other green growth markets where businesses require capital to take advantage of opportunities arising from technology and regulatory changes relating to resource efficiency and environmental protection. Example sectors include water and waste management, resource recovery and greenhouse gas reduction.

The Fund follows a control-oriented growth model by taking majority stake in the portfolio companies and supporting sustained growth. The focus is on incubating platforms by defining a company vision, identifying suitable C-suite resources and working with the resources to roll-out the growth strategy. The purpose is to provide early-stage capital to sunrise industries and leverage the financial growth, healthy pipeline, impact creation and contribution to climate targets while unlocking additional private sector capital into the industrial sectors. Eversource Capital has also

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<sup>1</sup> Registration number IN/AIF2/18-19/0529



invested in a financial intermediary (non-banking financial company) that furthers the aforementioned primary focus of the Fund.

### 1.3 PURPOSE OF THE ESGMS

The Environmental, Social and Governance Management System (ESGMS) has been developed to formalize GGEF’s commitment to environmental and social management. The ESGMS includes an ESG policy, risk and impact identification process and the tools, practices and procedures to implement the ESG commitments across the fund and portfolio. The ESGMS is a dynamic document that will be periodically evaluated based on stakeholder feedback and to align with international E&S trends on an annual basis or otherwise, as agreed with key stakeholders. Based on the feedback provided and changes in global trends, the ESGMS will be updated from time to time.

### 1.4 LAYOUT OF THE ESGMS

The remaining structure of the document is presented below:

|             |   |   |
|-------------|---|---|
| Section 2   | : | ESG Policy and ESG Management Systems Framework         |
| Section 3   | : | ESG Integration into the Investment Process at the Fund |
| Section 4   | : | ESG Integration into Portfolio Companies                |
| Section 5   | : | E&S Governance Structures at the Fund                   |
| Appendix A  | : | Exclusion List  |
| Appendix B  | : | Focused UNSDGs  |
| Appendix C  | : | ESG and Climate Risk Screening Checklist                |
| Appendix D  | : | Terms of Reference for E&S Studies                      |
| Appendix D1 | : | Sector-wise Risk Mapping                                |
| Appendix D2 | : | Key E&S Regulations in India                            |
| Appendix E  | : | Note for Investment Committee                           |
| Appendix F  | : | ESG clauses in the Investment Documentation             |
| Appendix G  | : | ESG Reporting Matrices and Formats                      |
| Appendix H  | : | Serious Incident Reporting Format                       |
| Appendix I  | : | ESG Indicators at Investment Exit                       |
| Appendix J  | : | Roles and Responsibilities for ESGMS Implementation     |
| Appendix K  | : | Stakeholder Engagement Framework                        |
| Appendix L  | : | Grievance Redressal Mechanism Framework                 |
| Appendix M  | : | Resettlement Policy Framework                           |
| Appendix N  | : | Indigenous Peoples Planning Framework                   |
| Appendix O  | : | E&S Considerations in Procurement Process               |

## 2. ESG POLICY AND ESG MANAGEMENT SYSTEMS FRAMEWORK

Eversource Capital recognizes that its role as an Investment Manager offers it a unique opportunity to promote sustainable development through its activities and investments while avoiding or minimizing negative impacts on climate, ecosystems and communities.

Eversource Capital is committed to ensure that the companies and projects financed by GGEF are managed in a manner reflecting sound environmental, social and governance management practices.

This Environment, Social and Governance (ESG) Policy and ESG Management System (ESGMS) framework has been developed with the objective of integrating ESG risk management into the Fund's investment processes. The ESGMS sets out a framework to identify potential environmental, social and governance risks of potential investee companies prior to fund disbursement and to institute monitoring mechanisms to supervise the ESG performance of these companies during the term of the investment.

The Fund's impact strategy is aligned to the United Nations Sustainable Development Goals (SDGs) and through its investments, the Fund will contribute to select SDGs including SDG 6 (clean water and sanitation), SDG 7 (access to clean energy), SDG 8 (decent work and economic growth), SDG 11 (sustainable cities and communities), SDG 12 (responsible consumption and production) and SDG 13 (climate action). The impact indicators identified in line with these SDGs has been set out as a framework to measure the impact created through the Fund's investee companies.

### 2.1 INVESTMENT STANDARDS

Eversource Capital commits that all investments by GGEF will be governed by the ESG Policy and ESGMS of the Fund, which has been designed with reference to the following standards:

- Applicable national, state and local environmental and social (including occupational health and safety) legislations
- IFC Performance Standards (2012)
- IFC/World Bank General Environment, Health and Safety (EHS) Guidelines and applicable sector specific EHS requirements
- UN Guiding Principles on Business and Human Rights.

Additionally, the ESGMS has been designed to align with the requirements of investors into the Fund. The key reference frameworks that have been incorporated and aligned in the ESGMS include:

- ESG Framework of the Foreign, Commonwealth and Development Office (FCDO)
- ESM Policy Framework of National Investment and Infrastructure Fund (NIIF) comprising of E&S Policy, E&S Exclusion List and E&S Management Principles
- British International Investment (BII) Policy on Responsible Investment
- BII Fossil Fuel Policy
- FMO Sustainability Policy
- Green Climate Fund (GCF): (i) Environmental and Social Policy, (ii) Indigenous Peoples Policy, (iii) Gender Policy, (iv) Information Disclosure Policy and (v) Interim Environmental and Social Safeguards (ESS)
- International Labour Organization (ILO) Conventions ratified by the Government of India
- United Nations Principles of Responsible Investment (UNPRI)

## 2.2 ESG POLICY STATEMENT

The Fund has adopted the following ESG Policy:

- Abstain from investing in any Excluded Activity<sup>2</sup>.
- Comply with all applicable ESG laws and regulations.
- Implement an ESG Management System for the Fund’s investment process and allocate appropriate resources for effective implementation and compliance.
- Aim to ensure that the Fund’s investee companies understand and abide by the Fund’s policy commitments and investment standards encompassing environmental, social and business integrity matters.
- Seek to invest in companies which have robust systems to assess ESG risks and adopt mitigation measures and/or are committed to the formulation of systems to identify, monitor and manage ESG risks.
- Seek to invest in companies which are committed to fairness, inclusion and development opportunities for all relevant stakeholders.
- Seek to invest in companies which are committed to prohibit bribery and corruption.
- Encourage and support continuous ESG improvements across all business activities.
- Build and maintain commensurate internal ESG capacities at the Fund and its portfolio companies for effective ESG management.
- Uphold transparency to the Fund’s investors on management of ESG aspects of all investments. Where appropriate, actively engage with stakeholders to understand challenges and take remedial steps to address their grievances, suggestions and concerns.
- Strive for the reduction of safety risks to as low as reasonably possible and establish a zero-tolerance culture to accidents and incidents across the portfolio.
- Contribute to the United Nations Sustainable Development Goals that align with the Fund’s investment themes <sup>3</sup>.

Signed

Effective Date

January 01, 2023

[CEO, Eversource Capital]

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<sup>2</sup> Provided in Appendix A

<sup>3</sup> Provided in Appendix B

### **2.2.1 Implementation of the ESG Policy Statement**

The ESG Policy Statement has been communicated to key stakeholders such as employees of Eversource Capital, investors of GGEF and investee companies. Any updates in the ESG Policy Statement will be communicated to key stakeholder groups through a formal communication process.

The principles of this ESG Policy Statement are applicable to all existing and prospective portfolio companies of GGEF. Eversource Capital shall require each of the portfolio companies to formally adopt the ESG Policy by the board until the companies develop a business-specific ESG policy statement that aligns with all components of GGEF's ESG Policy. Eversource Capital will monitor the implementation of the ESG Policy Statement commitments by the portfolio companies in the case of any acquisitions, mergers and/or establishment of subsidiaries of the companies.

## **2.3 OTHER POLICIES**

### **2.3.1 Governance Policies**

Eversource Capital has also adopted the following policies which demonstrates our commitment to good governance practices:

- Anti-Money Laundering Policy
- Anti-Corruption Policy
- Whistle Blower Policy
- Conflict of Interest Policy
- Code on Prevention of Insider Trading
- Employee Fair Play and Equal Opportunities Code
- Care and Dignity Policy
- Declaration of Fidelity and Secrecy
- Prevention of Sexual Harassment (POSH) policy
- Climate Change Policy

The processes of governance and risk management for the Fund has been laid down in the 'Compliance Manual'.

### **2.3.2 Human Rights Commitments**

The aspects of the Human Rights policy defined in IFC Performance Standard 2 including non-discrimination, equal opportunity, working conditions, terms of employment and leave policy has been defined in a separate HR Manual.

Additionally, the Fund will commit to the following human rights provisions in its operations:

- The Fund will not invest, promote, or support any company that has been identified to be practicing child or forced labour as defined in the Child Labour (Prohibition and Regulation) Act, 1986 or Bonded Labour System (Abolition) Act, 1976. Any suspected cases of child and forced labour will be investigated as part of the risk and impact identification process at the time of investment or during ongoing portfolio monitoring. The same has also been incorporated in the Fund and portfolio company exclusion lists.
- The Fund has developed a gender policy (provided in Section 2.3.3) that incorporates gender sensitization as a core guiding principle. The associated gender action plan defines key barriers to

gender inclusion and focuses on improving safety and security infrastructure to reduce any forms of exploitation, abuse or harassment, regardless of age or gender.

- The Fund and its portfolio companies will initiate discussions with contractors, suppliers, vendors and partners to promote the above two commitments and ensure reduction of child labour, forced labour or gender-based violence across their larger supply chain. All portfolio companies will develop specific clauses and covenants with respect to the above commitments in their contracts and negotiations with third parties. The Fund and portfolio companies will document their vendor evaluation and periodic assessment process to monitor and ensure the clauses and covenants communicated in contracts is being adhered by the larger supply chain.
- The Fund and portfolio companies will ensure that any changes to the host country regulatory framework, international conventions ratified by the host country and international best practice as reasonably practicable will be evaluated and implemented from time to time across the portfolio with respect to preventing safeguarding violations<sup>4</sup>.

### 2.3.3 Gender Policy

Eversource Capital has developed and adopted a Gender Policy for the Fund and its existing portfolio companies. The four guiding principles of the Gender Policy have been delineated below:

- To incorporate **gender sensitization** in GGEF's operations and processes and identify opportunities for gender equity within the GGEF's organization structure.
- Encourage **gender mainstreaming** during the investment life cycle through an open communication between GGEF and its portfolio companies on international best practice and lessons learnt specific to gendered initiatives.
- **Contribute** to the larger community discussion on gender by allocating resources for thought leadership events, pro-bono initiatives and communication of case studies to internal and external stakeholders.
- Periodically **review and evaluate** the effectiveness of the gender strategy for GGEF and portfolio companies to key stakeholders.

A Gender Action Plan (GAP) has been developed for the Fund and each of its investment sectors (renewable energy, waste, wastewater and e-mobility) with specific objectives and actionable items to meet the four guiding principles mentioned above. The above will be replicated for financial intermediaries.

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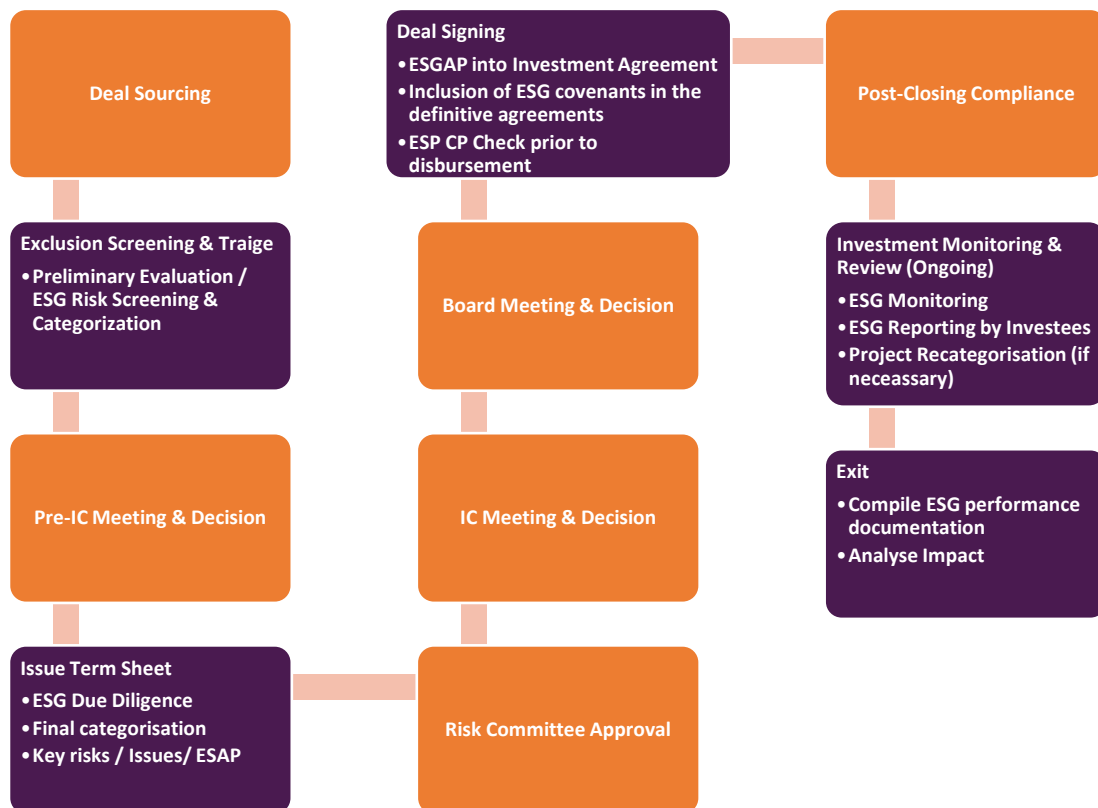
<sup>4</sup> Safeguarding violations has been defined as a series of actions that (a) involves any work or service which is extracted from any person under the menace of any penalty and for which that person has not offered themselves voluntarily, or that otherwise contravenes the requirements of ILO conventions; (b) contravenes the requirements of gender-based violence convention or that otherwise involves the exploitation, abuse or harassment of any person that is directed at such person because of their perceived or real sex or gender or that disproportionately affects people of a particular sex or gender; and (c) involves the exploitation or abuse of a child.

### 3. ESG INTEGRATION INTO THE INVESTMENT PROCESS AT THE FUND

Eversource Capital has integrated ESG aspects across all steps of the Fund’s investment process shown in **Figure 1**. The focus of the ESG integration is as follows:

- Incorporate ESG risk mitigation early in the investment decision process to set up ‘no go’ parameters and to mitigate ESG risks and impacts in a timely manner.
- Develop and implement an ESG action plan as part of any investment, acquisition of greenfield platform development to ensure identified ESG risks and impacts are incorporated across business operations.

**Figure 1 ESG Integration in Investment Process**



Note: Purple shaded boxes highlight the key ESG inputs

The description of each of the steps described in **Figure 1** has been provided in subsequent sections.

#### 3.1 DEAL SOURCING

The investment lifecycle commences with sourcing of deals by the investment team who identify potential investment opportunities through proprietary and established intermediary networks, market research, bidding etc. As a first step, all deals are logged into the system and staffing assigned to it.

Eversource Capital conducts fortnightly deal pipeline meetings involving investment team, operations, legal and ESG teams to discuss all the new incoming deals and status of live deals. Investment team members review deal assumptions and present their initial analysis to the entire company at the deal pipeline meetings. The deals are triaged as green (actively evaluating), yellow (more information is required but prima facie interest) or red (does not fit investment criteria).

### 3.2 EXCLUSION SCREENING AND TRIAGE

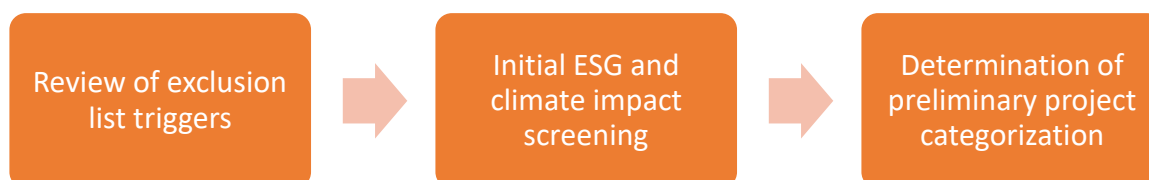
Eversource Capital undertakes a preliminary evaluation exercise on the green marked opportunities and initiates discussion with counterparties. A Non-Disclosure Agreement (NDA) is signed at this stage with the target company/ intermediary for sharing of further information. The NDA is reviewed by the legal team and signed by either Board member, Chief Operations Officer (COO) or Chief Investment Officer (CIO).

The preliminary evaluation is a decision-making exercise for identifying the potential to cause impact, scaling up potential for the opportunity, expected returns for the Fund’s investors and multi-disciplinary input (legal, ESG, investment, finance and business integrity) into the potential opportunity.

#### 3.2.1 ESG Screening and Preliminary Project Categorization

The ESG integration into the deal screening and triage has been summarized in the figure below.

**Figure 2 ESG Screening and Preliminary Categorization**



#### Exclusion List Screening

Screening of the potential opportunity with respect to GGEF’s Exclusion List is undertaken as a first-stage intervention in the investment lifecycle. If a potential exclusion list trigger is identified, then the trigger will be qualified through discussion with the potential target company/project heads as part of the initial ESG and climate risk screening process. If confirmed to be an exclusion list trigger, Eversource Capital will escalate the issue to the Chief Investment Officer (CIO) and deal captain to initiate a no-go for the opportunity.

#### ESG and Climate Risk Screening

A high-level ESG and climate risk screening is conducted at this stage to determine the following:

- Location sensitivities associated with the target project and/or company.
- Status of environmental and social management systems of the target project and/or company.
- Physical climate risk triggers that need to be managed across the ESG risk and impact identification process.
- Compliance status of key E&S regulations.
- Opportunity for climate mitigation and adaptation.
- Review of external factors<sup>5</sup> to evaluate potential ESG risks or impacts and reputational risks.

The ESG and Climate Risk Screening checklist has been provided in **Appendix C**.

Eversource Capital has identified select United Nations Sustainable Development Goals that align with the Funds’ investment themes, as summarised in Appendix B. During the screening process, the

<sup>5</sup> External factors include public media articles, journal articles, readily available newspaper reports and/or publications that reference the target project, company and/or location.

area of operations of the potential investee company is broadly assessed for alignment to these identified SDGs.

An outcome of the ESG and climate risk screening is the preliminary categorization of the project as Category A, B, C or FI (Detailed in table below). The findings and preliminary risk categorization at this stage informs the Pre-investment Committee (PIC) meeting discussion and scope of the due diligence process to be undertaken.

**Table 1 Preliminary Categorization Definitions**

| Category           | Definition of Category   |
|--------------------|--|
| <b>Category A</b>  | <p>An investment is categorized as Category A if it is likely to have significant adverse environmental and social impacts that are irreversible, cumulative, diverse and/or unprecedented. These impacts may affect an area larger than the target site or facility subjected to physical works and may be temporary or permanent in nature.</p> <p>Category A investments are classified as <b>high</b> risk</p>   |
| <b>Category B</b>  | <p>An investment is categorized as Category B if it has limited number of potential adverse environmental and social impacts that are not unprecedented, few in nature, no irreversible or cumulative impacts and limited to the target site or facility. Category B investments can be readily mitigated through operational procedures and management processes.</p> <p>Category B investments are classified as <b>medium</b> risk</p>  |
| <b>Category C</b>  | <p>An investment is categorized as Category C if it is likely to have minimal or no adverse E&amp;S impacts.</p> <p>Category C investments are classified as <b>low</b> risk</p>   |
| <b>Category FI</b> | <p>An investment into a financial intermediary is categorized as Category FI. Category FI is further sub-divided into high, medium or low risk through the following definitions:</p> <ul style="list-style-type: none"> <li>• <b>FI-1:</b> existing or proposed portfolio includes exposure to business activities with potential significant adverse environmental or social risks and impacts that are diverse, irreversible, cumulative or unprecedented.</li> <li>• <b>FI-2:</b> existing or proposed portfolio includes exposure to business activities that have limited adverse environmental and social impacts that are unprecedented, few-in-nature, no irreversible or cumulative impacts, limited to the target site(s) or facilities that are largely reversible through mitigation measures.</li> <li>• <b>FI-3:</b> existing or proposed portfolio includes exposure to minimal and/or no adverse environmental and social impacts.</li> </ul> |

### 3.3 PRE-INVESTMENT STAGE (PRE-IC) AND TERM SHEET

At this stage, the investment team presents a pre-investment note, which typically covers the Investment Summary, Investment Structure, Future Roadmap, Industry Overview & Update, Regulatory Framework, Company Overview, Investment Rationale, Risks (including ESG), Key Terms, Valuation, Expected Returns and Next Steps. The note is shared and presented at the Investment team meeting for a decision on Go/No-Go.

The Pre-IC is undertaken by the operations, legal, risk, ESG and investment teams. The meeting focuses on potential red flag triggers, non-compliances to regulatory requirements, alignment with fund commitments and delays in the established timelines for deal completion identified based on external factors review and limited discussions with the target company (where applicable). Specific



to ESG, the Pre-IC evaluates circular economy, climate impact potential and low carbon economy transition as relevant for new opportunities.

Based on the go-ahead decision, a non-binding term sheet is shared with the potential investee company. Non-binding term sheets are reviewed by the Eversource Capital’s legal team, discussed at the Pre-IC stage and approved by a member of the Board / CIO. The investment team can re-present pre-investment note highlighting updates as relevant.

### 3.3.1 Authorization to Proceed

Post execution of the non-binding term sheet, a comprehensive review of the potential opportunity is carried out through detailed commercial, financial, legal, business ethics and ESG due diligences. COO ensures that scope is approved by the relevant authority and maintains tracker of all due diligence agencies appointed, fees etc.

### 3.3.2 ESG Risk and Impact Assessment

Eversource Capital undertakes three types of risk and impact identification processes commensurate to the nature, scale and type of investments. The type of risk and impact identification process from least to most comprehensive is a Limited E&S Assessment, Environmental and Social Due Diligence (ESDD) and Environmental and Social Impact Assessment (ESIA). The details of the above risk and impact identification processes are provided below.

**Table 2 Triggers for Risk and Impact Identification Process**

| Risk and Impact Identification Process  | Modality                            | Triggers  |
|---|-------------------------------------|---|
| <p><b>Environmental and Social Impact Assessment:</b> comprehensive risk and impact identification tool that defines the activities across the lifecycle of the project, surrounding environmental and social baseline and interactions between the project activities and baseline to delineate impacts.</p> | <p>External<br/><br/>Full-Scale</p> | <ul style="list-style-type: none"> <li>• Transactions where the preliminary project categorization is Category A.</li> <li>• Transactions where there are defined project sites and boundaries.</li> <li>• Transactions where specific technical expertise is required for land acquisition, resettlement and rehabilitation, livelihood loss, biodiversity, cultural heritage management and impact on indigenous peoples is identified as potential risks in the ESG and Climate Risk Screening tool.</li> <li>• Transactions where project site(s) can result in potential cumulative impacts on surrounding receptors or resources.</li> <li>• Transactions where there is significant risk of safety, environment or social incidents that can impact a surrounding human or ecological receptor(s) or where a serious safety, environment or social incident has already occurred.</li> <li>• Transaction where the scale of operations is large and there could be multiple sources of impact including but not limited to:               <ul style="list-style-type: none"> <li>○ Large supply chains where the target company has operational control;</li> <li>○ Large number of contractual workforce;</li> <li>○ Building or facility that meets one or more environmental clearance criteria , where the project has not developed a robust Environmental Impact Assessment (EIA) that aligns with GGEF investment standards; and</li> <li>○ Investment sectors typically classified as ‘high’ risk in international best practice due to the scale of operations and/or typical E&amp;S impacts.</li> </ul> </li> <li>• A rapid ESIA will be undertaken where an ESDD (see below) has been previously undertaken and specific details needs to be supplemented through an ESIA study.</li> <li>• All ESIA’s will undergo a public consultation process to obtain stakeholder feedback prior to finalization.</li> </ul> |

|   |                                     |  |
|---|-------------------------------------|--|
| <p><b>Environmental and Social Due Diligence:</b> risk and impact identification tool that reviews the performance of a target company or target sites with respect to the GGEF ESGMS and/or defined reference framework.</p> | <p>External<br/><br/>Full-Scale</p> | <ul style="list-style-type: none"> <li>• Transactions where the preliminary project categorization is Category B or Category C</li> <li>• Transactions where the acquisition or investment is a business with no defined sites (e.g. service industries) or multiple smaller defined sites within a larger metropolitan area (e.g. warehousing/office units).</li> <li>• Transactions where specific subject-matter expertise is not required but the focus is on a general environmental and social review related to management systems, pollution prevention mechanisms, resource efficiency procedures, labour management, community health and safety and land lease risks.</li> <li>• Transactions where there is inadequate information available at the ESG and climate risk screening stage and therefore a preliminary E&amp;S evaluation is required prior to determining if additional studies are required.</li> <li>• Transactions where there are no immediate risks identified but there are potential risks that may occur post-acquisition/investment based on growth projections. [Example – increased labour requirement, establishing newer assets and new service lines].</li> <li>• Transactions that fall within the boundary of Category B and Category C and external opinion is required before a final project categorization can be associated with the transaction.</li> </ul> |
| <p><b>Limited E&amp;S Assessment:</b> high-level risk screening, regulatory compliance review, red flags review and/or a hazard identification and risk assessment exercise.</p>  | <p>Internal<br/><br/>Rapid</p>      | <ul style="list-style-type: none"> <li>• Transactions where there are minimal to no adverse environmental or social risks or impacts identified in the ESG and climate risk screening checklist.</li> <li>• Transactions consisting of greenfield platforms with no underlying assets and limited personnel e.g. only senior management staff.</li> </ul>  |

Depending on the nature and scale of the transaction, multiple risk and impact identification processes in **Table 2** may be utilized. As determined on a case-to-case basis depending on the results of the ESG Risk and Climate Impact Screening or the ESDD/ESIA, GGEF may commission additional studies. The list of additional studies that may typically get triggered as part of the risk and impact identification process has been described in **Section 3.3.3**.

Key resources for the risk and impact identification process have been provided in the following appendices:

- Terms of Reference for a generic ESIA, ESDD and Internal E&S Assessment that can be shared with an external consultant has been provided in **Appendix D**.
- An indicative list of E&S risks and impacts for the industrial sectors in which Eversource Capital invests has been listed in **Appendix D1**.
- Key national, state and local E&S regulations that would be applicable to the industrial sectors in which Eversource Capital invests has been listed in **Appendix D2**.

### 3.3.3 Technical Studies

Technical E&S studies may be identified during the Pre-IC to inform the investment committee decision, as a follow-up to the E&S risk and impact identification process or during the

construction/operation of a project site(s). An indicative list of technical studies that may be conducted by Eversource Capital has been presented below:

- **Soil and Groundwater Assessment:** in brownfield project sites, a Phase I site assessment will be necessitated to determine if there has been any soil or groundwater contamination from the previous land use. If any possible sources of contamination are identified, then a limited soil and groundwater study and possible remediation studies may be undertaken.
- **Supply Chain Risk Assessment:** in the case of an acquisition or investment into a target company where the target has operational control over the supply chain and there is potential regulatory compliance, labour and/or biodiversity risks associated with the supply chain sites, a supply chain risk assessment may be necessitated.
- **Human Rights Risk Assessment:** in the case of an acquisition or investment into a company where human rights risks (child labour, forced labour, gender-based violence) has been identified in public media or determined in screening/due diligence studies then a human rights risk assessment may be necessitated.
- **Resettlement and Rehabilitation:** in the case of physical or economic displacement of persons from a project(s) site during government-led land acquisition, the requirement for a resettlement and rehabilitation framework or resettlement action plan (RAP) may be necessitated.
- **Livelihood Restoration Plan (LRP):** in the case of significant economic losses due to the development of a project(s) as determined in undertaken ESDD or ESIA studies, the requirement for a livelihood restoration plan may be necessitated.
- **Biodiversity Management Plan (BMP):** where a project has significant interaction with biodiversity resources and/or is located within an area of biodiversity significance (legally protected or internationally recognized) then a Biodiversity Management Plan (BMP) may be necessitated.
- **Cultural Heritage Management Plan:** where a project may involve significant impact or relocation of a cultural heritage site of local, national or international significance, the project may be preceded through the development of a Cultural Heritage Management Plan (CHMP).
- **Indigenous Peoples Plan:** where a project may impact indigenous peoples land or impact their customary rights as identified under national law or international standards, an indigenous peoples plan may be required.
- **Climate Risk Assessment:** where a project is located in areas experiencing or can potentially experience extreme weather events (floods, droughts), then a climate risk assessment will be undertaken.

The ToR for the above studies has been provided in **Appendix D**.

### 3.3.4 ESG Action and Management Plan

The outcome of the risk and impact identification process is an Environmental and Social Action Plan (ESAP) for internal E&S assessments and due diligences and Environmental and Social Management Plan (ESMP) for ESIA's. In the case where multiple studies are mandated, an overarching ESAP/ESMP will be developed as the parent document to be followed for the portfolio company/site that incorporates all E&S obligations for the investment.

The ESAP and ESMP have the following components:

- Action items or management strategies to address any non-conformances, red flag issues, potential risks and significant impacts identified during the E&S risk and impact identification process.

- Action items or management strategies to align the company and/or project with the Fund’s ESG Policy, Gender Policy and ESGMS.
- Defined roles, responsibilities, supervisory structures, timelines and measurable outcomes of each action item or management strategy.
- Provision of an approximate budget (where relevant) to close out an action item or management strategy.

The ESAP is typically structured to reflect the investment life cycle of a potential opportunity while the ESMP is typically structured to reflect the lifecycle of one or more project(s). Sample format for the ESAP and ESMP has been provided in **Figure 3**.

**Figure 3 Sample ESAP and ESMP Format**

**Environmental and Social Action Plan (ESAP)**

| Key Issues & Gaps | Corrective Actions | Responsibility | Measurable Outcome | Risk Priority | Target Timelines | Budget |
|-------------------|--------------------|----------------|--------------------|---------------|------------------|--------|
|                   |                    |                |                    |               |                  |        |

**Environmental and Social Management Plan (ESMP)**

| Project Phase(s) | Project Activity | Impact | Mitigation Measure(s) | Roles & Responsibility | Timeline | Budget |
|------------------|------------------|--------|-----------------------|------------------------|----------|--------|
|                  |                  |        |                       |                        |          |        |

The ESAP prioritizes actions based on the risk priority while the ESMP is prioritized through the impact significance values identified during the impact assessment process. The ESAP risk priority has been provided in **Table 3**.

**Table 3 Risk Prioritization for E&S Studies**

| Risk Priority | Definition   |
|---------------|--|
| <b>HIGH</b>   | <p>High priority items are defined as the following:</p> <ul style="list-style-type: none"> <li>• Regulatory compliance risks that have a potential for business interruption, operational shutdown or material fines and liabilities for the project proponent.</li> <li>• Gaps in conformance to investment standards of this ESGMS (<i>Section 2.1</i>) that can result in diverse, unprecedented, irreversible and/or significant material adverse impact to environmental and social resources and receptors if not addressed in a timely manner.</li> <li>• Possible exclusion list trigger (Appendix A of the GGEF ESGMS) that needs to be appropriately managed.</li> <li>• Risk that could lead to significant reputational risk to all involved parties if not adequately mitigated in a timely manner.</li> </ul> |
| <b>MEDIUM</b> | <p>Medium priority items are defined as the following:</p> <ul style="list-style-type: none"> <li>• Regulatory compliance risks that have a potential for fines or increased scrutiny from regulatory agencies and can result in short-term business interruption or material fines/liabilities if not addressed in a timely manner.</li> <li>• Non-conformance to GGEF ESGMS (<i>this document</i>) that can result in material adverse impact to environmental and social resources and receptors if not addressed in a timely manner.</li> </ul>  |

|            |  |
|------------|--|
|            | <ul style="list-style-type: none"> <li>• Risks that require a material capital expenditure<sup>6</sup> to address in an appropriate manner.</li> </ul>   |
| <b>LOW</b> | <p>Low priority items are defined as the following:</p> <ul style="list-style-type: none"> <li>• Non-conformance to GGEF ESGMS (this document) that has been recommended to align with international best practice and that will improve the overall documentation and provide a value addition to the operation of the target/portfolio site.</li> <li>• Risks that may meet the ‘medium priority’ threshold over the course of time due to regulatory policy changes, international convention agreements and/or international best practice.</li> </ul> |

The ESAP and or ESMP is finalized based on discussions with the investment team, target investee and third-party consultant, where relevant. The discussions focus on clarification on action points, agreement on timelines, responsibilities and financial budget for successful corrective actions of the red flag issues that have been identified during the ESDD/ESIA.

### 3.4 RISK COMMITTEE

The Risk Committee reviews the deal including sign off on legal, financial, technical, ESG and other diligence items. The Risk Committee comprises of the Chief Business Officer (CBO) of Everstone Capital, Group General Counsel of Everstone Capital and Group General Counsel of Lightsource BP.

The ESDD/ESIA findings and the technical studies (Section 3.3.3) along with ESAP/ESMP are shared with the Risk Committee for approval. This then forms a part of the final IC memo note and uploaded to the systems prior to final IC. The format for final IC note capturing the ESG aspects is provided in **Appendix E**.

### 3.5 FINAL IC

The investment committee consists of senior management, investment team leading the transaction, representatives from Lightsource BP and Everstone Capital and representatives from each of the functional areas within Eversource Capital – investment, legal, finance, ESG and risk.

The investment team presents the results of the due diligences, discussion points from previous committee meetings, status of corrective actions in individual action plans and status of condition precedents to the transaction in a Final IC memo note. The investment team negotiates the final transaction terms including any value adjustments based on the DD findings.

### 3.6 BOARD DECISION

Based on a Go-ahead decision from IC, the final investment decision is presented to the Board of Eversource Capital for decision making. The Board votes on the investment opportunity and approves or rejects a deal.

### 3.7 DEAL SIGNING

The legal and investment teams develop the final deal documentation post the board approval. Specific representations and warranties have been defined for GGEF portfolio companies by each of the teams – legal, finance, ESG and risk that are incorporated in the documentation. The final

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<sup>6</sup> The definition of “material capital expenditure” will have to be determined on a case-to-case basis by the Pre-IC and IC for the particular investment opportunity.

document is then reviewed and approved by each of the department heads prior to sharing with the investee company.

The ESG related representations, warranties and covenants have been described in **Appendix F** of this ESGMS. Key ESG themes covered in the final documentation has been provided below:

- Action items or management strategies defined in the risk and impact identification process carried out for the transaction ('Environmental and Social Action Plan'). *The ESAP items are defined in terms of "conditions precedent (cp)" or "condition subsequent (cs)" to the GGEF disbursement. The investment team and legal team ensure that any disbursement is subject to compliance to the specific ESAP conditions that are defined as conditions precedent or subsequent in the agreement. In addition, the ESG function's sign off on compliance to ESG covenants is mandatory prior to disbursement.*
- Adoption of the GGEF ESG Policy and ESGMS until development of a business-specific policy and ESGMS for the individual portfolio company.
- Compliance to national, state and local regulatory requirements applicable to the portfolio company operations.
- Periodic reporting of development impact matrices as required for the Fund and defined in **Appendix G** of this ESGMS.
- Notification of serious accidents or safeguarding violations in the format defined in **Appendix H** of this ESGMS within the mandated 48 hours of occurrence.
- Appointment of a designated ESG manager to ensure the above actions are being implemented and the portfolio company is conforming the GGEF ESGMS at all times.

### **3.8 PORTFOLIO MONITORING**

#### **3.8.1 Engagement with Portfolio Companies**

Eversource Capital, as part of the owner-operator model, is actively involved in the business operations of the portfolio companies. The post-investment monitoring of the portfolio companies is therefore collaborative:

- The investment team of Eversource Capital works with the portfolio company counterparts to actively manage business development and existing operations. The ESG team of Eversource Capital provides periodic training to the ESG counterparts at the portfolio companies and during the scheduled team calls at the fund to identify ESG risks as and when they occur.
- The ESG and investment team will actively manage any covenants placed on the company to evaluate status and compliance to the same in accordance with the timelines defined in the deal documentation.
- A monthly business review is led by the CIO of Eversource Capital where the senior management of each portfolio company presents on key topics – financial summary, changes in the organization structure, performance against annual operating plan for operational projects, construction status for under-construction projects, pipeline opportunities, ESG update, compliance update and business integrity update. Key risks and challenges with the above are discussed by Eversource Capital functional heads with the portfolio company counterparts to brainstorm solutions and discuss next steps.
- The portfolio companies provide a monthly HSE report to Eversource Capital showcasing their monthly performance on leading and lagging indicators compared to targets set in their annual operating plan. The monthly HSE report is used by the Eversource Capital ESG and investment teams to coordinate with the portfolio companies on key trends in the safety statistics.

- Eversource Capital arranges for all the ESG and HSE leads of all the portfolio companies to meet for a workshop 3-4 times in the year to discuss progress on incorporating ESG initiatives into operations, key challenges faced, sharing of best practices and discussion on case studies.
- A quarterly review of ESG performance of the companies against the Environmental and Social Action Plan (ESAP) prepared at the time of the platform establishment/acquisition/investment is conducted.

The ESG team at Eversource Capital interacts with the portfolio companies on the following topics:

- Closure of Conditions Precedents (CPs) and Condition Subsequent (CS) defined in the deal documentation.
- Development of an ESG Policy and ESGMS commensurate with the business operations of the portfolio companies.
- Incorporation of the GGEF ESGMS process in any greenfield development, investment or acquisitions undertaken by the portfolio companies.
- Review of any external studies undertaken for risk and impact identification of greenfield development, investment or acquisitions by portfolio companies.
- Mapping of skill capacity and training requirements for each of the portfolio companies and suggestion on identifying resources to manage ESG and HSE risks that may be relevant to the investment sector and specific business.
- Event-based interaction for any unsafe acts/conditions, near misses, accidents/incidents, environmental incidents, non-compliances to the regulatory framework and community conflicts.
- Tracking performance of the portfolio companies against actions provided in the Fund-mandated ESDDs/ESIAs.
- Internal and external benchmarking of ESG and HSE performance of the portfolio companies.
- Development and implementation of specific E&S management programs related to key topics such as supply chain management, contractor management, community engagement, gender mainstreaming and resource efficiency.
- Review dynamism of existing ESG management systems to align with changes in international best practice, regulatory framework, international convention agreements and investment sector trends.

An indicative minimum monitoring criteria has been provided in the table below. The minimum monitoring will apply to Fund ESG resources, Fund investment team resources and/or portfolio company ESG resources. In the case of any accidents or incidents, the minimum monitoring frequency will be increased in commensuration on a case-to-case basis.

**Table 4: Indicative ESG monitoring:**

| Project Categorization | Monitoring Frequency (minimum)  |
|------------------------|---|
| Category A             | <ul style="list-style-type: none"> <li>• At least one visit during the construction phase of the project</li> <li>• Quarterly visits to the operational assets</li> </ul> |
| Category B             | <ul style="list-style-type: none"> <li>• At least one visit during the construction phase of the project</li> <li>• Annual visits to operational assets</li> </ul>        |
| Category C             | <ul style="list-style-type: none"> <li>• Desk-based review of the project on an annual basis</li> </ul>   |

An annual ESG review of the portfolio companies at the corporate level will be undertaken by the fund's ESG team to evaluate E&S performance and to assess if any business/expansion the business activities would entail a review/modification of the extant ESGMS of the portfolio company.

### 3.8.2 Recategorization

GGEF may adjust the categorization during the life of the project, if warranted by changes in the project components or/and site and associated environmental and social risks and impacts. In such situations, GGEF will conduct a review of environmental and social risks and impacts associated with the project, regardless of the extant categorization. In the case of a recategorization, the revised category would be included in the project-related E&S documents and the same will be reported to the Limited Partners in the Fund.

### 3.8.3 Reporting Requirements

1. **Monthly Reporting:** The portfolio companies submit a monthly report to Eversource Capital on development impact matrices and HSE leading and lagging indicators. An indicative list of matrices and indicators includes:
  - Greenhouse gas (GHG) emissions avoidance;
  - Operational parameters – renewable energy generated, total waste processed, total water saved and total e-miles powered;
  - Leading HSE indicators including near misses, unsafe conditions, commendations, toolbox talks, health and safety meetings, workplace audits and internal/external trainings; and
  - Lagging HSE indicators including fatalities, loss time injuries, medical treatment, vehicle accidents, property damage and environmental incidents.
2. **Quarterly Reporting:** The portfolio companies report on ESG and HSE<sup>7</sup> initiatives undertaken in the quarter, gender-disaggregated data for the workforce (permanent + contractual) and ESAP closure progress.
3. **Annual Reporting:** Annual reports include the GHG footprint of the portfolio companies, performance against the UNSDG targets for Eversource’s focus UNSDGs, performance against the IFC Performance Standards, accidents/incidents that have occurred in the quarter and corporate social responsibility expenditure.
4. **Event-based Reporting:** Portfolio companies need to report within 48 hours of being made aware of any serious incident. The definition of serious incident has been provided below:
  - An incident resulting in death or permanent injury to any person(s).
  - An incident that has a material negative impact on the environment including without limitation any spill, explosion or environmental contamination.
  - An incident that has a material negative impact on the health, safety and security including without limitation any explosion, hazardous material spill or workplace accident resulting in death or multiple injuries.
  - An incident of social nature impact without limitation violent labour unrest, significant dispute with local communities or serious accident/incident to local community/person due to company activities which can result in material negative effect on the social and cultural context.
5. **ESG Committee:** Each of the portfolio companies have established an ESG committee that meets on a quarterly basis to apprise the board of ESG performance and improvement. The committee is observed by the ESG team of the Fund. The ESG team of the fund then apprises the senior management of the Fund on a monthly basis.

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<sup>7</sup> Unsafe acts, unsafe conditions, near misses and significant injury or fatality (SIF)



The event-based reporting format has been presented in **Appendix H** of this ESGMS. Events occurring at the Fund and its Portfolio Companies are reported to the investors within 72 hours of occurrence. The root cause analysis report identified the root cause and corrective/preventive actions are submitted within 14 days of the incident.

Eversource Capital is collating the reporting requirements above through a proprietary software – Updapt. Updapt allows portfolio site resources to populate development impact matrices into the tool that is analysed for trends and incorporated into investor reporting requirements by the portfolio company and Fund.

#### **3.8.4 Site Assessments**

The Eversource Capital team undertakes regular site assessments across the portfolio companies:

- Monthly visits are undertaken by the investment team of Eversource Capital to the portfolio company office and representative sites.
- Quarterly visits are undertaken by the Eversource Capital ESG team to ascertain E&S performance at project site/facility and integration of ESAP requirements and portfolio companies’ adherence to their ESGMS. The site visits are planned based on the monthly business reviews, project phase, ongoing discussions with the ESG team leads at the portfolio companies and feedback received by the Eversource Capital investment teams.
- ESG and HSE leads of portfolio companies undertake monthly visits to their portfolio sites.
- At least one visit is undertaken to under-construction sites by the ESG/HSE leads at the portfolio company and may be accompanied by the ESG team at Eversource Capital.

The back to office report format for communication of issues has been provided in **Appendix J**.

The frequency of site visits and oversight by the ESG team at Eversource Capital will be higher in the case where portfolio companies do not have a dedicated ESG resource and have started construction/commissioning new sites. The site assessments above will be supplemented through external consultants where additional support or subject matter expertise is required.

### **3.9 INVESTMENT EXIT**

Eversource Capital will evaluate multiple exit options before any investment is made and will continue to evaluate the exit strategy throughout the life of the investment. The exit options defined in the Investment Committee will be evaluated at the time of the exit to optimize market conditions and timing. Typical exit paths considered would be sale to strategic buyers, sale to financial buyers, initial public offerings and could also include share buybacks or sale to other shareholders in the investee companies.

As a responsible investor, Eversource Capital will endeavour to conduct a responsible exit from portfolio companies. The responsible exit enablers shall include:

- Preparation of reliable ESG materials at the time of exit.
- Potentially attract buyers aligned with GGEF on enhancing good ESG performance.
- Help the portfolio company answer questions from prospective investors about ESG aspects and showing how the business improvements have been achieved.
- Ensure the portfolio company’s ESG management system is self-sustaining.

The set of ESG indicators that will be tracked at the time of exit has been presented in **Appendix I**.

## 4 ESG INTEGRATION INTO THE PORTFOLIO COMPANIES

This section provides a framework for portfolio companies to manage ESG risks and issues in their business operations. The section includes:

- Key ESG requirements mandated by GGEF for its portfolio companies.
- Reference documents to be maintained at each portfolio company to manage sector specific ESG risks.

### 4.1 BUSINESS-SPECIFIC ESGMS

The portfolio companies will be required to develop and implement an overarching Environmental, Social and Governance Management System (ESGMS) to document their ESG processes across business operations. The requirement to develop an ESGMS will be identified during the GGEF investment/acquisition as part of the risk and impact identification process (Table 2):

- Portfolio companies that do not have an existing ESGMS at the time of investment/acquisition by GGEF, will be required to adopt the GGEF ESG Policy Statement and ESGMS in its first board meeting after the completion of the transaction.
- Portfolio companies that have an existing ESGMS or components of the ESGMS<sup>8</sup> will be reviewed by Eversource Capital in an internal/external E&S study as required during the transaction process (Table 2). Any actions, corrections or value additions that are identified by the E&S study will be mutually agreed with the portfolio company and a time-bound requirement to update the ESGMS document will be defined in the deal documentation.

The portfolio company will be required to develop and board-approve an ESGMS commensurate with their business within 6 months of incubation, initiation of operation or closure of transaction (which option is feasible earlier) and will be clearly defined in the E&S action plan developed for the transaction.

### 4.2 ESG CAPACITY AND COMPETENCY

As part of the documentation process for the Fund (Section 3.7), each of GGEF portfolio companies is required to have a dedicated ESG resource to develop and implement the ESGMS and to coordinate with the Eversource Capital ESG team across identified engagements (delineated in Section 3.8). The key responsibilities of the ESG resource at the portfolio companies has been provided in **Appendix J**.

Additionally, the portfolio companies are required to:

- Hire additional resources or designate additional responsibility for health and safety management in portfolio company operations.
- Review the ESG and H&S capacity of the portfolio company on an annual basis in association with the subsequent years' operating plan to understand the requirement to hire or designate additional ESG/H&S resources.
- Undertake a training needs assessment at the start of each financial year to determine training needs to be disseminated to the larger team.

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<sup>8</sup> Defined as (i) ESG Policy Statement, (ii) ESG Risk and Impact Identification Process, (iii) Legal Compliance Tracker, (iv) ESG Capacity and Competency, (v) Emergency Preparedness and Response, (vi) Internal Review and Continuous Improvement, (vii) Stakeholder Engagement and (viii) Grievance Redressal Process.

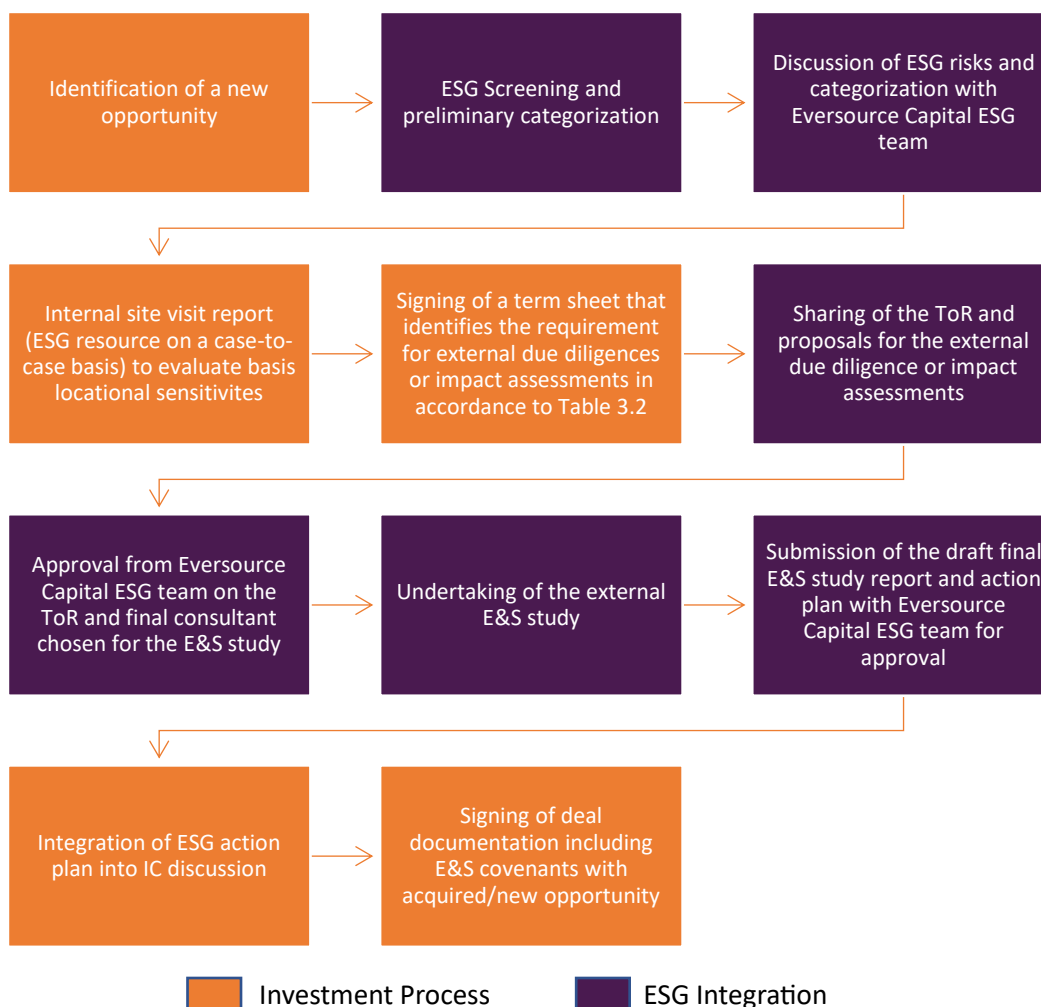
- Identify the requirement for external subject-matter experts to supplement the areas of expertise of the internal ESG/H&S teams.

The ESG and H&S capacity as well as the training calendar of the portfolio companies will be reviewed annually by the Eversource Capital ESG team as part of Fund’s review of the annual operating plan of the company.

### 4.3 ESG INTEGRATION INTO NEW OPPORTUNITIES

The process for integrating ESG into new opportunities (acquisitions, expansions, greenfield projects and brownfield projects) has been defined in the figure below.

**Figure 4 ESG Integration into New Opportunities at Portfolio Companies**



The above figure is a template process followed between the ESG team of Eversource Capital and the portfolio companies for acquisitions or new opportunities. As indicated in **Figure 4**, portfolio companies are required to:

- Have a process to undertake E&S screening and preliminary categorization of any new opportunity (acquisition, expansion, greenfield development or brownfield development).

- Undertake a risk and impact identification process (ESDD, ESIA or internal E&S study) based on the results of the E&S screening and requirement for additional technical studies described in **Section 3.3.3** of this ESGMS for each new opportunity.
- The results of the E&S study need to be incorporated in the Investment Committee (IC) meetings held at the Fund and the final ESG action plan should be approved by the Eversource Capital ESG team prior to board approval.
- The deal documentation for the acquisition or development of any joint ventures, special purpose vehicles or subsidiary companies needs to incorporate any ESG covenants defined by GGEF to the portfolio company at the time of the investment/acquisition (Section 3.7).
- Any requirements identified by GGEF and mandated on the portfolio company from time-to-time for ESG management, should apply to each of the joint ventures, special purpose vehicles or subsidiary companies.

#### 4.4 MANAGEMENT PROGRAMS

Eversource Capital has undertaken a sector-wise risk mapping in Appendix D1 of this ESGMS. The sector-wise risk mapping has been divided into key ESG themes that are relevant to each of the GGEF investment sectors:

- E&S Management Systems
- Legal Compliance
- Labour Management
- Land Procurement Risks
- Resource Efficiency
- Waste Management
- Air Emission Streams
- Water Discharge Streams
- Community Health & Safety
- Biodiversity Conservation
- Indigenous Peoples
- Cultural Heritage

Eversource Capital ESG team will work with the portfolio companies to understand the above ESG risk themes and applicability to the portfolio company operations. The above risk themes will be actively managed by the portfolio company ESG team through the development of specific management programs – Standard Operating Procedures (SOPs), Operational Control Procedures (OCPs), additional management system components and external technical studies. The above exercise will be evaluated annually to understand whether the risk mapping and subsequent risk mitigation measures identified by the portfolio companies are robust. If a change in business operations is identified that triggers additional risk themes, Eversource Capital ESG team will work with the portfolio company ESG counterparts to incorporate the relevant risk mitigation measures.

The following management programs have been identified across the portfolio company operations:

- **Supply Chain Management:** incorporation of safeguarding violation, safety, regulatory compliance and pollution prevention covenants into contracts with major suppliers, vendors and contractors. Incorporation of E&S considerations into selection process, onboarding of supplier and monitoring oversight on supplier operations.

- **Contractor Management:** establishing the minimum E&S requirements for any major contractors during the evaluation and onboarding process to ensure environmental and social performance of the contractor is aligned to the GGEF ESGMS.
- **Security Personnel Management:** defining the procedures for community engagement and community health and safety as part of conflict resolution and use of arms (if applicable).

#### 4.4.1 Reference Frameworks

Eversource Capital has developed reference framework documents that can be utilized by the portfolio companies to manage specific ESG risk themes that may occur across the operations. The reference framework documents have been described below:

- Stakeholder Engagement Framework has been provided in **Appendix K**
- Grievance Redressal Framework has been provided in **Appendix L**
- Resettlement Policy Framework has been provided in **Appendix M**
- Indigenous Peoples Planning Framework has been provided in **Appendix N**
- E&S considerations into the procurement process has been provided in **Appendix O**.

#### 4.5 DIVERSITY, EQUITY AND INCLUSION (DE&I)

Eversource Capital is committed to diversity, equity and inclusion in the Fund operations and portfolio. The DE&I framework will be under the overarching Human Resources function/department at the fund and portfolio level. The recruitment practices across the portfolio will identify opportunities to increase diversity in the potential candidates. The portfolio companies will report to the Fund on a quarterly basis on diversity, equity and inclusion topics. The Fund will disclose the same as part of the annual performance reporting and sustainability reporting. Diversity, equity and inclusion incidents (if any) will be reported in the quarterly reporting to LPs.

#### 4.6 CONTINUOUS IMPROVEMENT

The portfolio company ESGMS, internal capacity and competency, risk and impact identification process and management programs should be evaluated annually through the following measures:

- Quarterly review and update on the risk and impact identification process followed for each portfolio site, status of completion of actions defined in the ESAP/ESMP and update to any timelines for pending action items.
- Annual review of the ESG capacity and competency of the team as part of the annual operating planning (AOP) and discussions with the Eversource Capital ESG team prior to submission of the final AOP to the board.
- Periodic review of the ESGMS and management programs through an external benchmarking exercise to update based on changes in the business operations and international trends in ESG management.

Additionally, the above processes can be strengthened through active and passive stakeholder feedback on the business operations:

- **Active Stakeholder Feedback:** Discussions with site-level personnel (including contractors and subcontractors), surrounding communities, regulatory agencies, shareholders of the Fund/Portfolio Company, board committees or sub-committees and partners/suppliers. The

feedback can be sought through internal audit processes, site assessments, events/campaigns or as part of the stakeholder engagement framework.

- **Passive Stakeholder Feedback:** Grievances raised by internal and external stakeholders should be documented and used by the portfolio company to strengthen existing processes. Additionally, learnings from events (incidents, accidents and near misses) should be used to strengthen the processes and systems across the entire portfolio to prevent a recurrence.

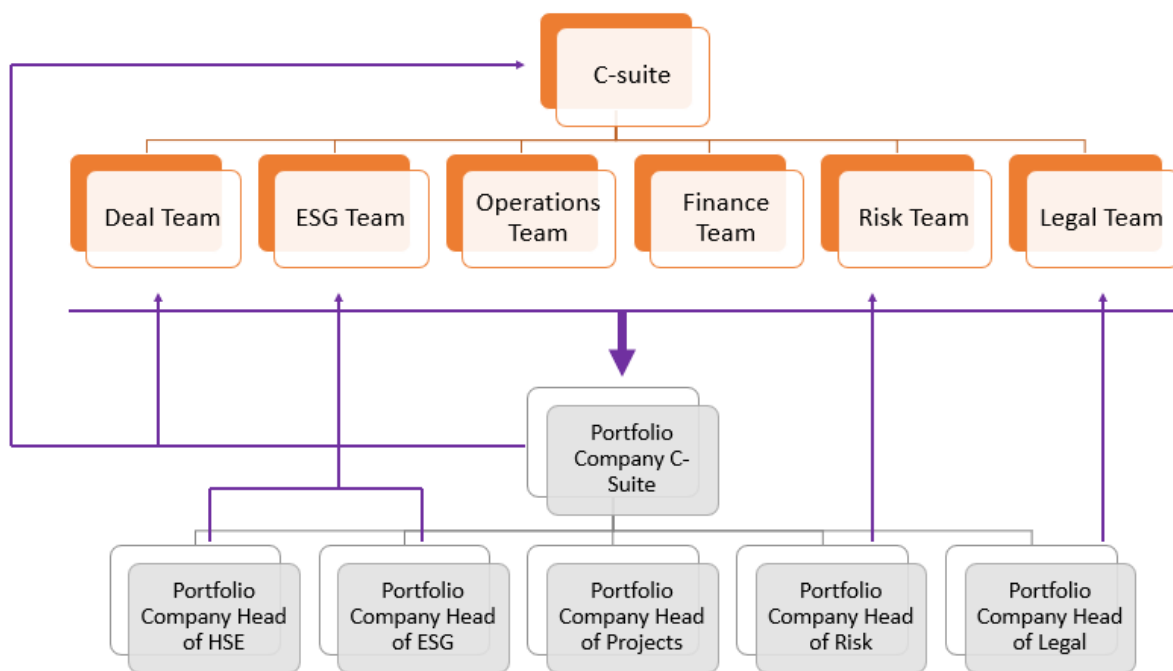
## 5. E&S GOVERNANCE STRUCTURES AT THE FUND

This section delineates the governance structures created by the Eversource Capital ESG team to implement the ESGMS across the portfolio.

### 5.1 ESG CAPACITY AND COMPETENCY

The Eversource Capital team comprises of dedicated team members including investment professionals, operational team (including ESG), finance and legal. The management of ESG is a responsibility of all professionals in the fund team as shown in the organization structure below.

**Figure 5 ESG Organization Structure of the Portfolio**



As shown in **Figure 5**, the responsibility of ESG management is across the Eversource Capital functions – C Suite, Investment Team, ESG team, Operations Team, Finance Team, Risk Team and Legal Team. As part of the owner operator model, each of the functional heads at the Fund coordinates with the counterpart at the portfolio company. The specific responsibilities of each of the above teams has been provided in **Table 5**.

**Table 5 ESG Responsibilities at the Fund**

| Role    | Responsibilities  |
|---------|---|
| C-suite | <p><b>Eversource Capital</b></p> <p>The C-suite consisting of the Chief Executive Officer (CEO), Chief Operations Officer (COO) and Chief Investment Officer (CIO) drive the ESG mandate across the company and portfolio. All members of the C-suite ensure major investment and operation decisions have an ESG buy-in prior before proceeding.</p> <p><b>Portfolio Company</b></p> <p>The C-suite consisting of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Human Resource Officer (CHRO) and Chief Operations Officer (COO) drive the ESG mandate across the portfolio company. The C-suite is responsible to ensure that the</p> |

|                        |   |
|------------------------|---|
|                        | Fund's requirements as communicated in the deal documentation and identified from time-to-time is adequately implemented across the business.   |
| <b>Investment Team</b> | <p><b>Responsibilities at the Fund</b></p> <ul style="list-style-type: none"> <li>• Evaluate new opportunities based on potential for climate mitigation and adaptation.</li> <li>• Identify exclusion list triggers, ESG risks and key climate impacts during the deal screening stage.</li> <li>• Integrate ESG risk and impact identification processes in the deal timelines.</li> <li>• Ensure ESG covenants are incorporated into the deal signing, documentation and closure.</li> <li>• Collate development impact metrics from portfolio companies for submission in investor reports, marketing materials and public disclosure.</li> <li>• Incorporate ESG triggers prior to exiting an investment.</li> </ul> <p><b>Responsibilities at the Portfolio Company</b></p> <ul style="list-style-type: none"> <li>• Monitor portfolio company implementation of ESG covenants in deal documentation and GGEF ESGMS requirements.</li> <li>• Ensure any new opportunities at the portfolio company are aligning with the GGEF ESGMS requirements.</li> <li>• Flag a change in the business operation at the portfolio company that can result in a re-evaluation of the ESG risk themes and risk mitigation measures implemented.</li> <li>• Monitors key ESG indicators across the operations of the portfolio company.</li> </ul> |
| <b>Finance</b>         | <ul style="list-style-type: none"> <li>• Allocate resources for ESG development across the portfolio.</li> <li>• Coordinate the corporate social responsibility (CSR) expenditure.</li> <li>• Ensure necessary clearances are received from ESG team prior to raising any drawdown requests.</li> </ul>   |
| <b>Legal</b>           | <ul style="list-style-type: none"> <li>• Determine legal consequences associated with ESG risks and impacts.</li> <li>• Review legal ramifications associated with any event-based reporting.</li> <li>• Evaluate the legal components of governance<sup>9</sup>.</li> </ul>  |
| <b>Risk</b>            | <ul style="list-style-type: none"> <li>• Incorporate ESG and HSE risks as a component of the larger risk framework in the developed systems, governance structures and internal auditing process.</li> <li>• Integrate ESG requirements into the risk communication process e.g. anti-sexual harassment policies, anti-corruption in land procurement phase and diversity matrices in senior management.</li> </ul>   |
| <b>ESG</b>             | <p><b>Eversource Capital</b></p> <ul style="list-style-type: none"> <li>• Day-to-day management of ESG issues at the Fund including training of staff, evaluating ESG risks and impacts in new opportunities, ESG performance review and periodic evaluation of ESG systems.</li> <li>• Training, capacity building and support to the other functional teams where there is an overlap between their functional responsibilities and ESG.</li> <li>• Coordination of LPs into the Fund to incorporate their ESG concerns into the Fund documentation and portfolio operations.</li> <li>• Periodic assessment of the portfolio companies to determine on-ground implementation of ESG risk mitigation measures identified.</li> <li>• Participate in financial industry initiatives driving real world positive impact through investment (ESG conferences, webinars, associations, collaborative engagements)</li> <li>• Demonstrate expertise and evaluation of industry pollution and regulation</li> </ul> <p><b>Portfolio Company</b></p>   |

<sup>9</sup> Including compliance to the Companies Act, 2013 and as amended.



|                               |   |
|-------------------------------|---|
|                               | <ul style="list-style-type: none"> <li>• Day-to-day management of ESG issues at the portfolio company including evaluating ESG risks and impacts in new opportunities, development and implementation of an ESGMS, incorporating the Fund’s ESG requirements from time-to-time in the business operations, periodic evaluation and benchmarking of ESG processes, reporting on development impact matrices and supporting operations team in ESG-related regulatory compliances.</li> <li>• Training and capacity building of the larger team in integrating ESG into their functional responsibilities.</li> <li>• Periodic assessment of portfolio sites, contractors, subcontractors, suppliers, vendors and partners on ensuring that the ESG standards maintained at the portfolio company are being consistently followed by all parties working within GGEF portfolio operations.</li> </ul> |
| <p><b>Operations Team</b></p> | <p><b><i>Eversource Capital</i></b></p> <ul style="list-style-type: none"> <li>• The operations team coordinates across the various functional teams to ensure that each new opportunity or portfolio company has incorporated inputs from the functional heads.</li> <li>• Coordinates the cross-disciplinary engagement with portfolio companies (<b><i>Section 3.8</i></b>).</li> </ul> <p><b><i>Portfolio Company</i></b></p> <ul style="list-style-type: none"> <li>• Integrate the ESG requirements into new projects from design to decommissioning.</li> <li>• Day-to-day monitoring of ESG and HSE issues at the site and communicate to the ESG/HSE personnel responsible at the site and/or corporate level.</li> <li>• Coordinate across functional teams for the AOP to ensure that the final plan and budget incorporates all ESG/HSE concerns.</li> </ul>                            |

The detailed roles and responsibilities of the ESG team in Eversource Capital are provided in ***Appendix J***.

### **5.1.1 Training Needs**

The Eversource Capital ESG team will maintain a training calendar for the Fund to identify the training needs to be disseminated across the Eversource Capital team. The training needs will fall into the following themes:

- **ESG integration into new investments:** includes process for ESG screening, due diligences, impact assessments, portfolio monitoring and exit defined in the ESGMS.
- **ESG strategy of the Fund:** includes climate mitigation/adaptation, alignment with UNSDGs, identifying sector specific ESG risks and Eversource Capital impact thesis.
- **Regulatory and International Frameworks/Conventions:** includes international requirements such as IFC Performance Standards, sustainability reporting matrices, requirements from international conventions and regulatory changes applicable to the investment sectors of GGEF.

### **5.1.2 External Consultants**

Eversource Capital will engage ESG consultants across subject-matter expertise e.g. physical climate risk, gender, resettlement, livelihood restoration, land procurement, indigenous peoples, cultural heritage, occupational health and safety, road safety, process safety and regulatory compliance. The consultants will be engaged on a needs basis across the Fund and portfolio company operations to supplement the subject-matter expertise at the Fund or any of the portfolio companies.

External consultants in the following areas of expertise will be engaged as part of the ESG management at the Fund and portfolio companies:

- Gender experts to support in implementing the gender policy (Section 2.3.3) and GAP.
- Social consultants with specific expertise on the following topics – labour compliance, human rights, resettlement & rehabilitation, livelihood restoration, indigenous peoples management, land due diligences, cultural heritage and community health & safety.
- Safety resources to review developed safety management systems and implementation across the portfolio. Specific resources may be identified for specific safety topics including fire safety, electrical safety, road safety, process safety and incident management.

Additionally, external consultants will be engaged as part of the risk and impact identification process in new opportunities at the Fund and portfolio companies (Table 2).

### 5.1.3 Environmental and Social Advisory Panel

The Fund has defined an Environmental and Social (E&S) and Business Integrity (BI) Advisory Panel consisting of ESG representatives from all the Limited Partners (LPs) to the Fund. The LP Panel convenes on a quarterly basis to discuss the E&S performance of the Fund and portfolio companies and discuss lessons learnt from other investments by the Fund investors. The ESG Head and BI Head of Eversource Capital represent the Fund in the LP Panel.

## 5.2 PERIODIC EVALUATION

The ESGMS will be biennially evaluated and updated based on the following triggers:

- Change in business operations where the risk mitigation measures identified in this ESGMS will need to be strengthened or changed.
- Additional ESG requirements that have been identified in consultation with key stakeholders (portfolio companies, investors, regulatory agencies and partners).
- Recommendations from a benchmarking exercise undertaken by internal parties (internal audits, ESGMS implementation review and process reviews) or external parties (ESGMS implementation audit and external audits).
- As a response to significant changes in the regulatory framework in the host country of operations and/or international frameworks and trends.

This ESGMS has been revised twice since the start of the Fund operations:

- **Version 1:** Defined the ESG management systems that the Fund will follow, objectives for the investment sectors and portfolio monitoring processes.
- **Version 2:** Updated the Version 1 of the document based on additional ESG requirements identified by investors into the Fund.
- **Version 3:** Updated the Version 2 by strengthening the system due to an internal benchmarking exercise (i.e. process review) and external benchmarking exercise (external due diligence commissioned by a prospective investor).



Supporting Appendices



## I APPENDIX A: EXCLUSION LIST

GGEF has adopted the IFC Project Exclusion List<sup>10</sup> to identify a list of activities that the Fund will not invest. The GGEF exclusion list has been provided below:

- Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements subject to international phase outs or bans, such as:
  - polychlorinated biphenyls, pharmaceuticals, pesticides, herbicides and wastes;<sup>11</sup>
  - ozone depleting substances;<sup>12</sup>
  - wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora<sup>13</sup>
  - unsustainable fishing methods<sup>14</sup>
  - transboundary trade in waste or waste products<sup>15</sup>
- Production of or trade in arms (i.e. weapons, ammunitions or nuclear products, primarily designated for military purposes, including paramilitary material)\*.
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old-growth forests.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Destruction<sup>16</sup> of High Conservation Value areas<sup>17</sup>.
- Production or activities involving harmful or exploitative forms of forced labour<sup>18</sup> and child labour<sup>19</sup>.
- Production of, use of, or trade in, unbounded asbestos fibres<sup>20</sup>.
- Production of or trade in alcoholic beverages (excluding beer and wine)\*.
- Production of or trade in radioactive materials<sup>21</sup>.
- Racist and/or anti-democratic media.

<sup>10</sup> IFC Exclusion List -

[http://www.ifc.org/wps/wcm/connect/corp\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+projects+database/projects/aips+added+value/ifc\\_project\\_exclusion\\_list](http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/ifc+projects+database/projects/aips+added+value/ifc_project_exclusion_list)

<sup>11</sup> As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants (“POPs”), see [www.pops.int](http://www.pops.int); the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and list of pesticides and herbicides subject to phaseouts or bans, see [www.pic.int](http://www.pic.int); and the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see [www.basel.int](http://www.basel.int); as may be amended from time to time

<sup>12</sup> A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, together with target reduction and phaseout dates see [www.unep.org/ozone/montreal.shtml](http://www.unep.org/ozone/montreal.shtml), as may be amended from time to time

<sup>13</sup> As specified in the 1975 Convention on International Trade in Endangered Species of Wild Flora and Fauna (“CITES”), see [www.cites.org](http://www.cites.org), as may be amended from time to time

<sup>14</sup> These will include: such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats; and blast fishing.

<sup>15</sup> As defined by the Basel Convention; see <http://www.basel.int>

<sup>16</sup> Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area’s ability to maintain its role is lost

<sup>17</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

<sup>18</sup> Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>19</sup> Child labor means the employment of children whose age is below the host country’s statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 “Minimum Age Convention” ([www.ilo.org](http://www.ilo.org)).

<sup>20</sup> This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

<sup>21</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment in which the radioactive source could reasonably be considered to be trivial or adequately shielded.

- Any businesses, if any of the following activities represents a substantial portion of such business<sup>22</sup>:
  - Gambling, gaming casinos and equivalent enterprises\*
  - Production of or trade in Tobacco or tobacco related products<sup>\*,23</sup> or
  - Pornography.

Note (\*) Implies that this does not apply to project sponsors who are not substantially involved in these activities. “Not substantially involved” means that the activity concerned is ancillary to the project sponsor’s primary operations.

The exclusion list will also identify any potential non-compliances to the fossil fuel policy adopted by British International Investments

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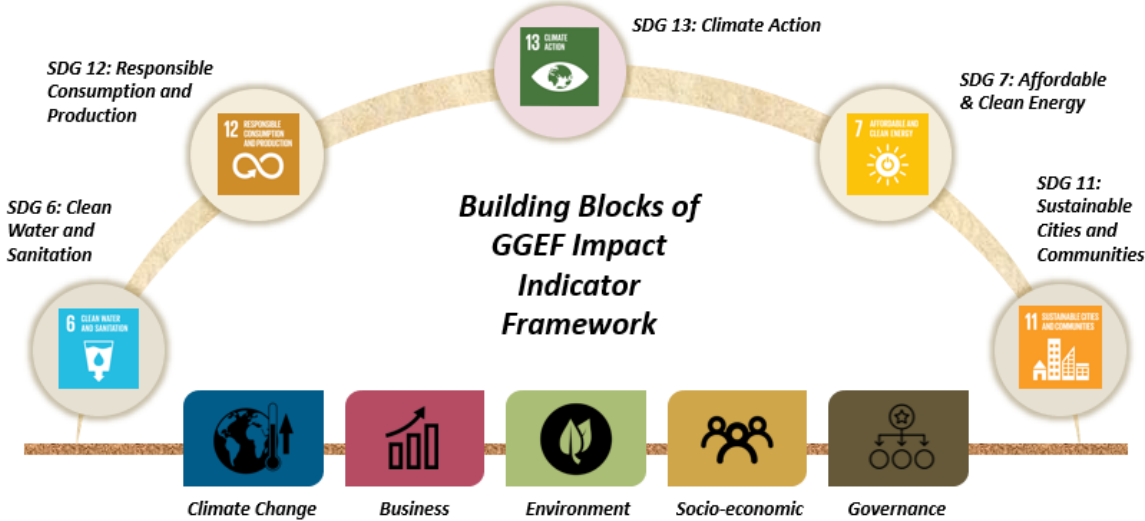
<sup>22</sup> For companies, “substantial” means more than 10 % of their consolidated balance sheets or earnings. For financial institutions, “substantial” means more than 10% of their underlying portfolio volumes.

<sup>23</sup> Except, in the case of tobacco production only, with an appropriate timeframe for phase out:

- (i) A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors and switchgears dating from 1950 to 1985
- (ii) A list of pharmaceutical products subject to phase outs or bans is available at <http://www.who.int>.

II APPENDIX B: GGEF FOCUS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Eversource Capital has identified the following SDGs from the UN’s Sustainability Goals to align the Fund’s investments and contribute to shared global goals and commitments.



### III APPENDIX C: PRELIMINARY ESG RISK AND CLIMATE IMPACT SCREENING CHECKLIST

|                              |  |
|------------------------------|--|
| <b>Proposed Deal</b>         |  |
| <b>Sector</b>                |  |
| <b>Location</b>              |  |
| <b>Summary of Investment</b> |  |

| Area/Location of Projects   | Responses                              |
|---|--|
| Google Earth Coordinates  |  |
| Business and Asset Addresses  |  |
| Proximity to legally protected areas or ecologically sensitive areas (10 km)  |  |
| Proximity to culturally sensitive or indigenous areas   |  |
| Located in critically polluted areas  |  |
| Located in natural disaster prone areas   |  |
| Located within a natural hazard vulnerable area as identified in the vulnerability atlas of India   |  |
| <b>Management Systems</b>   | <b>Yes or No Responses and Remarks</b> |
| Documented E&S Policy   |  |
| Documented HR Policy  |  |
| Documented Business Integrity and Governance Policies related to Code of Conduct, Whistle Blower, Anti-Money Laundering and Anti-Corruption |  |
| Designated or nominated person in-charge of ESG issues  |  |
| Contractor Management System  |  |
| Supply Chain Risk Management System and Supplier Selection  |  |
| Grievance Mechanism   |  |
| <b>Applicable EHS requirements</b>  | <b>Yes or No Responses and Remarks</b> |
| Applicable regulatory requirements  |  |
| Air emissions and noise disturbance   |  |
| Wastewater discharge  |  |
| Soil contamination  |  |
| Disposal of solid municipal waste   |  |

|   |  |
|---|--|
| Disposal of hazardous waste   |  |
| Resource scarcity (water, electricity, raw material)  |  |
| Risks and vulnerabilities related to occupational/community health and safety   |  |
| History of major accidents  |  |
| Statutory fines or litigations  |  |
| <b>Applicable social requirements</b>   | <b>Yes or No Responses and Remarks</b> |
| Land acquisition  |  |
| Resettlement or physical displacement   |  |
| Livelihood loss or economic displacement  |  |
| Impact on indigenous peoples or their natural/cultural resources  |  |
| Community/stakeholder complaints or grievances  |  |
| Corporate social responsibility activities  |  |
| <b>Governance and Business Integrity</b>  | <b>Yes or No Responses and Remarks</b> |
| Reputational or fair trade practice issues that can influence the transaction   |  |
| Sector is prone to bribery and/or corruption  |  |
| Corruption is prevalent in the region of operations   |  |
| News in public domain on the company or directors/principal officers accused of fraud, bribery, insider trading or sexual harassment. |  |
| <b>Additional Comments/Observations</b>   | <b>Remarks</b>                         |
| ESDD/ESIA has been commissioned and includes the following ESG risks  |  |
| Land purchase/acquisition   |  |
| Physical/economic displacement  |  |
| Impact on indigenous peoples  |  |
| Impact on cultural heritage site  |  |
| Priority ecosystem services   |  |
| Substantial labour force  |  |
| H&S risks to workers and/or communities   |  |



|  |                      |
|--|----------------------|
| <b>Migrant labour</b>  |                      |
| <b>Reputational Risks</b>                                      |                      |
| <b>Preliminary Project Categorization with justification</b>   |                      |
| <b>Project Category (A, B or C) in accordance with Table 1</b> | <i>Justification</i> |

## IV APPENDIX D: TERMS OF REFERENCE FOR EXTERNAL E&S STUDIES

The appendix provides sample Terms of Reference (ToR) for E&S studies that would be applicable for the transactions and the reporting structures for the E&S study outcomes. The below ToRs will be contextualized for individual transactions of Eversource Capital and the GGEF portfolio companies.

The ToRs covered in this appendix include:

- Environmental and Social Due Diligence (ESDD)
- Environmental and Social Impact Assessments (ESIA)
- Limited Environmental and Social Assessments
- Social Services e.g. Social Impact Assessments (SIA), Resettlement and Rehabilitation Studies (R&R) and Livelihood Restoration or Engagement Plan (LEP/LRP)
- Biodiversity Management Plan (BMP)
- Indigenous Peoples Plan Framework (IPPF)

Note: the governance and business integrity risks are covered in a separately commissioned legal and financial due diligence respectively.

### D<sub>1</sub> ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

#### Objective

The ESGDD is to be conducted to support Eversource Capital's potential investment decision and follow-up approach and strategies by reviewing and verifying the project/company against the reference framework (refer below) to identify compliance gaps, necessary mitigation and follow-up actions, and outlining a managing / monitoring regime.

This review must specifically address anticipated risks, mitigation measures and should give an overall opinion on the ability of the project/company to meet the reference framework.

#### Reference Framework

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012
- IFC/World Bank EHS General and relevant Sector Specific Guidelines as applicable
- GGEF ESGMS
- The UN Guiding Principles on Business and Human Rights

#### Consultant Qualifications

The consultant will demonstrate experience in undertaking similar assignments through the following:

- Experience in the target industrial sector or similar industrial sectors
- Prior experience working with IFC Performance Standards, IFC EHS Guidelines and regulatory framework of India

- Subject-matter expertise including environmental, social, biodiversity, gender and hydrology as required.

### Scope of Work and Individual Tasks

The scope of work will entail an independent verification of all relevant ESG aspects of a target company and/or project within the above reference framework (including current operations and future planned expansions/additions). The scope of work will include, but not be limited to, the following aspects:

- Review of corporate ESG management systems of the target company and/or project to determine adequacy in managing past, existing and potential risks and impacts that might arise from the business operations.
- Undertake a gap assessment of the target company and/or project with the applicable reference framework and suggest appropriate actions to close out any gaps or to add value to ESG management of the business operations.
- Develop an Environmental and Social Action Plan (ESAP) that summarizes all action items and assigns roles, responsibilities and measurable outcomes for the action items to close out the identified gaps.

### Proposed Methodology

The ESGDD review will comprise the following steps:

- **Information Review:** This should include a review of all relevant environmental, health, safety, social, labour, land, ecology and governance documentation and information as determined relevant to the target operations. A detailed ESG regulatory compliance review of the target should be undertaken as part of the due diligence process.
- **Site Reconnaissance:** A site investigation of the project site or portfolio sample sites should be undertaken through visual observation of relevant areas, discussions with key internal and external stakeholders, review of site-level documentation and investigation of relevant ESG issues in and around the target operations.
- **Report Preparation:** Two reports will be required of any due diligence transactions including (i) a back to office report summarizing red flag or high-risk issues and providing a preliminary categorization of the transaction and (ii) detailed due diligence report covering all aspects of the scope of work.

### Schedules

- The site-visits are to be concluded within 1 week after the preparatory information/documentation has been made available to the consultant. (Typically, would mean 2 days site visit but could be more if the project/portfolio is large).
- The consultant should submit the back to office report within 3 working days of completing the site visit identifying any red flag and high-risk issues and suggesting a preliminary project categorization for the transaction.
- The draft due diligence report should be submitted within 7 working days of submitting the back to office report. The final report will be submitted within 7 working days of receiving comments from Eversource Capital on the draft report.

- All reports should be written and prepared in English and delivered in electronic format. The back to office and draft report should be submitted in an editable document (MS PowerPoint, MS Excel or MS Word preferably) and the final document should be a signed PDF document.

Note: The timeframe of the ESGDD can vary depending upon the complexity of the project. The timeline will be agreed based on discussion with the investee and external consultant.

### Sample Structure of the ESGDD Report

A typical ESGDD report will need to cover the following at minimum.

1. **Introduction:** This section shall primarily detail:
  - Background to the due diligence,
  - Primary objective and scope of the study,
  - Methodology adopted for the study, and
  - Limitations to the study
2. **Project Overview:** This section primarily describes the complete project, its various components, as well as the current status of the project/ company, operational/ manufacturing process, organizational structure, number of employees and status of key applicable permits/licenses.
 

In case of FI, (i) provide overview of the expected investment volume and composition. (ii) Describe and analyse the types of investment provided (iii) Provide information on top exposures and portfolio sector breakdown and analyse ESG risks associated with portfolio to be supported.
3. Summary of national, local, and any other applicable environmental and social laws, regulations, and standards.
4. Audit and site investigation procedures
5. **Key Findings Section:** This section incorporates the key findings and gaps that were observed and assessed from the documentation review and site assessment. The findings are based on the assessment of the project as per the applicable reference framework and guidelines pertaining to the same.
6. **Environmental and Social Action Plan:** This section outlines the key mitigation measures and corrective actions as prescribed to the assessed gaps highlighted in the findings table. The ESAP will primarily incorporate:
  - Key Issues and Concerns Identified
  - Mitigation or Corrective Actions including costs
  - Responsibility of Investee
  - Deadline for completion and implementation of the corrective actions
7. **Opportunities:** A comment on the potential opportunities for value addition as per Sustainable Innovations Policy Commitment.

## D<sub>2</sub> ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

### Purpose of the Study

The ESIA is undertaken to outline the existing and potential risks and impacts associated with one or more project sites from planning to the decommissioning phase. The ESIA includes the development of an environmental, social and ecological baseline, identifying interactions between the environmental, social and ecological receptors/resources with the project site(s) activities and quantifying the resultant impact significance of the interaction.

An outcome of the ESIA includes the development of an Environmental and Social Management Plan (ESMP) and any relevant Technical Management Plans (TMPs) for management of risks and impacts that may arise from the project activities.

### Reference Framework

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012
- IFC/World Bank EHS General and relevant Sector Specific Guidelines as applicable
- GGEF ESGMS
- The UN Guiding Principles on Business and Human Rights

### Objective and Scope of Work

The objective and scope of work of a typical ESIA has been presented in the table below.

| Objective  | Scope of Work   |
|--|---|
| Define the environmental, social and ecological baseline of a defined study area <sup>24</sup> | <ul style="list-style-type: none"> <li>• Undertake primary environmental monitoring including but not limited to groundwater quality, surface water quality, soil quality, ambient air quality, ambient noise levels and local meteorology. If primary data collection is determined to be not required for a project site, then information should be obtained from reputed secondary sources.</li> <li>• Undertake socio-economic surveys in the defined study area that includes demographic profile, occupational profile and land holdings in the affected communities.</li> <li>• The socio-economic surveys should also evaluate gender-disaggregated information on the above topics to be able to develop site-specific gender intervention strategies.</li> <li>• Determine baseline conditions for indigenous peoples and their customary rights and any cultural heritage sites in the defined study area.</li> <li>• Develop a baseline for ecological values i.e. flora (trees, herbs, grasses and aquatic plants) and fauna (amphibians, reptiles, birds and mammals). The baseline should clearly indicate migratory status, threatened status, protected status and cultural significance where applicable.</li> </ul> |
| Develop a legal and administrative framework   | <ul style="list-style-type: none"> <li>• Discuss all relevant national, state and local regulations applicable to the project and the key activities the project needs to undertake to be in compliance to these regulations.</li> </ul>  |

<sup>24</sup> To be determined based on the anticipated scale and magnitude of the impacts from a project as identified in a screening and/or scoping process.

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>Identify specific international conventions (where India is a signatory party) that would be applicable to the project operations.</li> <li>Define the conformance of the project to the reference framework (mentioned above).</li> </ul>   |
| Review the land procurement process and determine conformance to international standards                                   | <ul style="list-style-type: none"> <li>Discuss the land identification and lease/purchase process.</li> <li>Determine land negotiation practices and confirm use of fair practices.</li> <li>Identify any legacy land risks associated with a brownfield acquisition and/or industrial estate development.</li> <li>Evaluate gender integration into the stakeholder engagement process and determine whether women landowners were adequately consulted during the land procurement process.</li> <li>Assess any post-sale obligations placed on the project (e.g. employment) and determine status of the above.</li> </ul>                                   |
| Analyse any reasonable alternatives to the project design and location   | <ul style="list-style-type: none"> <li>Undertake an analysis of alternatives for the project location, design, technology and evaluate a no project scenario.</li> <li>Clearly define the advantages and disadvantages in the current planned project from an E&amp;S perspective.</li> </ul>   |
| Assess any significant environmental and social impacts (positive or negative) and suggest appropriate mitigation measures | <ul style="list-style-type: none"> <li>Evaluate any significant environmental, social and ecological impacts that may occur due to the project.</li> <li>Clearly define the rationale behind any scoped-out impacts that have not been taken forward during the impact assessment process.</li> <li>Define appropriate mitigation measures focused on avoidance, minimization and rehabilitation with a suggestion for offsets as a last choice mechanism.</li> <li>Summarize the residual impacts that will occur after implementation of the mitigation measures.</li> </ul>  |
| Develop an Environmental and Social Management Plan (ESMP) for the project   | <ul style="list-style-type: none"> <li>Develop an ESMP for the project that clearly summarizes the mitigation actions suggested for the project along with time-bound roles and responsibilities, supervisory mechanisms and resources required to implement.</li> <li>The ESMP should be clearly divided in accordance with the phase of the project – planning, construction, operation and decommissioning.</li> <li>Suggest any follow-up or long-term studies that may be required to further evaluate and manage any E&amp;S risks identified during the ESIA. A draft Terms of Reference (ToR) should be provided for any identified studies.</li> </ul> |

## Proposed Methodology

The ESIA review will comprise the following steps:

- Information Review:** This should include a review of all relevant environmental, health, safety, social, labour, land, ecology and governance documentation and information as determined relevant to the target operations. A detailed ESG regulatory compliance review of the target and identification of forward-looking requirements should be undertaken as part of the impact assessment process.
- Site Surveys:** A site investigation of the project site or portfolio sample sites should be undertaken through visual observation of relevant areas, discussion with key stakeholders, review of site-level documentation and primary monitoring of baseline values.
- Report Preparation:** Two reports will be required of impact assessment studies including (i) a back to office report summarizing red flag or high-risk issues and providing a preliminary categorization of the project site(s) and (ii) detailed impact assessment report covering all aspects of the scope of work and appropriate technical management plans.

## Schedule

- The site-visits are to be concluded within 2 weeks after the preparatory information/ documentation has been made available to the consultant. Seasonality of information (e.g. capturing migratory season data for ecology baseline) should be communicated to the Eversource Capital team as part of the kick-off meetings to suggest an appropriate site visit schedule.
- The consultant should submit a back to office report within 7 working days of completing the site visit identifying any red flag and high-risk issues and suggest a preliminary project categorization. If there is a necessity to undertake any further studies (e.g. biodiversity management plan, livelihood enhancement plan, cultural heritage management plan, etc.) should be discussed with appropriate justification and schedule for completion.
- The draft impact assessment report should be submitted within 4 weeks of submitting the back to office report. The final report will be submitted within 10 working days of receiving comments from Eversource Capital on the draft report.

Note: The timeframe of the ESIA can vary depending upon the complexity of the project, seasonality of information to be collected and requirement for any specific technical studies. The timeline will be agreed based on discussion with the investee and external consultant as part of the proposal development and kick-off meetings.

## Sample Structure of the ESIA

- **Non-Technical Summary:** A non-technical summary should be provided including a project brief, status of key regulatory compliances, summary of the baseline conditions, comparative analysis of impact significance and residual impact significance and the Environmental and Social Management Plan.
- **Introduction and Project Description:** Description on the purpose, objective, scope of work, methodology and limitations of the study. The project description should include key salient features of the project that would interact with the baseline to create impacts on applicable resources and receptors in the study area.
- **Legal and Administrative Framework:** Identify an appropriate regulatory compliance framework for the project site(s) and key international conventions that need to be complied by the project staff. The review should include a relevant of key requirements from the international standards on the project construction and operation.
- **Analysis of Alternatives:** An identification of the alternatives including alternative technology, alternative location and appropriate design for the project site(s)
- **Screening and Scoping Process:** Description of the screening and scoping process that was followed to determine relevant impact types for the project site(s)
- **Project Baseline:** A description of the environmental, social and ecological baseline conditions. The baseline should identify specific gender intervention areas that can be used by the project site(s) to meet the requirements of Eversource Capital's Gender Policy.

- **Stakeholder Engagement Plan:** identification of key internal and external stakeholders, their engagement mechanism and key outcomes of the consultations undertaken during the ESIA study.
- **Impact Assessment and Mitigation Measures:** description of each of the impact types relevant for the planning, construction, operation and decommissioning phases of the project site(s). The impact assessment should include a quantitative impact significance value, appropriate mitigation measures and a residual impact significance value after application of the mitigation measures
- **Environmental and Social Management Plan:** A summary of all the mitigation measures based on the project phase (planning, construction, operation and decommissioning) and the reporting/monitoring mechanisms to be used by Eversource Capital or one of its portfolio companies to ensure completion.
- **Technical Management Plans:** Technical Management Plans (TMPs) as agreed between the consultant and Eversource Capital for the specific project site(s) including stakeholder engagement plans, grievance redressal mechanisms, gender action plans, biodiversity management plans, livelihood enhancement plans, etc.

### D<sub>3</sub> LIMITED ENVIRONMENTAL AND SOCIAL ASSESSMENT

#### Purpose of the Study

The requirement for a limited environmental and social assessment may be identified as part of the ESG screening process to determine case-to-case risks associated with an investment opportunity. A limited environmental and social assessment can include:

- **Hazard Identification and Risk Assessment:** an evaluation of the HSE risks and impacts associated with a project site(s) and determination of risk control and mitigation measures that need to be implemented in a time-bound action plan.
- **Aspect Impact Register:** An evaluation of E&S risks and impacts associated with a project site(s) and determination of risk control and mitigation measures that need to be implemented in a time-bound action plan.
- **Limited Land Procurement Review:** A review of the land procurement process to determine any social risks associated with land holdings, land negotiations, employment obligations and/or land transfer for a greenfield site acquisition. A limited land procurement review can also be undertaken for a brownfield acquisition where there is a potential for legacy land risks and impacts that are still pending as identified in the public domain or initial discussions with stakeholder groups.
- **Legal Compliance Review:** A review of the key statutory requirements on E&S aspects that is applicable to a company operation and/or project site(s).

#### Reference Framework

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012



- GGEF ESGMS
- The UN Guiding Principles on Business and Human Rights

### Objectives and Scope of Work

The objective and scope of work of a limited E&S assessment has been presented in the table below.

| Objective   | Scope of Work   |
|---|---|
| Undertake a Hazard Identification and Risk Assessment Study | <ul style="list-style-type: none"> <li>• Evaluate the HSE systems at project site(s) including the defined operating procedures, capacity of the HSE personnel, permit to work process and audit frequency.</li> <li>• Identify specific H&amp;S hazards and risks associated with the construction and operation of a project site(s) and define appropriate risk control measures that can be implemented to reduce the overall risk.</li> <li>• Prioritize the risks through a prioritization matrix and determine a potential negative outcome should the risk not be managed.</li> <li>• Determine additional risk mitigation measures including any operating procedures (as appropriate) to close out any residual risks.</li> </ul> |
| Undertake an Aspect-Impact Study                            | <ul style="list-style-type: none"> <li>• Develop an aspect-impact register to determine potential for E&amp;S risks associated with a project site focused on labour compliance, working conditions, pollution prevention sources, resource efficiency, biodiversity, indigenous peoples, gender, cumulative impacts and cultural heritage.</li> <li>• Determine appropriate impact mitigation measures that can be implemented through a time-bound action plan to close out any impacts.</li> <li>• Define the roles, responsibilities, measurable outcomes and budget (where appropriate) to close out any pending action items.</li> </ul>  |
| Limited Land Procurement Review                             | <ul style="list-style-type: none"> <li>• Review the land procurement process for a project site to determine the land identification, negotiation and transfer process is in compliance with applicable local regulations, IFC PS 5 and GGEF ESGMS.</li> <li>• The land procurement review should determine any legacy or long-term obligations from the land procurement process and define a tracker for consulting key stakeholders and meeting any employment obligations that are identified.</li> </ul>   |
| Legal Compliance Review                                     | In projects where risks are limited to compliance to statutory requirements, the limited assessment should develop a legal register of key E&S regulations and validity/application requirements for the identified permits and licenses. If any previously obtained permits or licenses have underlying conditions, the respective conditions need to be tracked and an action plan should be defined for complying with these requirements across the project life cycle.   |

### Sample Structure of Report

A sample structure of the limited E&S assessment has been provided below.

#### Hazard Identification and Risk Assessment

| Hazard/<br>Risk<br>Identified | Possible<br>Consequences | Likelihood | Risk/Engineering<br>Controls | Additional<br>Risk<br>Management<br>Measures | Actionable<br>Item | Responsible<br>Person | Timelines |
|-------------------------------|--------------------------|------------|------------------------------|--|--------------------|-----------------------|-----------|
|                               |                          |            |                              |  |                    |                       |           |

#### Aspect Impact Register

| E&S Aspect | E&S Impact | Legal Compliance | Management Controls | Risk Prioritization | Additional Actions | Responsible Person | Timelines |
|------------|------------|------------------|---------------------|---------------------|--------------------|--------------------|-----------|
|            |            |                  |                     |                     |                    |                    |           |

**Limited Land Procurement Review**

The sample format for the limited land procurement review has been presented below:

- **Project Brief:** brief description of the project including type of project, land requirement, tenure and summary of time-bound project activities.
- **Legal Review:** review of the legal requirements that would be applicable for the land procurement process.
- **Land Procurement Process:** description of the land procurement process including a list of land holders and land ownership details, process of land identification, embedded controls to safeguard vulnerable groups and identification of informal land rights. The process should also describe any obligations on the project (e.g. employment) from the land procurement process that would be applicable across the project lifecycle.
- **Action Plan:** description of action items, responsibilities, measurable outcomes and timelines. The action plan should also define the monitoring and management process to ensure that action items are being evaluated in a timely manner and stakeholder feedback is being sought periodically.

**Legal Compliance Review**

| Legal Requirement | Relevant Act/Rule | Requirement for the project site(s) | Compliance Status | Document No. and Date | Validity/ Renewal Date/ Periodicity | Underlying Conditions |
|-------------------|-------------------|-------------------------------------|-------------------|-----------------------|-------------------------------------|-----------------------|
|                   |                   |                                     |                   |                       |                                     |                       |

**D<sub>4</sub> SOCIAL STUDIES**

**Purpose of the Study**

This Terms of Reference (ToR) for social services includes completion of the following scopes of work:

- i. Preparation of a site-specific Social Impact Assessment (SIA)
- ii. Development of site-specific Resettlement Action Plan (RAP) and/or Resettlement and Rehabilitation (R&R) framework
- iii. Determination of livelihood restoration or engagement plans (LRP or LEP).

The above studies can be proposed as part of E&S assessment to identify risks and impacts associated with one or more project site(s). The study is typically undertaken to identify any potential impacts associated with physical or economic displacement of persons from a proposed project.

An outcome of the study is to develop an R&R Plan, RAP, LRP, SIA or LEP document as may be required for the context of the project site(s).

**Reference Framework**

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012
- GGEF ESGMS
- The UN Guiding Principles on Business and Human Rights

The document should be developed with reference to the IFC Handbook for Preparing a Resettlement Action Plan (2002) where appropriate.

### Objective and Scope of Work

The objective and scope for the social studies has been provided below. The portfolio company/Fund ESG team should evaluate the below scope of work items and apply the objectives where relevant.

| Objective   | Scope of Work  |
|---|--|
| Develop a cadastral map of the project site and area of influence (as relevant)     | <ul style="list-style-type: none"> <li>• Review of the existing land use and land holdings documents for the project site and area of influence</li> <li>• Use the data obtained from the cadastral map to define a study area for the social studies</li> </ul>   |
| Consult the project affected communities to understand scale and extent of impacts  | <ul style="list-style-type: none"> <li>• Map the project affected communities (including formal and informal land users) and determine appropriate engagement mechanisms for key stakeholder groups.</li> <li>• Consult key governmental and administrative stakeholders to determine institutional mechanisms for key socio-economic parameters (household census, occupational pattern, vulnerability, legal ownership status, skill development, etc.).</li> <li>• Undertake focused group discussions (FGDs), key informant interviews (KIIs) and household-level surveys as appropriate to identify extent of impact to the project affected families.</li> <li>• Understand relevance of free prior informed consent (FPIC) and cultural heritage management as appropriate. Suggest any additional studies and measures that may be required for the above.</li> <li>• Determine modes and frequency of continued engagement with the project affected families.</li> </ul> |
| Create a socio-economic baseline of the study area                                  | <ul style="list-style-type: none"> <li>• Develop a socio-economic baseline of the study area based on the stakeholder consultations including demographic profile, land ownership trends, livelihood profile, cultural heritage, common property resources, etc.</li> </ul>  |
| Develop a household level entitlement matrix (as relevant)                          | <ul style="list-style-type: none"> <li>• Collate household level data to understand extent of economic and physical loss of project affected persons including loss of fixed assets, livelihood and access to common property resources.</li> <li>• Evaluate eligibility criteria for compensation and resettlement support for the households with relevant cut-off dates as appropriate.</li> <li>• Create a final list of project affected people (PAPs) and project affected families (PAFs) and estimate the replacement cost as required under national laws or international requirements.</li> </ul>   |
| Determine the legal framework for social studies                                    | <ul style="list-style-type: none"> <li>• Determine and identify appropriate requirements from the applicable regulatory framework for the resettlement, livelihood loss and/or social impact.</li> <li>• Identify government and non-government schemes that are in place or proposed to partially or wholly mitigate any of the above risks in the project affected area.</li> <li>• Determine international conventions, standards and guidelines as appropriate that can be used to manage social risks and impacts arising from the physical and economic displacement.</li> </ul>   |
| Develop technical management plans appropriate for the identified risks and impacts | <ul style="list-style-type: none"> <li>• Develop a R&amp;R framework, resettlement action plan (RAP), livelihood restoration plan (LRP), livelihood enhancement plan (LEP) and/or social impact assessment (SIA) as appropriate for the management of social risks and impacts</li> </ul>  |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• The above plans should include an analysis of alternatives for relocation sites or livelihood options (where appropriate)</li> <li>• A screening and scoping of the environmental, ecological and social concerns associated with any relocation sites should be undertaken as part of the final action plan that is developed.</li> </ul>  |
| Define the public disclosure and monitoring process, as appropriate | <ul style="list-style-type: none"> <li>• Support the company in disclosing the results of the social studies and seeking feedback from key stakeholders in the identified mitigation measures and management strategies.</li> <li>• Develop monitoring indicators and measures that can be used to track the roll-out of the action plan including active (stakeholder feedback sessions) and passive (grievance mechanism) processes as required.</li> <li>• Determine an appropriate implementation schedule for the resettlement activities linked to the overall milestones of the project.</li> </ul> |

### Proposed Methodology and Schedule

The schedule and proposed methodology of the social studies will vary depending on the type of project, scale of impacts and number of project affected families. The specific methodology and schedule will be determined for the independent studies on a case-to-case basis as identified.

### Sample Structure of the Report

The sample structure of the report will vary but the following sections should be provided as a minimum:

- **Executive Summary:** An executive summary of the study should be provided that includes a brief of the project, adopted methodology for the study, list of project affected communities, summary of resettlement impacts and final action plan.
- **Legal and Institutional Framework:** national regulations, relevant international conventions, international resettlement standards and government initiatives for resettlement and livelihood that are applied in the area of interest.
- **Socio-economic Baseline:** baseline conditions of the project affected area.
- **Project Impacts:** impact significance values, mitigation measures and residual impact values from the project.
- **Entitlement Matrix:** the final entitlement matrix that provides a list of project affected families, eligibility criteria and resettlement support where relevant.
- **Action Plan:** summarized action plan for the livelihood restoration, resettlement action and/or social impact measures formalizing roles and responsibilities, measurable outcomes and timelines.
- **Monitoring Mechanism:** key monitoring and evaluation mechanisms for the proposed action plan, completion audits, stakeholder consultation and grievance mechanism processes

## D<sub>5</sub> BIODIVERSITY MANAGEMENT PLAN

### Purpose of the Study

The Biodiversity Management Plan (BMP) Terms of Reference (ToR) can be used after proper modification for the development of several biodiversity studies related to biodiversity impact assessments (BIAs), critical habitat assessments (CHAs), ecosystem services reviews (ESRs), biodiversity action plans (BAPs) and specific technical management plans (e.g. bird and bat studies for renewable energy projects).

## Reference Framework

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012
- GGEF ESGMS

## Objectives and Scope of Work

| Objective  | Scope of Work   |
|--|---|
| Describe the floral and faunal baseline of the study area  | <ul style="list-style-type: none"> <li>• The ecoregion and habitat types of the study area should be described in the baseline.</li> <li>• Describe the floral baseline (terrestrial and aquatic) of the study area.</li> <li>• Describe the faunal baseline (herpetofauna, avifauna and mammals) of the study area.</li> <li>• Identified species should be described as protected, threatened (in accordance with latest IUCN red list), migratory and/or culturally significant.</li> </ul>  |
| Undertake a gap assessment with respect to IFC PS 6 and latest guidance note   | <ul style="list-style-type: none"> <li>• Undertake a gap assessment of the project site with IFC PS 6 including evaluating natural, modified and critical habitat values in the study area of the project.</li> <li>• The gap assessment should clearly scope in key aspects of IFC PS 6 including supply chain risks, ecosystem services reviews, invasive species management and sustainable harvesting of natural resources.</li> </ul>  |
| Undertake a critical habitat screening (where relevant) of candidate species and scope-in species based on qualitative and quantitative parameters | <ul style="list-style-type: none"> <li>• Undertake a critical habitat screening of candidate species based on IFC PS 6 obtained from primary and secondary data sources. The species should be screened-in as critical habitat candidates through qualitative (behavioral, habitat preference, etc.) and quantitative (population dynamics) parameters.</li> <li>• If a site is identified as a critical habitat, then evaluate the analysis of alternatives, legal capacity to establish the project and create a long-term action plan to monitor and evaluate biodiversity values.</li> </ul>                                    |
| Review the ecosystem services (where relevant) and determine priority ecosystem services that will be impacted by the project                      | <ul style="list-style-type: none"> <li>• Screen the ecosystem services that will be impacted by the project site to determine priority ecosystem services based on irreplaceability and importance to community.</li> <li>• Quantify the impact significance for priority ecosystem services and suggest appropriate mitigation measures to reduce the impact on communities and the environment.</li> </ul>  |
| Evaluate the impact significance of scoped-in biodiversity impact values and suggest appropriate mitigation measures to reduce the impact          | <ul style="list-style-type: none"> <li>• Scope all biodiversity impacts that can occur from the project and qualify those impact types that would have a significant interaction with ecological receptors.</li> <li>• Undertake an impact assessment and quantify the impact significance.</li> <li>• Suggest appropriate mitigation measures and/or biodiversity enhancement measures to reduce the residual impact significance and result in no net loss of biodiversity values.</li> </ul>   |
| Develop a long-term biodiversity monitoring and management program   | <ul style="list-style-type: none"> <li>• Develop a biodiversity management plan summarizing the impact mitigation measures and creating an action plan for roles, responsibilities, measurable outcome and timelines for closure.</li> <li>• Suggest biodiversity enhancement measures that can be integrated into the project operations to result in no net loss or possibly net gain of biodiversity values.</li> <li>• Develop a biodiversity action plan (where relevant) to meet the requirements of IFC PS 6 critical habitat that requires monitoring and evaluation of biodiversity values to achieve net gain.</li> </ul> |

## Proposed Methodology and Schedule

The schedule and proposed methodology will vary depending on the duration of the biodiversity study (i.e. capturing seasonal species composition). The specific methodology and schedule will be determined for the independent studies on a case-to-case basis as identified.

## Sample Structure of Report

The sample structure of the report has been provided below:

- **Executive Summary:** An executive summary of the study should be provided that includes a brief of the project, adopted methodology for the study, list of protected/threatened/migratory species, key outcomes of the ecosystem services review and critical habitat studies, summary of the impact assessment process and long-term biodiversity monitoring and management program.
- **Project Description:** brief description of the project site(s) and immediate surroundings
- **Legal and Institutional Framework:** key national and state-level biodiversity regulations applicable to the project operations. This should include any relevant international conventions where India is a signatory party, national biodiversity action plans and key court orders.
- **Biodiversity Baseline:** baseline conditions of the project affected area including evaluation of natural and modified habitat, where relevant.
- **Critical Habitat Screening (where relevant):** summary of the critical habitat screening and assessment of screened-in species with respect to quantitative thresholds defined in IFC PS 6
- **Ecosystem Services Review (where relevant):** review of ecosystem services to define the priority ecosystem services that need to be evaluated as part of the impact assessment process.
- **Project Impacts:** impact significance values, mitigation measures and residual impact values from the project
- **Management Plan:** summarized action plan for the biodiversity mitigation and priority ecosystem services. The management plan should include the long-term monitoring and evaluation of critical habitat values.

## D<sub>6</sub> INDIGENOUS PEOPLES PLAN

### Purpose of the Study

The Indigenous Peoples Plan (IPP) or Indigenous Peoples Planning Framework (IPPF) is triggered through an ESDD or ESIA study where potential impact is identified to indigenous people due to land acquisition, impact to the indigenous peoples' community from the project activities (e.g. community health and safety, potential pollution sources, resource conflict) or impacts on land/natural resources under traditional ownership/customary use. The IPP or IPPF can also be an outcome of a Free Prior Informed Consent (FPIC) or an impact to a critical cultural heritage site as defined under IFC PS 7.

### Reference Framework

The applicable reference framework will be:

- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- IFC Performance Standards, 2012
- GGEF ESGMS

## Objectives and Scope of Work

The objective and scope of work for the indigenous peoples plan is as follows:

| Objective  | Scope of Work   |
|--|---|
| Screen the presence of indigenous communities and their interaction with the project site(s)   | <ul style="list-style-type: none"> <li>• The screening process should identify the indigenous peoples' communities and the eligibility criteria in accordance with national regulations and IFC PS 7</li> <li>• Identify interactions between the project site(s) and the indigenous communities including their rights as identified under national and state laws to determine potential to create impact.</li> </ul>   |
| Summarize the regulatory framework of the project site(s) with respect to relevant national, state and local laws for indigenous peoples and their declared rights | <ul style="list-style-type: none"> <li>• Define the national, state and/or local laws that regulate the indigenous peoples' rights and the requirement for the project site(s) to comply with these laws.</li> <li>• Discuss any international conventions, national action plans and international standards that discusses indigenous peoples' management</li> </ul>  |
| Establish a baseline for the socio-economic factors and cultural aspects with indigenous peoples filtered as a stakeholder group                                   | <ul style="list-style-type: none"> <li>• Establish a baseline (if not available) for the socio-economic factors in the determined study area that clearly demonstrates the demography, land ownership, occupational profile, cultural aspects and common property resources.</li> <li>• The baseline should identify the key indigenous people groups as a stakeholder group for all baseline parameters.</li> <li>• Describe the lands and geographical features typically occupied by the indigenous peoples' communities and those areas that have a legal status for the communities under national/state/local laws.</li> <li>• Identify natural and common property resources that the community has a dependence within the study area.</li> <li>• Describe vulnerability of the community and especially any land, geographical features, cultural resources, natural resource and/or common property resources that would be irreplaceable within the study area.</li> </ul> |
| Disclose information to the indigenous peoples community as required under the Free Prior Informed Consent (FPIC) clause in IFC PS 7                               | <ul style="list-style-type: none"> <li>• Define the process of informed consultation and participation used by the project site(s) to align with the requirements of FPIC under the IFC PS 7 guidance note.</li> <li>• Evaluate long-term engagement activities for indigenous peoples communities to communicate and obtain feedback.</li> </ul>   |
| Determine appropriate alternatives (where available) for any perceived or identified impacts to the indigenous peoples community                                   | <ul style="list-style-type: none"> <li>• Suggest appropriate impact reduction, mitigation and avoidance measures that can be utilized to reduce the overall impact to the indigenous community stakeholder group and their national rights.</li> <li>• Document any available alternate resources available within the study area for use by the indigenous peoples community to offset the overall impact on the stakeholder group</li> </ul>  |
| Establish monitoring and reporting processes for ongoing engagement  | <ul style="list-style-type: none"> <li>• Determine the roles and responsibilities for ongoing monitoring and compliance with the Indigenous Peoples Plan/Framework</li> <li>• Define the periodicity for monitoring of action items under the IPP/IPF</li> <li>• Create a list of monitoring indicators for evaluating the impacts to indigenous communities.</li> </ul>  |

## V APPENDIX D1: SECTOR-WISE ESG RISK MAPPING

The key sectors of investment for GGEF are as follows:

- Renewable Energy – primarily wind, solar and hydroelectric energy
- Resource Efficiency – primarily waste, water and wastewater management
- E-mobility
- Financial Intermediaries<sup>25</sup>

The sector-wise risk mapping has been provided in Tables I-III. The tables provide an indicative set of risks and impacts that should be evaluated as part of the E&S risk and impact evaluation process. Each of the GGEF portfolio companies will need to elaborate on the identified risk themes to contextualize to their business operations.

### I. Renewable Energy

| Aspect                                      | Potential risks and impacts that need to be evaluated in an E&S risk evaluation process   |
|---|---|
| Environmental and Social Management Systems | <ul style="list-style-type: none"> <li>• Implementation of an overall ESMS</li> <li>• Implementation of construction-phase EHS plan</li> <li>• Implementation of Standard Operating Procedures (SOPs) for site-level tasks identified EHS requirements</li> <li>• Assigning a dedicated ESG/EHS resource for each site</li> <li>• Implementation of an Emergency Preparedness and Response Plan</li> <li>• Defined stakeholder engagement strategy</li> <li>• Communication of a grievance redressal mechanism internally and externally</li> <li>• Undertaking a site-specific Environmental and Social Impact Assessment (ESIA) (where applicable) and specific technical studies including flood risk assessment and bird and bat study</li> <li>• Supply chain risk management and exposure</li> </ul>  |
| Legal Compliance                            | <ul style="list-style-type: none"> <li>• Compliance to relevant regulatory requirements identified in Appendix D2</li> </ul>  |
| Labour Management                           | <ul style="list-style-type: none"> <li>• Compliance to social regulatory requirements identified in Appendix D2</li> <li>• Alignment of labour accommodations to IFC/EBRD Workers' Accommodation: Process and Standards (2019)</li> <li>• Ensure human rights defined by the Constitution of India</li> <li>• Evaluation of incidents of safeguarding violation as defined in this ESGMS</li> <li>• Past cases of collective dismissals and application of principles of non-discrimination in the retrenchment process</li> <li>• Extension of labour compliance to the major supply chain workers, contractors and vendors</li> <li>• Implementation of occupational health and safety procedures to identify hazards, implement risk control measures, training of personnel, documentation of incidents and emergency prevention measures.</li> </ul> |
| Land Procurement                            | <ul style="list-style-type: none"> <li>• Review of land procurement process – willing buyer willing seller, negotiated settlement or government-led land acquisition.</li> <li>• Determine dependency on the procured land to understand physical and economic displacement including any impacts to informal land users.</li> </ul>  |

<sup>25</sup> Note; financial intermediaries will fall under the renewable energy, resource efficiency or e-mobility sectors for their focus portfolio and therefore risks will remain the same as the above three sectors of investment



|                         |   |
|-------------------------|---|
|                         | <ul style="list-style-type: none"> <li>• Review the land identification and negotiation process to ensure no cases of coercion and use of fair practices in terms of determination of the land and asset value.</li> <li>• Review the right of way (RoW) documents for the transmission line infrastructure of the project with respect to negotiation, setback distance and compensation provided.</li> <li>• Ensure that stakeholder consultation process is comprehensive and covering vulnerable groups (as applicable) and existing gender biases associated with the land holding patterns. Land mutation should take into account that coverage of land holders as defined in the land records.</li> <li>• Define an adequate grievance redressal process related to the land procurement phase</li> <li>• In the case of government-led land acquisition or negotiated settlement, the E&amp;S study should review the private sector responsibilities including supplementing resettlement plans, livelihood restoration/enhancement plans and compliance to regulatory requirements.</li> </ul> |
| Resource Efficiency     | <ul style="list-style-type: none"> <li>• Review of the water balance chart (where available) in the construction and operation phase and the sustainability of the source of water being used in each phase of the project</li> <li>• Identify the water saving measures being implemented at the project site including use of rainwater harvesting, dry robotic cleaning for solar modules, use of water meters and inclusion of low-water use equipment.</li> <li>• Identify energy efficiency measures including reduced reliance on diesel generator sets, use of L.E.D. lights and high energy efficiency equipment.</li> <li>• Raw materials including sand, stone and aggregate should be obtained from sustainable and reputed sources.</li> </ul>   |
| Waste Management        | <ul style="list-style-type: none"> <li>• Identify streams of waste management including solid municipal waste, hazardous waste, construction and demolition waste, biomedical waste, plastic waste and battery waste. The waste streams should be stored, handled, transported and disposed/recycled in accordance with the defined national regulations.</li> <li>• Use of buyback agreements, hazardous waste storage and recycling vendors for the storage and disposal of broken or damage solar modules.</li> <li>• Wastewater treatment and recycling processes for both effluent and sewage, as applicable, should be commensurate with wastewater generation of the plant. The wastewater treatment processes should consider any proposed expansion of operations.</li> <li>• Waste minimization and reuse processes in alignment with national regulations can be implemented across the project.</li> </ul>  |
| Air Emission Sources    | <ul style="list-style-type: none"> <li>• Greenhouse Gas (GHG) inventory process should be defined for all activities being carried out at the project level. The process of reviewing the inventory and identifying initiatives to reduce the GHG generation over the course of the project operation.</li> <li>• Where possible, GHG inventorization of value chain could be determined and appropriate measures can be implemented to reduce the carbon footprint of the value chain.</li> <li>• Identify sources of air emissions being generated by the project and the efficacy of the air pollution control measures.</li> </ul>  |
| Water Discharge Streams | <ul style="list-style-type: none"> <li>• Wastewater discharge streams should be identified across the project lifecycle along with the wastewater treatment processes to comply with national and international guidelines.</li> <li>• Past incidents from a project that may have contributed to soil, groundwater and/or surface water contamination should be evaluated and potential impacts and long-term public or ecological health risks should be evaluated prior to acquiring any land parcel.</li> <li>• Identify potential risks and impacts to soil and groundwater in and around the project site from existing and proposed activities.</li> </ul>   |

|                           |   |
|---------------------------|---|
| Community Health & Safety | <ul style="list-style-type: none"> <li>• Determine risks from traffic, noise, air pollution, dust emissions, fire incidents, wastewater discharge and increased vector-borne diseases.</li> <li>• Identify risks associated with transportation of any hazardous materials to and from the site</li> <li>• Determine risks from in-migration including but not limited to spread of vector-borne diseases, process safety concerns (e.g. structural instability and blade throws).</li> <li>• Training of security personnel with respect to handling of community grievances and use of force during community unrest events.</li> </ul>   |
| Biodiversity Conservation | <ul style="list-style-type: none"> <li>• Potential impact to legally protected areas and areas of international biodiversity significance.</li> <li>• Defined biodiversity impact assessment process and requirement for adaptive management of biological resources.</li> <li>• Undertake adequate collision and electrocution risk modelling where required.</li> <li>• Determination of natural and modified habitat of significant biodiversity significance and potential of any loss of natural/modified habitat due to direct and indirect activities of the project</li> <li>• Identification of any pathways defined in the project design that could lead to an incursion of invasive species or local dispersal of an invasive species incursion</li> <li>• Determination of sustainable harvesting of natural resources (where applicable) and processes to ensure the harvesting process is following good international practice.</li> <li>• Determination of impact to priority ecosystem services (where applicable) and identification of replaceability/vulnerability of the priority ecosystem services. Suggestion for alternative ecosystem services available in the area for social and ecological dependents.</li> <li>• Extension of the above biodiversity risk management to the major supply chain sites of the project.</li> </ul> |
| Indigenous Peoples        | <ul style="list-style-type: none"> <li>• Determination of interaction of the project with indigenous peoples and their customary rights.</li> <li>• In cases where there is a likely impact to indigenous peoples, the applicability and implementation of free prior informed consent (FPIC).</li> <li>• Identification and implementation of an Indigenous Peoples Plan Framework (IPPF) where applicable.</li> <li>• Determination of any critical cultural heritage sites, impact and mitigation of any impacts to these identified sites.</li> </ul>   |
| Cultural Heritage         | <ul style="list-style-type: none"> <li>• Identification and protection of nationally and internationally designated cultural heritage sites in the project life cycle.</li> <li>• Development of chance find procedures where applicable</li> <li>• Ensuring that the development of the project or induced activities does not result in access restrictions of communities to a cultural heritage site.</li> </ul>  |

## II. Resource Efficiency

| Aspect                                      | Potential risks and impacts that need to be evaluated in an E&S risk evaluation process   |
|---|---|
| Environmental and Social Management Systems | <ul style="list-style-type: none"> <li>• Implementation of an overall ESMS</li> <li>• Implementation of construction-phase EHS plan</li> <li>• Implementation of Standard Operating Procedures (SOPs) for site-level tasks identified EHS requirements</li> <li>• Assigning a dedicated ESG/EHS resource for each site</li> <li>• Implementation of an Emergency Preparedness and Response Plan</li> <li>• Defined stakeholder engagement strategy</li> <li>• Communication of a grievance redressal mechanism internally and externally</li> </ul> |

|                     |   |
|---------------------|---|
|                     | <ul style="list-style-type: none"> <li>• Undertaking a site-specific Environmental and Social Impact Assessment (ESIA) (where applicable) and specific technical studies including soil and groundwater investigation, flood risk assessment and hazard and operability studies (HAZOP),</li> </ul>   |
| Legal Compliance    | <ul style="list-style-type: none"> <li>• Compliance to relevant regulatory requirements identified in Appendix D2</li> </ul>  |
| Labour Management   | <ul style="list-style-type: none"> <li>• Compliance to social regulatory requirements identified in Appendix D2</li> <li>• Alignment of labour accommodations to IFC/EBRD Workers' Accommodation: Process and Standards (2019)</li> <li>• Ensure human rights defined by the Constitution of India</li> <li>• Evaluation of incidents of safeguarding violation as defined in this ESGMS</li> <li>• Management of labour compliance aspects of the flex force (as applicable)</li> <li>• Past cases of collective dismissals and application of principles of non-discrimination in the retrenchment process</li> <li>• Implementation of occupational health and safety procedures to identify hazards, implement risk control measures, training of personnel, documentation of incidents and emergency prevention measures.</li> </ul>   |
| Land Procurement    | <ul style="list-style-type: none"> <li>• Review of land procurement process – willing buyer willing seller, negotiated settlement or government-led land acquisition.</li> <li>• Determine historical land-use and land dependency to understand if there are any legacy risks associated with the procured/assigned land parcel.</li> <li>• Determine dependency on the procured land to understand physical and economic displacement including any impacts to informal land users.</li> <li>• Review the land identification and negotiation process to ensure no cases of coercion and use of fair practices in terms of determination of the land and asset value.</li> <li>• Ensure that stakeholder consultation process is comprehensive and covering vulnerable groups (as applicable) and existing gender biases associated with the land holding patterns. Land mutation should take into account that coverage of land holders as defined in the land records.</li> <li>• Define an adequate grievance redressal process related to the land procurement phase</li> <li>• In the case of government-led land acquisition or negotiated settlement, the E&amp;S study should review the private sector responsibilities including supplementing resettlement plans, livelihood restoration/enhancement plans and compliance to regulatory requirements.</li> </ul> |
| Resource Efficiency | <ul style="list-style-type: none"> <li>• Review of the water balance chart (where available) in the construction and operation phase and the sustainability of the source of water being used in each phase of the project</li> <li>• Identify the water saving measures being implemented at the project site including use of rainwater harvesting, use of treated water, use of water meters and inclusion of low-water use equipment.</li> <li>• Identify energy efficiency measures including reduced reliance on diesel generator sets, use of L.E.D. lights and high energy efficiency equipment.</li> <li>• Raw materials including sand, stone and aggregate should be obtained from sustainable and reputed sources.</li> <li>• Implement the guidelines of circular economy to ensure maximum recycling prior to treatment of mixed waste streams</li> </ul>   |
| Waste Management    | <ul style="list-style-type: none"> <li>• Identify streams of waste management including solid municipal waste, hazardous waste, construction and demolition waste, biomedical waste, plastic waste and battery waste. The waste streams should be stored, handled, transported and disposed/recycled in accordance with the defined national regulations.</li> <li>• Wastewater treatment and recycling processes for both effluent and sewage, as applicable, should be commensurate with wastewater generation of the plant. The wastewater treatment processes should consider any proposed expansion of operations.</li> <li>• Waste minimization and reuse processes in alignment with national regulations can be implemented across the project.</li> </ul>  |

|                           |   |
|---------------------------|---|
|                           | <ul style="list-style-type: none"> <li>• Efficient management or reuse of effluent and sewage sludge from the treatment plants</li> </ul>   |
| Air Emission Sources      | <ul style="list-style-type: none"> <li>• Greenhouse Gas (GHG) inventory process should be defined for all activities being carried out at the project level. The process of reviewing the inventory and identifying initiatives to reduce the GHG generation over the course of the project operation.</li> <li>• Where possible, GHG inventorization of value chain could be determined and appropriate measures can be implemented to reduce the carbon footprint of the value chain.</li> <li>• Identify sources of air emissions being generated by the project and the efficacy of the air pollution control measures.</li> <li>• Evaluate process flow of BioCNG plants to reduce cases of flaring.</li> <li>• Efficient management of transport fleet to reduce emission generation from vehicular emissions.</li> </ul>   |
| Water Discharge Streams   | <ul style="list-style-type: none"> <li>• Wastewater discharge streams should be identified across the project lifecycle along with the wastewater treatment processes to comply with national and international guidelines.</li> <li>• Past incidents from a project that may have contributed to soil, groundwater and/or surface water contamination should be evaluated and potential impacts and long-term public or ecological health risks should be evaluated prior to acquiring any land parcel.</li> <li>• Identify potential risks and impacts to soil and groundwater in and around the project site from existing and proposed activities.</li> </ul>   |
| Community Health & Safety | <ul style="list-style-type: none"> <li>• Determine risks from traffic, noise, air pollution, dust emissions, fire incidents, wastewater discharge and increased vector-borne diseases.</li> <li>• Identify risks associated with transportation of any hazardous materials to and from the site</li> <li>• Determine risks from in-migration including but not limited to spread of vector-borne diseases, structural stability and process hazards.</li> <li>• Training of security personnel with respect to handling of community grievances and use of force during community unrest events.</li> </ul>   |
| Biodiversity Conservation | <ul style="list-style-type: none"> <li>• Potential impact to legally protected areas and areas of international biodiversity significance.</li> <li>• Defined biodiversity impact assessment process and requirement for adaptive management of biological resources.</li> <li>• Undertake adequate collision and electrocution risk modelling where required.</li> <li>• Determination of natural and modified habitat of significant biodiversity significance and potential of any loss of natural/modified habitat due to direct and indirect activities of the project</li> <li>• Identification of any pathways defined in the project design that could lead to an incursion of invasive species or local dispersal of an invasive species incursion</li> <li>• Determination of sustainable harvesting of natural resources (where applicable) and processes to ensure the harvesting process is following good international practice.</li> <li>• Determination of impact to priority ecosystem services (where applicable) and identification of replaceability/vulnerability of the priority ecosystem services. Suggestion for alternative ecosystem services available in the area for social and ecological dependents.</li> <li>• Extension of the above biodiversity risk management to the major supply chain sites of the project.</li> </ul> |
| Indigenous Peoples        | <ul style="list-style-type: none"> <li>• Determination of interaction of the project with indigenous peoples and their customary rights.</li> <li>• In cases where there is a likely impact to indigenous peoples, the applicability and implementation of free prior informed consent (FPIC).</li> <li>• Identification and implementation of an Indigenous Peoples Plan Framework (IPPF) where applicable</li> </ul>  |

|                   |  |
|-------------------|--|
|                   | <ul style="list-style-type: none"> <li>• Determination of any critical cultural heritage sites, impact and mitigation of any impacts to these identified sites.</li> </ul>   |
| Cultural Heritage | <ul style="list-style-type: none"> <li>• Identification and protection of nationally and internationally designated cultural heritage sites in the project life cycle.</li> <li>• Development of chance find procedures where applicable</li> <li>• Ensuring that the development of the project or induced activities does not result in access restrictions of communities to a cultural heritage site.</li> </ul> |

### III. E-Mobility

| Aspect                                      | Potential risks and impacts that need to be evaluated in an E&S risk evaluation process  |
|---|--|
| Environmental and Social Management Systems | <ul style="list-style-type: none"> <li>• Implementation of an overall ESMS</li> <li>• Implementation of construction-phase EHS plan</li> <li>• Implementation of Standard Operating Procedures (SOPs) for site-level tasks identified EHS requirements</li> <li>• Assigning a dedicated ESG/EHS resource for each site</li> <li>• Implementation of an Emergency Preparedness and Response Plan</li> <li>• Defined stakeholder engagement strategy</li> <li>• Communication of a grievance redressal mechanism internally and externally</li> <li>• Undertaking a site-specific Environmental and Social Impact Assessment (ESIA) (where applicable) and specific technical studies including flood risk assessment and hazard and operability studies (HAZOP).</li> <li>• Develop and implement road safety management procedures to manage large vehicular fleets.</li> <li>• Define contractor management and vendor evaluation procedures to ensure that the above systems are applicable to any vendors, suppliers and partners.</li> </ul>   |
| Legal Compliance                            | <ul style="list-style-type: none"> <li>• Compliance to relevant regulatory requirements identified in Appendix D2</li> </ul>   |
| Labour Management                           | <ul style="list-style-type: none"> <li>• Compliance to social regulatory requirements identified in Appendix D2</li> <li>• Driver and attendant rest areas should align with the labour accommodations to IFC/EBRD Workers' Accommodation: Process and Standards (2019)</li> <li>• Ensure human rights defined by the Constitution of India</li> <li>• Evaluation of incidents of safeguarding violation as defined in this ESGMS</li> <li>• Management of labour compliance aspects of the flex force (as applicable)</li> <li>• Past cases of collective dismissals and application of principles of non-discrimination in the retrenchment process</li> <li>• Implementation of occupational health and safety procedures to identify hazards, implement risk control measures, training of personnel, documentation of incidents and emergency prevention measures.</li> <li>• Ensure human rights policies and labour compliance laws are covering any service providers (e.g. drivers).</li> <li>• Review occupational and process safety practices at depots and facilities.</li> </ul> |
| Land Procurement                            | <ul style="list-style-type: none"> <li>• Review of land procurement process – willing buyer willing seller, negotiated settlement or government-led land acquisition.</li> <li>• Determine historical land-use and land dependency to understand if there are any legacy risks associated with the procured/assigned land parcel.</li> <li>• Determine dependency on the procured land to understand physical and economic displacement including any impacts to informal land users.</li> <li>• Review the land identification and negotiation process to ensure no cases of coercion and use of fair practices in terms of determination of the land and asset value.</li> <li>• Ensure that stakeholder consultation process is comprehensive and covering vulnerable groups (as applicable) and existing gender biases associated with the land holding patterns. Land mutation should take into account that coverage of land holders as defined in the land records.</li> </ul>  |

|                           |  |
|---------------------------|--|
|                           | <ul style="list-style-type: none"> <li>• Define an adequate grievance redressal process related to the land procurement phase.</li> <li>• In the case of government-led land acquisition or negotiated settlement, the E&amp;S study should review the private sector responsibilities including supplementing resettlement plans, livelihood restoration/enhancement plans and compliance to regulatory requirements.</li> </ul>  |
| Resource Efficiency       | <ul style="list-style-type: none"> <li>• Review of the water balance chart (where available) in the construction and operation phase and the sustainability of the source of water being used in each phase of the project.</li> <li>• Identify the water saving measures being implemented at the project site including use of rainwater harvesting, use of treated water, use of water meters and inclusion of low-water use equipment.</li> <li>• Identify energy efficiency measures including reduced reliance on diesel generator sets, use of L.E.D. lights and high energy efficiency equipment.</li> <li>• Raw materials including sand, stone and aggregate should be obtained from sustainable and reputed sources.</li> <li>• Consolidate routes on non-electric process flows to ensure that GHG emissions are reduced to the extent possible.</li> </ul>    |
| Waste Management          | <ul style="list-style-type: none"> <li>• Identify streams of waste management including solid municipal waste, hazardous waste, construction and demolition waste, biomedical waste, plastic waste and battery waste. The waste streams should be stored, handled, transported and disposed/recycled in accordance with the defined national regulations.</li> <li>• Wastewater treatment and recycling processes for both effluent and sewage, as applicable, should be commensurate with wastewater generation of the plant. The wastewater treatment processes should consider any proposed expansion of operations.</li> <li>• Waste minimization and reuse processes in alignment with national regulations can be implemented across the project.</li> <li>• Storage and disposal of end-of-life cycle battery based on national regulatory requirements.</li> </ul> |
| Air Emission Sources      | <ul style="list-style-type: none"> <li>• Greenhouse Gas (GHG) inventory process should be defined for all activities being carried out at the project level. The process of reviewing the inventory and identifying initiatives to reduce the GHG generation over the course of the project operation.</li> <li>• Where possible, GHG inventorization of value chain could be determined and appropriate measures can be implemented to reduce the carbon footprint of the value chain.</li> <li>• Identify sources of air emissions being generated by the project and the efficacy of the air pollution control measures.</li> <li>• Efficient management of transport fleet to reduce emission generation from vehicular emissions.</li> <li>• Promote renewable energy sources for charging to reduce the overall dependency on polluting industries.</li> </ul>       |
| Water Discharge Streams   | <ul style="list-style-type: none"> <li>• Wastewater discharge streams should be identified across the project lifecycle along with the wastewater treatment processes to comply with national and international guidelines.</li> <li>• Past incidents from a project that may have contributed to soil, groundwater and/or surface water contamination should be evaluated and potential impacts and long-term public or ecological health risks should be evaluated prior to acquiring any land parcel.</li> <li>• Identify potential risks and impacts to soil and groundwater in and around the project site from existing and proposed activities.</li> </ul>  |
| Community Health & Safety | <ul style="list-style-type: none"> <li>• Determine risks from traffic, noise, air pollution, dust emissions, fire incidents, wastewater discharge and increased vector-borne diseases.</li> </ul>  |

|                           |  |
|---------------------------|--|
|                           | <ul style="list-style-type: none"> <li>• Identify risks associated with transportation of any hazardous materials to and from the site.</li> <li>• Review the structural stability of the owned buildings of the e-mobility operations.</li> <li>• Training of security personnel with respect to handling of community grievances and use of force during community unrest events.</li> <li>• Defensive driver training for all the drivers engaged by the e-mobility platform.</li> <li>• Evaluate road safety risks along the defined routes for the e-mobility platform through appropriate tools such as journey risk management and route risk mapping.</li> </ul>   |
| Biodiversity Conservation | <ul style="list-style-type: none"> <li>• Potential impact to legally protected areas and areas of international biodiversity significance.</li> <li>• Defined biodiversity impact assessment process and requirement for adaptive management of biological resources.</li> <li>• Determination of natural and modified habitat of significant biodiversity significance and potential of any loss of natural/modified habitat due to direct and indirect activities of the project</li> <li>• Identification of any pathways defined in the project design that could lead to an incursion of invasive species or local dispersal of an invasive species incursion</li> <li>• Determination of sustainable harvesting of natural resources (where applicable) and processes to ensure the harvesting process is following good international practice.</li> <li>• Determination of impact to priority ecosystem services (where applicable) and identification of replaceability/vulnerability of the priority ecosystem services. Suggestion for alternative ecosystem services available in the area for social and ecological dependents.</li> <li>• Extension of the above biodiversity risk management to the major supply chain sites of the project.</li> </ul> |
| Indigenous Peoples        | <ul style="list-style-type: none"> <li>• Determination of interaction of the project with indigenous peoples and their customary rights.</li> <li>• In cases where there is a likely impact to indigenous peoples, the applicability and implementation of free prior informed consent (FPIC).</li> <li>• Identification and implementation of an Indigenous Peoples Plan Framework (IPPF) where applicable.</li> <li>• Determination of any critical cultural heritage sites, impact and mitigation of any impacts to these identified sites.</li> </ul>  |
| Cultural Heritage         | <ul style="list-style-type: none"> <li>• Identification and protection of nationally and internationally designated cultural heritage sites in the project life cycle.</li> <li>• Development of chance find procedures where applicable.</li> <li>• Ensure that the development of the project or induced activities does not result in access restrictions of communities to a cultural heritage site.</li> </ul>  |

## VI APPENDIX D2: KEY ENVIRONMENTAL AND SOCIAL REGULATIONS IN INDIA

### I. Environmental and Biodiversity Regulations

- Environmental Protection Act, 1986 and Environment (Protection) Rules, 1986
- Environmental Impact Assessment Notification, 2006
- Water (Prevention & Control of Pollution) Act, 1974
- Air (Prevention & Control of Pollution) Act, 1981
- Manufacture, Storage and Import of Hazardous Chemicals Rules 1989, amended 1994 and 2000
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- E- Wastes (Management & Handling) Rules, 2016
- Battery Waste Management Rules, 2022
- Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010
- Solid Waste Management Rules, 2016
- Construction and Demolition Waste Management Rules, 2016
- Petroleum Rules, 2002
- Explosives Act, 1884
- Forest Conservation Act, 1980 and Forest Conservation Rules 2022
- Wetland (Conservation and Management Rules) 2017
- Wildlife Protection Act 1972
- Coastal Regulation Zone Notification 2011
- Guidelines for regulation of groundwater
- Ministry of Civil Aviation (Height Restrictions for Safeguarding of Aircraft Operation) Rules, 2015
- Noise Pollution (Regulation and Control) Rules, 2000

### II. Health and Safety Regulations

- Factories Act, 1948 and corresponding Factories Rules
- Public Liability Insurance Act, 1991 and Rules
- State Fire Protection Rules
- State Shops and Establishment Acts
- National Building Code, 2016
- Indian Electricity Rules 1956
- Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989

### III. Social Regulations

- Contract Labour (Regulation and Abolition) Act, 1970
- Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979
- Building and Other Construction Workers Act (Regulation of Employment & Conditions of Service) Act, 1996
- Child Labour (Prohibition and Regulation) Act, 1986
- Employees' State Insurance Act, 1948
- Workmen's Compensation Act, 1923
- Payment of Wages Act, 1936 (amendments thereafter)
- Minimum Wages Act, 1948 and Minimum Wages Rules, 1950



- Employees Provident and Miscellaneous Provisions Act, 1952
- Right to Fair Compensation and Transparency in Land Acquisition and Rehabilitation and Resettlement Act, 2013
- Maternity Benefits Amendment Act, 2017
- Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- Forest Rights Act 2006
- Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006
- Heritage Conservation and Preservation Act 2010

Note:

(1) The above list is an indicative one. Updates to the above and screening for additional applicable legislations is required to be done for every project.

(2) Each of the above regulations may be amended or superseded from time to time and it is the responsibility of the external consultant and ESG resources at each of the portfolio companies to evaluate the latest amendment/regulation that is applicable at the time of the study.

## VII APPENDIX E: NOTE FOR INVESTMENT COMMITTEE MEETINGS

The ESG implementation into the investment committee (IC) process is as follows:

ESG Screening → Discussion on high priority ESG risks as part of the triage → **Pre-IC** →  
 Signing of Term Sheet → Environmental and Social Due Diligence (ESDD) or Environmental and Social  
 Impact Assessment (ESIA) → Risk Committee Discussion → **IC**

### PRE-INVESTMENT COMMITTEE (PRE-IC) MEETING

The ESG risk and impact screening tool and ESG risk identification in the triage is incorporated into the Pre-IC discussion for a Go/No Go decision.

#### *Format for Pre-IC Submission*

|                        |  |
|------------------------|--|
| Project Categorization |  |
| Rationale              |  |

| Key Risks | Risks | Mitigants |
|-----------|-------|-----------|
|           |       |           |

### INVESTMENT COMMITTEE (IC) MEETING

The Limited E&S Risk Assessment, ESDD or ESIA is incorporated into the IC discussion to evaluate risks and impacts associated with the transaction.

|                       |  |
|-----------------------|--|
| Portfolio Company     |  |
| Pre-IC Categorization |  |
| IC Categorization     |  |

| S. No. | Issue (Risk and Impact) | Action Plan | Risk Priority | Cost | Covenant or Clause in Documentation |
|--------|-------------------------|-------------|---------------|------|-------------------------------------|
|        |                         |             |               |      |                                     |

## VIII APPENDIX F: ESG CLAUSES IN INVESTMENT AGREEMENT

This appendix provides an indicative set of ESG clauses that will be incorporated into the documentation of each of the investments/acquisitions of GGEF. The ESG clauses provided in this appendix are modified and incorporated into each of the investments/acquisitions made by GGEF.

### ***Compliance to E&S Laws***

- Comply with applicable national, state and local E&S laws and regulations including updating the compliance requirements of the company based on regulatory changes that may occur from time to time [as defined in Appendix D2].
- Not employ or make use of forced and child labour in accordance with ILO Convention No. 29 (Forced Labour), ILO Convention 105 (Abolition of Forced Labour), ILO Convention No. 138 (Minimum Age) and ILO Convention No. 182 (Worst Forms of Child Labour)
- Implement policies and procedures for the reporting of wrongdoing, misconduct and breaches of E&S and BI laws by staff, employees and contractors in their dealings with each other and/or third parties.

### ***Conformance to E&S Requirements of the Fund***

- Adhere to the GGEF ESGMS until the development and implementation of an ESGMS at the company-level that is commensurate to the business operations and aligned with GGEF's ESGMS requirements.
- Notification of serious incidents or safeguarding violation to Eversource Capital within 48 hours of occurrence of such events.
- Submission of ESG data for quarterly and annual submission of reports to the fund's investors.

### ***E&S Management Systems***

- Appointment of an ESG Manager, who is responsible for complying with the policies related to environment, social and corporate governance promulgated by the fund.
- Consider E&S risks and impacts for new projects or acquisitions and submit the mitigation strategy and/or action plan for closure of risks/impacts in a timely manner prior to board approval.
- Provide an appropriate grievance mechanism for workers and other stakeholders
- Continuously improve the E&S Management Systems including deploying employees of sufficient expertise and seniority.

### ***Transaction-specific Requirements***

- Comply with the requirements defined in an ESAP and ESMP that may be developed over the course of the investment process and meet the timelines for closure of action items identified therein.
- In the case of any delays in closure of action items, the same should be reported to the Fund in writing with appropriate reason for the delay and adjusted timeline for completion.

## IX APPENDIX G: ESG REPORTING MATRICES AND FORMAT

Eversource Capital submits quarterly and annual investor reports as an update on the Fund and portfolio companies. The Fund also releases an annual sustainability report on the official website and social media handles. The reporting matrices and formats have been provided in this appendix

### **Quarterly Reports**

Quarterly Reports are shared with investors in the Fund that includes financial and operational information and an ESG update. The ESG update typically covers the following themes (where relevant):

- High-level safety statistics including no. of accidents/incidents, data on near misses, safe working hours and training man-hours.
- Status of any ESG documentation including an overarching ESGMS, specific ESG or HSE policies and procedures, internal auditing reports, external certifications, external auditing or benchmarking exercises and E&S studies for specific projects
- Addition/attrition of ESG and HSE resources at specific portfolio companies
- ESG initiatives including but not limited to safety campaigns, corporate social responsibility programs, community engagement programs and training workshops undertaken in the quarter.
- Induction of any new technologies such as digital platforms being used to track, monitor and improve ESG performance.
- Summary of investor meetings, annual general meetings, external thought leadership events and conferences attended or hosted by ESG personnel in the Fund or portfolio companies.

### **Annual Reports**

Annual reports are shared with investors in the Fund that includes financial and operational information as well as an ESG update based on similar themes as described in the preceding section.

Additionally, Eversource Capital submits an ‘Annual ESG Performance Report (AEPR)’ that covers the following items:

- Status of ESG Policy and management systems plus implementation.
- Investment standards being used in new transactions.
- Compliance policies developed by the Fund and portfolio companies.
- Impact strategy and impact indicators.
- ESG specific training provided to internal staff.
- Employee numbers broken down by gender.
- Current strength of in-house ESG resources.
- Status of ESG and BI issues identified at the time of the investment.
- ESG and BI improvements achieved in the financial year.
- Any serious E&S or BI incident (environment, fatality, permanent injury, corruption) identified in the financial year.
- Channels used to monitor and influence E&S and BI issues during an investment process.
- CSR expenditure and brief of each carried out activity.
- Total number of board meetings held in the financial year.
- Number of legal notices received in the financial year and reasons for the same.

### ***Sustainability Reports***

Eversource Capital releases an annual sustainability report in Q2 of each financial year that captures the key highlights of the previous financial year, proposed initiatives for the next financial year, impact performance summary, governance processes implemented in the financial year, operational performance of each of the portfolio companies and organization profile.

### ***Development Impact Matrices***

Eversource Capital tracks the following development impact matrices on a quarterly basis and reports to investors in the annual ESG performance report and/or sustainability report on an annual basis.

#### **Operational Metrics**

- Renewable Energy Capacity (MW)
- Renewable Energy Generation (MWh)
- Waste Processed Capacity (TPD)
- Total Waste Processed (Tonnes)
- BioCNG generated (kg)
- Water Treated (KL)
- No. of green loans
- Amount of green loans processed (Mn. INR)

#### **Climate Metrics**

- Scope 1, Scope 2 and Scope 3 (limited) generation
- GHG Emission Avoidance

#### **Diversity Metrics**

- Gender-disaggregated Employee Data
- Female Contractual Workforce
- Qualitative case studies on representation of other diversity classes

#### **Socio-economic Metrics**

- Population Benefitted
- Qualitative case studies on community initiatives

#### **Employment Metrics**

- Job Years Generated
- Turnover Data – recruitment and attrition

#### **Safety Metrics**

- Leading Indicators – near misses, unsafe acts/conditions, commendations received, safety meetings and internal audits.
- Lagging Indicators – fatalities, loss time injuries, medical treatment cases, environmental release incidents and security incidents.

X APPENDIX H: SERIOUS INCIDENT REPORTING FORMAT

The Portfolio Company must report within 48 hours to the Eversource Team about occurrence of any serious incidents at the portfolio companies that result in loss of life, material effect on the environment or material breach of law. The investment team and the Head-ESG shall in turn inform the Board about accidents/ incidents reported by portfolio companies.

Sample template for reporting on a serious incident is provided below.

| Serious Incident Report for [Name of Company] |  |
|---|--|
| Date of Report                                |  |
| Reported By [Name of Person]                  |  |
| Date and Time of Incident                     |  |
| Place of Incident                             |  |
| Narration of Incident                         |  |
| GPS Location or Map of Incident               |  |
| Details of Injury (if any)                    |  |
| Police Report Status                          |  |
| Root Cause Analysis                           |  |
| Immediate Actions Taken                       |  |
| Next Steps                                    |  |

The above reporting template will be utilized for the reporting of **Serious Incidents** which consist of the following:

- An incident resulting in death or permanent injury to any person(s).
- An incident that has a material negative impact on the environment including without limitation any spill, explosion or environmental contamination.
- An incident that has a material negative impact on the health, safety and security including without limitation any explosion, hazardous material spill or workplace accident resulting in death or multiple injuries.
- An incident of social nature impact without limitation violent labour unrest, significant dispute with local communities or serious accident/incident to local community/person due to company activities which can result in material negative effect on the social and cultural context.
- Loss Time Injury (LTI)

Eversource Capital will require that each serious incident is followed by a detailed investigation report that is submitted to the Fund within 14 days of the incident. The report should include:

- Details of the incident.
- Process followed for incident investigation.
- Root cause analysis of the incident using a fish bone diagram or equivalent approach.
- Summary of immediate actions taken by the Fund or portfolio company.
- Corrective Action Plan for implementation at the portfolio site where the incident has occurred and extended to the larger portfolio as ‘lessons learnt’.

## XI APPENDIX I: ESG EVALUATION AT EXIT

This appendix provides an indicative list of items that need to be presented at the time of exit. The below indicators will be used over and above the financial and operational performance data of the company in making an ESG-specific decision for the exiting and new investing company.

| S. No.     | Aspect  | Status | Supporting Documentation |
|------------|---|--------|--------------------------|
| <b>I.</b>  | <b>ESG Management Systems</b>   |        |                          |
| 1.         | Has the portfolio company documented its ESG principles, commitments, objectives or targets?  |        |                          |
| 2.         | Has the portfolio company designated persons or a team for implementing and reviewing the ESG principles, commitments, objectives or targets? Has an internal responsibilities and accountability matrix been developed?          |        |                          |
| 3.         | What is the growth of the dedicated ESG and HSE teams since the investment period? Have any specific technical expertise such as biodiversity, social, gender and safety been added to the team?                                  |        |                          |
| 4.         | Has the portfolio company established a risk and impact identification process for each transaction? What are the residual risks or pending actions from the risk and impact identification processes?                            |        |                          |
| 5.         | Are there any pending action items from internal or external audits conducted by the portfolio company, Fund or external consultant?  |        |                          |
| 6.         | Has the portfolio company contravened any of the ILO conventions or UN guiding principles on business and human rights? Has the issue been resolved?  |        |                          |
| 7.         | Has the portfolio company been publicized in any written or verbal public media materials highlighting any ESG risks or impacts associated with its or partner/contractor operations?   |        |                          |
| 8.         | Has the portfolio company released any publications on its ESG and impact performance including but not limited to sustainability reports, integrated reports, ESDD/ESIA public disclosures and impact reports.                   |        |                          |
| 9.         | Has the company obtained any external certifications, awards or commendations related to ESG or HSE since the investment period?  |        |                          |
| 10.        | Has the company established a minimum ESG criteria for contractors and subcontractors working on GGEF portfolio sites?  |        |                          |
| 11.        | Has the company established a vendor assessment and periodic evaluation criteria for suppliers and vendors of the company?  |        |                          |
| 12.        | Is there a process for raising internal and external grievances to the portfolio companies? What is the typical resolution period for grievances? Have any grievances exceeded the resolution period since the investment period? |        |                          |
| <b>II.</b> | <b>GGEF Investment Criteria</b>   |        |                          |
| 1.         | Has the portfolio company directly (through infusion of resources) or indirectly (through supporting third parties who have infused   |        |                          |

|    |   |  |  |
|----|---|--|--|
|    | resources) promoted any exclusion list activity defined in Appendix A of the GGEF ESGMS?  |  |  |
| 2. | <p>Has the climate mitigation and/or adaptation criteria defined by GGEF at the time of the investment been met by the portfolio company (pro rata if early exit)?</p> <p>E.g. carbon dioxide avoidance, renewable energy capacity added, renewable energy generated, waste processed, e-miles travelled.</p> |  |  |
| 3. | Have the action items identified during GGEF's ESDD/ESIA/Limited E&S Assessment been resolved? Are there any residual risks or pending actions from the original risk and impact identification process?  |  |  |
| 4. | Has there been a change in the risk profile of the portfolio company that can result in a change of project categorization (Category A, B or C) since the initial investment committee?   |  |  |
| 5. | Is there any pending or unresolved major legal non-compliance that can impact the exit or buyer's decision?   |  |  |
| 6. | Has there been any major incidents (fatality, serious injury, safeguarding violation, environmental incident or community incident) since the initial investment? How was it resolved?  |  |  |



## XII APPENDIX J: ROLES AND RESPONSIBILITIES OF ESGMS IMPLEMENTATION

The roles and responsibilities for the ESG framework implementation are provided below. The roles and responsibilities will be reviewed and revised on a regular basis (if needed).

### *Green Growth Equity Fund*

| S. No. | Designation                    | Responsibility  |
|--------|--------------------------------|---|
| 1.     | <b>Investment Team Members</b> | <ul style="list-style-type: none"> <li>• Seeking ESG related information from potential investee during the deal identification stage (filling of checklist in Appendix C).</li> <li>• Evaluation and qualifications of any potential exclusion list triggers (Appendix A).</li> <li>• No further processing of investment if it comes under exclusion list.</li> <li>• Preparation of pre-investment note (Appendix E) incorporating ESG issues and categorization as identified.</li> <li>• Facilitate selection of expert for conducting external ESG due diligence for projects, issuance of purchase order (PO) and closure of administrative requirements of the external consultant engagement.</li> <li>• Send and coordinate document sharing from investee with consultant.</li> <li>• Factually review third-party due diligence report to determine accuracy of scale, location and activities of the target.</li> <li>• Preparation of summary of ESG findings for inclusion in investment committee note (Appendix E).</li> <li>• Incorporation of ESG covenants and ESG due diligence findings into the documentation of the transaction post approval (Appendix F).</li> <li>• Monitor completion of ESG action plan items and ESG covenants from the documentation post closure of transaction.</li> <li>• Review periodic monitoring reports (quarterly and annual) submitted by the portfolio companies and inform the companies on any non-conformances observed.</li> <li>• Track any new projects, investments and/or acquisitions at the portfolio company to evaluate ESG integration into the process and conformance with the GGEF ESGMS.</li> <li>• Determine requirements for growth the ESG team as appropriate.</li> <li>• Factually review the sustainability report and any website disclosure of ESG related aspects.</li> </ul> |
| 2.     | <b>ESG Team</b>                | <ul style="list-style-type: none"> <li>• Support the investment team in problem solving, technical review of ESG documentation and monitoring of portfolio companies.</li> <li>• Review of final ESG covenants to be included in the final investment agreement.</li> <li>• Review the pre-investment and investment committee notes to determine appropriate coverage of ESG risks and actionable items for managing these risks.</li> <li>• Review of fulfilment of ESG investment conditions precedents prior to investment approval by Investment Committee.</li> <li>• Oversee the implementation of the ESG framework as part of the investment activities for Eversource Capital.</li> <li>• Facilitate the E&amp;S due diligence process and review scope of work, proposal and final reports.</li> <li>• Interview and review profiles of the ESG lead being designated for each of the portfolio companies.</li> <li>• Undertake an ESG needs identification process and create a training calendar to address any training needs.</li> <li>• Report any major incidents in accordance with Appendix H to the investors.</li> </ul>   |

|    |                             |   |
|----|-----------------------------|---|
|    |                             | <ul style="list-style-type: none"> <li>• Implement, benchmark, modify and improve the ESG policy and ESGMS of the fund to align with changes in operation and regulatory requirements.</li> <li>• Submit quarterly and/or annual reports (as appropriate) with investors as determined in agreement letters.</li> <li>• Coordinate and release the annual sustainability report to show ESG and impact performance of the Fund and portfolio.</li> </ul>  |
| 3. | <b>Business Integrity</b>   | <ul style="list-style-type: none"> <li>• Develop separate but aligned policies and procedures for the 'governance' component of ESG including alignment with the Companies Act, 2013.</li> <li>• Incorporate ESG considerations into the larger enterprise risk management process and governance structures being developed at the portfolio companies.</li> <li>• Flag and jointly evaluate risks with at the fund and portfolio companies with the ESG team that have an ESG sub-component (e.g. safety risks).</li> </ul> |
| 4. | <b>Investment Committee</b> | <ul style="list-style-type: none"> <li>• Review ESG risks and project categorization presented during the Pre-IC and IC meetings.</li> <li>• Investment approval.</li> <li>• Approve ESG Covenants in the Investment agreement.</li> <li>• Defining the mechanism of ESG oversight and directions for post-investment asset management</li> </ul>   |
| 5. | <b>Board</b>                | <ul style="list-style-type: none"> <li>• Final investment approval</li> <li>• Approval of GGEF's Policy and ESGMS including any updated changes.</li> </ul>   |

### Portfolio Companies

| S. No. | Designation                           | Responsibility  |
|--------|---------------------------------------|---|
| 1.     | <b>Project and/or Operations Team</b> | <ul style="list-style-type: none"> <li>• Understanding the ESG requirements of the fund including but not limited to exclusion list, ESG screening, project categorization, ESG risk and impact identification process and documentation.</li> <li>• Integration of E&amp;S considerations into the land procurement process and construction phase management</li> <li>• Review of the E&amp;S studies to ensure accuracy of information with respect to project design, location, scale and proposed operations.</li> <li>• Implementation of GGEF ESGMS/Company ESGMS at each stage of a project life cycle</li> <li>• Creation of appropriate tools and mechanisms to determine impacts, training needs and resource requirements at the portfolio company sites.</li> <li>• Reporting of safety statistics including unsafe acts, unsafe conditions, near misses and incidents to the ESG team of the portfolio company and subsequently the fund.</li> <li>• Identification of opportunities for continuous improvement of the management systems and processes at the site.</li> </ul> |
| 2.     | <b>ESG and HSE Teams</b>              | <ul style="list-style-type: none"> <li>• Support the operations team in problem solving, technical review of ESG documentation and monitoring of portfolio.</li> <li>• Review of ESG documentation and tracking of closure of any conditions to the investment.</li> <li>• Review implementation of ESG aspects into the investment process including ESG exclusion list triggers, preliminary ESG screening, project E&amp;S categorization, ESG risk and impact identification process and integration of ESG risk management into investment/risk committee decisions.</li> <li>• Oversee implementation of GGEF ESGMS and business-specific ESGMS</li> <li>• Determine growth of dedicated ESG team and hiring of site-level resources as required.</li> <li>• Periodically review training needs of the portfolio and develop an ESG training calendar to address any identified needs.</li> </ul>   |

|    |                             |  |
|----|-----------------------------|--|
|    |                             | <ul style="list-style-type: none"> <li>Report any major incidents in accordance with Appendix H, initiate an incident investment process and close any identified corrective and preventative actions.</li> <li>Externally benchmark the ESG performance (as appropriate) of the company and implement actions to meet good international practice for the industrial sector.</li> <li>Track any regulatory ESG changes from time to time and ensure the internal management systems are updated to reflect the updated legal requirements.</li> <li>Submit quarterly and annual reports (as appropriate) with Eversource Capital ESG team as determined in documentation and communicated from time to time.</li> </ul> |
| 3. | <b>Legal and Risk Teams</b> | <ul style="list-style-type: none"> <li>Ensure compliance of ESG rules and regulations including those requirements identified in Appendix D2 of this ESGMS</li> <li>Implement the governance policies and procedures defined by the Fund and ensure any overlapping ESG aspects is communicated to the ESG team.</li> <li>Jointly evaluate risks with the ESG team on common themes including safety, anti-bribery, corruption and litigations.</li> </ul>   |
| 4. | <b>Land Team</b>            | <ul style="list-style-type: none"> <li>Incorporate ESG issues in the initial checklist for land identification as defined in the GGEF/Company-specific ESGMS</li> <li>Monitor land procurement process to ensure that the requirements of the GGEF ESGMS including all components of IFC PS 5 are being implemented by the team and any identified contractors (including land aggregators).</li> </ul>  |
| 5. | <b>Procurement Team</b>     | <ul style="list-style-type: none"> <li>Incorporate the GGEF ESGMS (Appendix O) and Business-specific ESGMS requirements into the vendor evaluation and periodic assessment process.</li> <li>Any contraventions of clauses in the purchase order with respect to regulatory compliance, alignment with the GGEF ESGMS, safeguarding violations, safety incidents and/or reputational risks should be communicated to the ESG team of the portfolio company.</li> </ul>   |
| 6. | <b>Human Resources</b>      | <ul style="list-style-type: none"> <li>Ensure the HR policies and procedures are aligned with the GGEF ESGMS including the human rights commitments, diversity and inclusion requirements and conformance to IFC PS 2.</li> </ul>  |
| 7. | <b>Board</b>                | <ul style="list-style-type: none"> <li>Eversource Capital has Fund representatives on the portfolio company board and therefore the board is the primary enforcement mechanism for the Fund's ESGMS and compliance requirements.</li> <li>Sub-committees to the board (including ESG committee) has been established to discuss ESG challenges and implementation for each of the portfolio companies. The committees are an oversight structure on ensuring ESG performance of the company is improved.</li> </ul>  |

### **Back to Office Report**

A sample back to office report template has been provided below. The template can be utilized by the Fund and/or portfolio company ESG and HSE resources to evaluate risks and impacts associated with a visit to an under-construction or operational portfolio site. The focus of the back to office report is to provide a format for communicating findings to the larger team responsible in implementing ESG aspects into business operations. The below template is indicative will need to be modified as required by the Fund and each portfolio company.

|                      |  |
|----------------------|--|
| <b>Assessor</b>      |  |
| <b>Date of Visit</b> |  |
| <b>Location(s)</b>   |  |

|                |  |
|----------------|--|
| Date of Report |  |
|----------------|--|

| Theme | Issue Identified | Suggested Correction | Person(s) Responsible | Proposed Timeline for Closure |
|-------|------------------|----------------------|-----------------------|-------------------------------|
|       |                  |                      |                       |                               |

### XIII APPENDIX K: STAKEHOLDER ENGAGEMENT FRAMEWORK

As per IFC Performance Standard 1, stakeholder engagement planning is the basis for building strong, constructive and responsive relationships that are essential for the successful management of a project’s environmental and social impacts. Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism and ongoing reporting to Affected Communities. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project’s risks and adverse impacts, and the project’s phase of development.

A stakeholder is “a person, group, or organization that has a direct or indirect stake in a project/organization because it can affect or be affected by the Project/organization’s actions, objectives, and policies”. Stakeholders thus vary in terms of degree of interest, influence and control they have over the project. While those stakeholders who have a direct impact on or are directly impacted by the project are known as ‘Primary Stakeholders’, those who have an indirect impact or are indirectly impacted are known as ‘Secondary Stakeholders’.

#### SCOPE

The purpose of the stakeholder engagement framework is to define the stakeholder identification, planning, consultation, participation, and disclosure mechanisms that should be implemented by the Fund, portfolio company and portfolio sites. The stakeholder engagement framework does not include the grievance registration and handling process that has been provided in Appendix L.

#### PRINCIPLES OF STAKEHOLDER ENGAGEMENT

The process of stakeholder engagement shall be undertaken with the following principles:

- **Transparency and Fairness:** The process of engagement shall be transparent, in harmony with the local culture and in the appropriate language. This would enable trust to be built amongst the stakeholders towards the project/company by allowing for a clearer understanding to be developed of the reasoning and motivation behind the activities and thus of the fairness of the process.
- **Congruence and Materiality:** The engagement activities undertaken should be aligned to the business objectives, priorities and the identified issues/ impacts/ risks associated with the project/company. As part of the planning, the engagement activities should be prioritized on the basis of their significance to immediate and long-term interests of the business and/or the stakeholders.
- **Cultural Appropriateness and Inclusivity:** The engagement activities undertaken should be in cognizance of the cultural norms and practices of the stakeholder groups as well as the differences in social position of the various groups. To the extent possible, the engagement activities should be carried out within the existing institutions and processes of the stakeholders identified, while ensuring participation by all groups, especially the vulnerable groups such as women and economically weaker population. Furthermore, aspects such as individual sub-group cultures, access to knowledge and information across various sub-groups, language and socio-economic status of the stakeholder groups must be kept in mind while undertaking engagement activities.
- **Consultative and Collaborative:** Stakeholder engagement is a two-way process of communication between the project/company and the stakeholders. A collaborative engagement

process allows for the ideal engagement activities to be identified in keeping with the individual group requirements, while balancing the competing needs and interests of all stakeholders. Such an engagement process also enables for trust to be built amongst stakeholder groups and assists towards ensuring sustainability of project/company activities and a ‘social license to operate’. Collaboration is viewed as one of the critical differences between information disclosure and engagement with stakeholders.

- **Documenting and Disclosing:** The stakeholder engagement process evolves through the lifecycle of the project/company, which is informed by the experiences and learnings from engagement activities undertaken in previous stages. Engagement activities with the stakeholders should be documented and recorded, along with photographic evidence wherever possible. Also, as part of the engagement activities the project/company should disclose the summary of these activities and the key outcomes of the same to the external stakeholders identified, along with the key project/company information.

**IMPLEMENTATION OF STAKEHOLDER ENGAGEMENT PROCESS**

*Stakeholder Identification and Mapping*

The first step in the stakeholder engagement process is identification and mapping of stakeholders including:

- Systematically Identify individuals, groups, communities and organizations that may be positively or negatively impacted by the project/business operations.
- Map the potential influence the stakeholders may have on a business or project outcome through a review of interests, concerns and expectations of the stakeholder groups.
- Prioritize the stakeholders based on the above two analyses to determine frequency and mode of engagement. The prioritization process should take into account legal requirements, GGEF ESGMS commitments to disclosure, vulnerability of the stakeholder group, stage of a project/company life cycle for engagement and potential scale of impact on the stakeholder group from the project/company activities.
- Determine individual(s) who represent the stakeholder group or representative sampling of a stakeholder group as part of the engagement.
- Identify the mode of engagement (virtual or physical) and the location of engagement (neutral or in the community of concern).
- Identify active (consultations, disclosures, workshops) and passive (notices, boards, website infographics) modes of engagement that target stakeholder groups.
- Determine any engagement partners (if needed).

Sample stakeholder mapping format:

|   |  |
|---|--|
| Stakeholder Groups                        |  |
| Primary or Secondary Stakeholder          |  |
| Positive or Negative Impact               |  |
| Priority                                  |  |
| Impact/Influence of the Stakeholder Group |  |
| Concerns of the Stakeholder Group         |  |

|                                       |  |
|---------------------------------------|--|
| Interests of the Stakeholder Group    |  |
| Expectations of the Stakeholder Group |  |

The typical stakeholders for the project/business include the following groups:

- Communities in and around project sites, transportation routes and/or down-gradient of a project site.
- Informal and formal land users occupying land parcels that has been procured or impacted by the project and/or business.
- Regulatory bodies involved in the governance of the project and/or business
- Major suppliers and vendors of a project and/or business
- Contractors, subcontractors and flex force of a project and/or business
- Operating partners, shareholders and independent directors
- Institutional bodies involved in the development of policies/guidance procedures that can affect the project and/or business.
- Population that benefits from the project activities or downstream products.

***Consultation and Participation***

The second step in the stakeholder engagement process is the consultation and participation:

- Consultation should take into account targeted engagement with participants, early in the lifecycle, free of coercion, documented minutes, open to feedback and ongoing across the lifecycle.
- The mode of consultation can vary between key personnel interviews, household surveys, focused group discussions or public disclosures (covered in next point).
- In cases where projects may involve resettlement and rehabilitation, economic and physical displacement and/or impact to indigenous peoples, a more detailed informed participation will need to be undertaken in accordance with IFC PS 5 and IFC PS 7.
- Vulnerable groups within larger stakeholder consultations (e.g. gender) should be considered and specifically targeted to ensure representative feedback is received.
- Consultation should consider planned engagements (e.g. disclosure of E&S studies), event-based (e.g. fires, spills, change in operation scope) and value add (structured feedback to improve operations of a business or project).

***Public Disclosure***

GGEF has prescribed to a mandatory public disclosure process for any new investment, acquisition or project by the Fund or portfolio company. The process for public disclosure is as follows:

- All greenfield projects, investments and/or acquisitions by the Fund or portfolio company needs to include an E&S risk and impact identification process prior to board approval of the opportunity.
- The E&S risk and impact identification process needs to evaluate the project E&S categorization in accordance with the GGEF ESGMS or approved business-specific ESGMS by the portfolio companies.
- If the project E&S categorization is identified as Category B or Category A, a public disclosure process needs to be initiated prior to board approval

- The disclosure may include physical disclosure of the E&S study findings and actions with the surrounding communities.
- All Category B or Category A projects should include a website disclosure that appends a summary of the E&S risk and impact identification process.

The disclosures of GGEF investments are provided in <https://www.Eversourcecapital.com/about/>

## RESPONSIBILITIES AND IMPLEMENTATION

### Green Growth Equity Fund (GGEF)

The stakeholder engagement process for GGEF has been identified for key stakeholder groups in the table below.

| Stakeholder Groups                        | Investors in the Fund   | Portfolio Companies   | Institutional and Regulatory Bodies  |
|---|---|---|--|
| Primary or Secondary Stakeholder          | Primary   | Primary   | Secondary  |
| Positive or Negative Impact               | -   | -   | -  |
| Priority                                  | High  | High  | Medium   |
| Impact/Influence of the Stakeholder Group | High  | High  | High   |
| Concerns of the Stakeholder Group         | <ul style="list-style-type: none"> <li>• Reputational Risks (e.g. incidents)</li> <li>• Valuation and investment returns</li> </ul>   | <ul style="list-style-type: none"> <li>• Business interruption or delay</li> </ul>  | <ul style="list-style-type: none"> <li>• Change in business scope</li> <li>• Implementation of regulatory amendments/ additions</li> </ul>   |
| Expectations of the Stakeholder Group     | <ul style="list-style-type: none"> <li>• Implementation of responsible investment code of the investor</li> <li>• Reduced exposure to reputational, business interruption and regulatory risks</li> </ul> | <ul style="list-style-type: none"> <li>• Ease of doing business</li> <li>• Support on ESG implementation in day-to-day business</li> </ul>  | <ul style="list-style-type: none"> <li>• Informing and complying with regulatory changes notified from time to time</li> <li>• Contributing to the nationally determined contributions (NDCs) on the agencies</li> <li>• Timely application receipt and renewal of licenses and permits as applicable</li> </ul> |
| Engagement Frequency                      | Quarterly   | Weekly  | As required or when there is a change in business operation/ regulatory compliance requirements  |
| Engagement Mechanism                      | <ul style="list-style-type: none"> <li>• Panel subcommittee meeting to discuss ESG issues</li> <li>• Quarterly report submission with salient ESG updates</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Weekly discussion between investment team and portfolio company operations team</li> <li>• Monthly business review</li> <li>• Monthly ESG reporting to the Fund</li> </ul> | <ul style="list-style-type: none"> <li>• Discussion with key personnel that are part of the institutions/ regulatory bodies as required</li> </ul>   |



|   |  |   |   |
|---|--|---|---|
|   | <ul style="list-style-type: none"> <li>Annual report submission with detailed ESG updates</li> <li>Annual general meeting (virtual) and advisory committee meeting (physical)</li> </ul> |   |   |
| <b>Person(s) responsible for engagement in GGEF</b> | <ul style="list-style-type: none"> <li>CEO, COO and CIO</li> <li>ESG Team</li> <li>Legal Team</li> <li>Senior Investment Team</li> </ul>   | <ul style="list-style-type: none"> <li>All team members</li> </ul>                    | <ul style="list-style-type: none"> <li>CEO, CIO and COO</li> <li>Legal Team</li> </ul>              |
| <b>Documentation</b>                                | <ul style="list-style-type: none"> <li>Minutes of Meetings</li> </ul>  | <ul style="list-style-type: none"> <li>Monthly presentation and/or reports</li> </ul> | <ul style="list-style-type: none"> <li>Email communication on key outcomes of discussion</li> </ul> |

### ***Portfolio Companies***

The portfolio companies are responsible for the following:

- Development and implementation of a stakeholder engagement framework at the corporate level to identify key stakeholders for the business and template format to be followed for site-level stakeholder engagement plans.
- Integration of the stakeholder engagement framework in the larger ESGMS developed by the company commensurate to the business operations.
- Responsibilities of key personnel within the company to implement and update the stakeholder engagement process as required.
- Identification of trends from site-level stakeholder engagement plans to be analysed and integrated into ESG initiatives undertaken across the portfolio to ensure continuous improvement of systems and processes.

### ***Portfolio Company Sites***

Each of the portfolio company sites with a defined site boundary should develop a stakeholder engagement plan in accordance with this framework and aligned to IFC PS 1.

## XIV APPENDIX L: GRIEVANCE REDRESSAL MECHANISM FRAMEWORK

All portfolio companies of GGEF are required to develop a grievance redressal mechanism to allow stakeholders to submit concerns, queries, grievances and/or feedback in general or with respect to a specific project. The purpose of the grievance mechanism is to allow stakeholders the ability to give continuous input and/or to lodge concerns against some project/operations, and to allow for the resolution of grievances.

In accordance with IFC PS 1 and 2, separate mechanisms need to be implemented for internal grievances (employees, contractors and subcontractors) and external grievances (vendors, suppliers, affected communities and larger public). The legal requirements pertaining to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 i.e. POSH Act is not covered under the ambit of this grievance redressal mechanism framework. The requirements for POSH act may utilize the similar processes defined in this mechanism but GGEF and each of the portfolio companies are required to comply with the mechanisms and processes defined under the act and subsequent circulars and rules.

### SCOPE

To establish a framework for recording grievances, prioritization and tracking of grievance for closure, escalation process and documentation.

### IMPLEMENTATION OF GRIEVANCE HANDLING PROCESS

The grievance handling process has been described below:

- **Recording a Grievance:** develop appropriate processes that are easily accessible to internal and external stakeholders to formally raise and record a grievance with the management of the fund, portfolio company and/or site management. The process should consider accessibility (virtual, physical, site-based), target stakeholder groups (educated, access to internet, access to site) and confidentiality (allowing for anonymous raising of grievances). Typical grievance mechanisms include grievance registers, grievance handles/emails, suggestions boxes, hotline numbers and anonymized queries/suggestions on the company website.
- **Tracking of Grievance:** the raised grievance needs to be tracked within the organization including assigning responsibilities and training the first line of contact (e.g. security guards or communication teams), process for tracking the grievance internally (registers, portals, email communications) and escalation, as appropriate.
- **Prioritization of Grievance:** the responsible personnel should have the ability and be empowered to prioritize critical grievances linked to a business operation (e.g. fraud, bribery, corruption) or site operations (e.g. incidents, pollution prevention, labour non-compliances). An escalation matrix should be established for grievances to be tracked and closed in a timely manner.
- **Closure of Grievance:** process for marking closure of a grievance, internal sign-off (where required) and communication of action taken with the aggrieved party.

The grievance handling process should be integrated into the GGEF ESGMS and portfolio company ESGMS to link key grievances and actions taken into the larger risk and impact identification process, internal monitoring and stakeholder engagement process.

## RESPONSIBILITIES AND IMPLEMENTATION

### *Green Growth Equity Fund (GGEF)*

The primary mode to record a grievance with Eversource Capital, the Investment Manager of GGEF, is through the feedback email address or enquiry form on the 'Contact' page of Eversource Capital's website. All grievances raised on the grievance handle (contact@Eversourcecapital.com) or enquiry form are redirected to the administrative team of Eversource Capital, who assign responsibilities for key teams for closure. The process for records, escalation and closure of grievance as well as final sign-off is undertaken by the Chief Operations Officer (COO) of the Fund.

If the grievance is related to ESG, it is redirected to the ESG team of Eversource Capital who are responsible for the following:

- Evaluating the grievance and understanding the legitimacy of the concerns raised.
- Grievances associated with portfolio company operations will be discussed (anonymously if required) with the ESG counterparts at the portfolio company to understand the concerns raised and to re-assign responsibilities of closure.
- The team will persevere to close all grievances in a timely manner (preferably no later than 90 days) to ensure prompt response to aggrieved party concerns.
- It is the responsibility of the assigned ESG resource to provide an email, memo or note indicating the grievance and how it was closed in a suitable manner for further communication to the aggrieved party.
- Final sign-off will be undertaken by the ESG lead of Eversource Capital or in the case of an escalation, Chief Operations Officer (COO) of Eversource Capital.

Grievances can be additionally raised physically with the receptionist of Everstone Capital at 16th Floor, Tower 2A, One World Centre, Senapati Bapat Marg, Mumbai 400013.

### *Portfolio Companies*

Each of the portfolio companies must identify a similar process for recording, tracking, escalating, documenting and closure of grievances raised with the corporate team of the company. The process needs to be recorded in the company-specific ESGMS.

### *Portfolio Sites*

All portfolio sites should have a process to track internal and external grievances that is clearly demonstrated in prominent locations around the site (e.g. notice boards and entry gates). The notice and grievance recording process should take into account anonymity, language barriers, accessibility for internal and external stakeholders and educational background (literacy) of the aggrieved party. Where required, multiple grievance recording mechanisms can be established to cater to different stakeholder groups.

Sample Grievance Register

|   |                                    |
|---|------------------------------------|
| <b>Date of Grievance</b>  |                                    |
| <b>Name of Aggrieved Party and/or Affiliation/ Organization</b> | <i>If willing to be identified</i> |
| <b>Contact details of Aggrieved Party</b>                       | <i>If applicable</i>               |

|                         |  |
|-------------------------|--|
| <b>Summary of Issue</b> |  |
|-------------------------|--|

Sample Grievance Tracker

|                               |   |
|-------------------------------|---|
| <b>Grievance I.D.</b>         | <i>Assigned I.D. for each grievance to be tracked internally and in the case of an anonymous or confidential grievance, the main form of identification</i> |
| <b>Summary of Grievance</b>   |   |
| <b>Category of Grievance</b>  | <i>Environment, Social, Governance, Legal, Operations, Finance, Procurement</i>   |
| <b>Responsible Party</b>      | <i>Internal person(s) responsible for management and closure of grievance</i>   |
| <b>Grievance Process Flow</b> | <i>Process flow of grievance [with dates] from first line of contact to all escalations within the organization</i>   |
| <b>Investigation</b>          | <i>Person(s) responsible for investigating the grievance and key outcomes of the investigation</i>  |
| <b>Closure of Grievance</b>   | <i>Conclusion of the investigation and closure of the grievance. The section should be linked to an action plan where applicable</i>                        |
| <b>Sign-off</b>               | <i>Internal party responsible for sign-off on closure</i>   |

## XV APPENDIX M: RESETTLEMENT POLICY FRAMEWORK

This Resettlement Policy Framework (RPF) provides guidance on the resettlement screening, assessment, institutional arrangements, and processes regarding land acquisition and involuntary resettlement to be complied with by Portfolio Companies and beneficiaries.

IFC Performance Standard 5 sets the standard for addressing and mitigating risks resulting from any case of involuntary land taking (“involuntary resettlement”). For the purpose of this framework, involuntary resettlement refers to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets and restriction of access to assets that leads to loss of income). Involuntary resettlement arises when persons or communities do not have the right to refuse or object to land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation, or temporary or permanent restrictions on land use, and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller failed.

The majority (if not all) acquisition of the land for project activities is expected to use willing seller-willing buyer approach. The RPF provides guidance for the acquisition of land through willing seller willing buyer or mutual agreement as the preferable mode of acquisition.

Involuntary land acquisition is unlikely as the footprint of the infrastructure is flexible. While the portfolio companies will endeavour to avoid involuntary resettlement, there may be instances, where specific land is required. Should it be identified that specific land is necessary for Portfolio Companies or the options for land are limited because of constraints, and a negotiated settlement is not successful, the requirements of involuntary land acquisition under this Resettlement Policy Framework (RPF) will be implemented.

Involuntary resettlement will also be avoided as a priority. If it is unavoidable, the RPF will be applied. The RPF specifies the preparation of Land Acquisition and Resettlement Action Plan (LARAP) for involuntary land acquisition or resettlement. Involuntary resettlement includes land acquisition implemented under the eminent domain principle that could involve physical and economic displacement. In all other cases of any adverse economic, social, or environmental impacts from project activities other than for land acquisition, such impacts will be avoided, minimized, mitigated or compensated for through the process of social assessment as part of the environmental and social impact assessment. Portfolio companies will refer to the principles and requirements of this framework as well as those of IFC’s performance standards on land acquisition and involuntary resettlement and the need for free, prior, and informed consent (FPIC) in projects involving indigenous peoples.

### SCOPE

The overall objectives of involuntary resettlement are the following:

- Involuntary resettlement should be avoided where possible, or minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be designed and executed as part of a sustainable development program, e.g., providing sufficient resources to enable the persons displaced by the project to share in project benefits. Persons displaced by the project should be meaningfully consulted and be given the opportunity to participate in the planning and implementation of resettlement programs; and displaced persons should receive assistance in their efforts to improve their livelihoods and living standards, or at least to restore

them, in real terms, to pre-displacement levels, or to levels prevailing prior to the project commencement, whichever is higher.

- Prior to implementation of land acquisition and resettlement activities, portfolio companies will ensure the following approaches and methodology of social assessment:
  - Avoid involuntary resettlement and, if unavoidable, minimize its potential impacts.
  - Assess the potential social and economic impacts of involuntary land acquisition and resettlement on project affected people and their livelihoods.
  - Identify affected persons and their respective entitlements.
  - Set out the clear process of consultation with and participation of Project Affected People (PAP) in the preparation and planning of involuntary land acquisition and resettlement, if any, as well as information dissemination to the Project Affected People.
  - If applicable, develop and implement a Resettlement Action Plan or a Livelihood Restoration Plan aligned with the requirement of IFC PS 5.
  - Compensate for lost assets at full replacement cost.
  - Compensate informal/illegal land users for lost assets and provide assistance in relocating, if needed.
  - Compensate and obtain legal access to expropriated land before starting construction.
  - Provide information and prepare special assistance programs for vulnerable groups including the persons without any immovable property.
  - Provide and prepare plans for grievance redress and monitoring in line with the RPF.

## **REGULATORY FRAMEWORK**

Portfolio companies will assess Indian laws and policies related to land acquisition. A comparison and gaps assessment between the Indian laws and policies and the IFC performance standards relevant to land acquisition and involuntary resettlement will identify any gaps in the policies and requirements and the gap filling measures that will be implemented at the projects. The comparison also identifies the most stringent measures and approaches that may be adopted by the projects.

The comparison between Indian laws and policies and safeguards standards related to land acquisition will take into consideration requirements to be met in acquisition and resettlement, eligibility for compensation, valuation, treatment of displaced people without formal tenure to the land or properties, requirements for stakeholder consultation and grievance redress, among others.

## **INSTRUMENTS OF LAND ACQUISITION AND RESETTLEMENT**

As part of the project development, Portfolio Companies will provide information on land requirements including existing land ownership and land use. They will review the information and determine options and remedies if there are any circumstances that would impede conformance with the IFC Performance Standards. The assessment or due diligence will include the following information and documentation:

- Assessment of the temporary and permanent impacts of land acquisition or expropriation, and categories of persons/households affected, number of lands/plots affected, the percentage of land/plots affected in any landholding, land use before and after the acquisition, prior land use and number of owners.
- Documentation of the socio-economic situations of affected households to understand the adverse impacts on livelihoods of displaced persons and provide restoration measures to compensate for their income losses.

- Valuation and compensation standards applied for temporary and permanent loss of land, loss of crops, loss of productive trees, loss of residence and businesses following the requirement for full replacement cost.
- Provision for replacement land and description of resettlement areas, if relevant.
- Provision of stakeholder engagement, grievance redress and monitoring.

The matrix for identifying the applicable instrument for land acquisition and resettlement is as follows:

| Trigger  | Instrument   |
|--|--|
| Voluntary land acquisition through a willing buyer-willing seller, or market transaction arrangement.  | <ul style="list-style-type: none"> <li>• No instrument required.</li> <li>• List of landowners, size of land, minutes of consultations, sales agreements and invoices are documented.</li> </ul> |
| Assets are affected by a sub-project, but not related to land acquisition or resettlement.   | Determined in the environmental and social assessments and incorporated in the ESMP of the subproject  |
| When involuntary land acquisition for a sub-project affects less than 200 people, less than 10% of households' productive assets are affected and/or does not involve physical relocation. | An abbreviated Resettlement Action Plan (RAP) and/or Livelihood Restoration Plan (LRP)   |
| When involuntary land acquisition for a sub-project affects more than 200 people, affects more than 10% of households' productive assets and/or involves physical relocation.              | A comprehensive RAP and/or Livelihood Restoration Plan   |

Projects requiring involuntary resettlement of third parties from public land, the Portfolio Companies shall develop a RAPs and/or LRPs and submit to portfolio companies for approval before implementation of land acquisition and resettlement. RAPs will include a detailed description of resettlement planning and implementation. The scope and level of details of the RAP will vary with the magnitude and complexity of the land acquisition and compensation issues.

### **NEGOTIATED LAND SETTLEMENT / VOLUNTARY TRANSACTION**

The negotiated land acquisition, or voluntary transaction, will be the preferred method for acquiring land. The locations of the projects and supporting infrastructure will be based on some negotiations as to which site is selected based on land-owners' willingness to sell or lease land. The portfolio companies will apply the principles for negotiated land acquisition / voluntary transaction to include:

- Meaningful consultations with project-affected people, including those without legal title to land and assets.
- The offer of a fair price for land and other assets at replacement cost. Deduction of income tax for the land transaction will be openly communicated with and agreed by the project affected people.
- Transparency in negotiation free of pressure and coercion with project-affected people to reduce risks of asymmetry of information and bargaining power of the parties. An independent external party will be engaged to document and validate the negotiation and settlement process. Verification (for example, notarized or witnessed statements) of the voluntary nature of land donations must be obtained from each person selling or leasing land.

For land acquisition using willing-seller and willing-buyer approach, Portfolio Companies will document the land acquisition preparation and implementation that will include list of affected

landowners and size of land acquired, the procedure for determining the assets value, minutes of consultation and negotiation and amount/level of compensation offered to the affected landowners.

### INVOLUNTARY ACQUISITION

In a situation where a voluntary transaction is not possible, an involuntary acquisition can be considered. The implementation of involuntary acquisition will need to be implemented in compliance with IFC PS 5 and this resettlement policy framework. The indicative steps for an involuntary acquisition has been provided in subsequent sections.

#### *Eligibility Criteria and Cut-off Dates*

For the purposes of this framework, eligibility for a project affected person is described below.

- Any person or household adversely affected by the acquisition of assets or change in use of land due to exploration activities.
- Any vulnerable and affected person including women, destitute, artisans, tribal communities, squatters.
- Those with usufruct rights, poverty groups depending for livelihood upon the land to be acquired by the project.
- Any other person who may prove and establish his/her right as an affected person to the satisfaction of the Portfolio Companies.

The cut-off date for eligibility for compensation and/or resettlement assistance is the last day of the census/inventory of assets. The affected people / communities will be informed of the cut-off date through the responsible agencies, community elders and leaders.

#### *Entitlement*

The IFC Performance Standard 5 requires compensation be paid at replacement value in addition to transitional assistance. Land is replaced with that of equal value and amenities. Livelihood assets are replaced with those of equal value. Benefit sharing is assured through additional support mechanisms where possible. Project affected people will be entitled to value compensation, rehabilitation, and resettlement support as described in the entitlement matrix as follows:

| Type of Loss                            | Category of Project Affected Persons   | Compensation Entitlements   |
|---|--|---|
| <b>Permanent agricultural land loss</b> |  |   |
|   | Owner: Person / group with legal title/registration of land ownership (including customary and traditional rights under country's laws and policies) | Full replacement cost and relocation allowance.                     |
|   | Tenant   | Cash compensation for above ground assets and relocation allowance. |
|   | Encroachers/informal or unofficial land users  | Owner/tenant agreements apply                                       |
| <b>Permanent residential land loss</b>  |  |   |
|   | Owner: Person / group with legal title/registration of land ownership (including customary and traditional rights under country's laws and policies) | Full replacement cost and relocation allowance                      |
|   | Tenant   | Relocation allowance  |
|   | Encroachers/informal or unofficial land users  | Relocation allowance  |
| <b>Permanent commercial land loss</b>   |  |   |



|  |  |
|--|--|
| Owner: Person / group with legal title/registration of land ownership (including customary and traditional rights under country's laws and policies) | Full replacement cost and relocation allowance and compensation for temporary income loss  |
| <ul style="list-style-type: none"> <li>• Tenant</li> <li>• Encroachers/informal or unofficial land users</li> </ul>                                  | Relocation allowance, compensation for temporary income loss   |
| <b>Temporary Land Loss</b>   |  |
| Owner: Person / group with legal title/registration of land ownership (including customary and traditional rights under country's laws and policies) | Cash compensation for rent, or, plot rehabilitation equivalent to 1/10th of market land value.   |
| <ul style="list-style-type: none"> <li>• Tenant</li> <li>• Encroachers/informal or unofficial land users</li> </ul>                                  | Cash compensation lump sum equivalent to 1/10th of market land value shared between land users as per proportions.   |
| <b>Residential building loss</b>   |  |
| Owner: Person / group with legal title/registration of ownership   | <p>Cash compensation for a residential building at replacement value based on market price free of depreciation/transaction costs and salvaged materials plus relocation allowance.</p> <p>Partial impacts will entail the compensation of the affected portion of the building plus repairs to return to at least pre-project standard.</p> |
| Tenants / squatters in residential buildings who are identified in the census.   | Relocation and severe impact allowance   |
| <b>Commercial and Non-Residential</b>  |  |
| Owner of commercial or non-residential buildings/assets with registration  | Cash compensation for non-residential building   |

### Verification

Portfolio company will monitor and verify all land acquisition for compliance with the ESF and RPF through its own processes or through an independent agency. This process will audit the documentation and interview landowners and affected land / resource users to verify both the process and the outcomes. Any discrepancies or non-compliances will be brought to the attention of GGEF and will be recorded as a grievance for resolution through that process.

## XVI APPENDIX N: INDIGENOUS PEOPLES PLANNING FRAMEWORK

This Indigenous Peoples Planning Framework (IPPF) will be applied when indigenous peoples (IPs) are present in a project’s area of influence as identified during the social and environmental screening process or subsequently during the ESDD/ESIA. The Portfolio Companies are responsible for implementing the necessary actions to meet the requirements outlined by this framework.

There is no universally accepted definition of Indigenous Peoples. Indigenous Peoples may be referred to in different countries by such terms as indigenous ethnic minorities, aboriginals, hill tribes, minority nationalities, scheduled tribes, first nations, or tribal groups. IFC Performance Standard 7 defines Indigenous People as follows:

The term “Indigenous Peoples” is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others.
- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories.
- Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture.
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

### REQUIREMENT FOR IPPF

The Fund or the portfolio companies will identify communities of indigenous peoples that may be present in the project’s area of influence as well as the nature and degrees of the expected social impacts, impacts on physical cultural resources, environmental impacts as well as potential benefits to the indigenous communities. The above will be identified as part of the E&S risk and impact evaluation process described in Table 2.

The Fund or Portfolio Companies shall put all necessary measures to avoid adverse impacts to indigenous peoples. When avoidance is not feasible, the projects will minimize, mitigate or compensate for these impacts in a culturally appropriate manner. The proposed actions will be developed with the informed participation of affected Indigenous Peoples and included in a time-bound Indigenous Peoples Plan (IPP), or a broader community development plan, depending on the nature and scale of impacts. When the project is considered high impact due to other potential risk such as conflict around natural resources, the project should include measures to obtain free, prior and informed consent and an agreed process for maintaining such consent for the subproject before commencing the project.

Projects shall establish a continuing relationship with the affected indigenous peoples and communities as early as possible in the subproject planning and throughout the life of the subproject. Specialists may be engaged to assist Portfolio Companies to design and implement an appropriate consultation approach. Projects with indigenous communities in the project area, the consultation process will ensure their free, prior, and informed consent (FPIC) and facilitate the communities’ informed participation on matters that affect them, such as proposed impact mitigation measures, sharing of development benefits and opportunities, and implementation issues. The process of community engagement will need to be culturally appropriate and correspond with

the potential risks and impacts to the indigenous peoples. In particular, the process will include the following steps:

- Involve representatives or representative bodies of indigenous peoples such as councils, elders, etc.
- Ensuring that consultation will be inclusive of both women and men and of various age groups in a culturally appropriate manner.
- Provide sufficient time for the collective decision-making process.
- Facilitate the expression of views, concerns, and proposals in the language of their choice, without external manipulation, interference, or coercion, and without intimidation.
- Ensure that the grievance mechanism established for the project is culturally appropriate and accessible for indigenous peoples communities.
- Ensure that the IPP and other plans and project documents are available to the affected indigenous peoples and communities in an appropriate form, manner and language.

The aim is to obtain and maintain free, prior and informed consent for the projects. This determination generally is based upon collective and evidenced expression of supportive views regarding subproject purposes, plans, and implementation arrangements. This determination does not require unanimity as support may exist even when there is internal disagreement within the community or when there is limited opposition to subproject purposes or proposed arrangements. The subproject level IPP will describe the basis of the determination as well as the consultation process undertaken.

### ***Development Benefits***

Through the FPIC process and informed participation of the affected IPs communities, projects shall identify opportunities for culturally appropriate development benefits. Such opportunities should be commensurate with the degree of project impacts, aimed at improving their living standards and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend. The benefits and the agreed process for sharing benefits will be documented through the IPP and provided to the indigenous peoples and communities in a timely and equitable manner to assist in the deliberation and decision-making.

### **INDIGENOUS PEOPLES DEVELOPMENT PLAN**

Where indigenous peoples and communities are identified in the project area through the screening process, an IPP will be prepared by the Fund or Portfolio Companies. The IPP will be informed by a social and economic assessment, as part of the ESIA, and the consultation processes. The Plan will set out the measures through which the Fund or Portfolio Companies will ensure that (a) indigenous peoples affected by the projects receive or partake in culturally appropriate social and economic benefits; and (b) if potential adverse effects on indigenous peoples are identified, those adverse effects will be avoided, minimized, mitigated or compensated. The IPP will provide important inputs to the design and structure of projects.

### ***Socio-Economic Assessment***

The social assessment will include the following elements, as may be relevant:

- Description of the projects and potential issues or impacts to communities including indigenous peoples, indicating if there are subgroups such as indigenous peoples that may be affected differently.

- Identification of relevant communities and other key stakeholders to be consulted.
- Baseline information on the demographic, social, cultural, and economic characteristics of relevant communities.
- Assessment of the potential adverse impacts and benefits likely to be associated with the project including views on such derived from consultations.
- Summary of preferences and concerns of communities relating to project objectives, access and cultural appropriateness of project benefits, mitigation of any adverse impacts, and project implementation arrangements.

### ***Special Requirements***

If indigenous peoples seem vulnerable to the project circumstances, appropriate requirements will be required such as those related to addressing impacts to traditional and customary lands, relocation of indigenous peoples, and cultural resources. When any of these special cases apply, qualified external experts may be engaged to assist in conducting the social assessment and ensuring their adequate inclusion in the IPP or community development plan.

#### **(a) Impact on traditional or customary resources and land**

Indigenous peoples have association with their customary lands and the natural and cultural resources on the land. The use of the land, including seasonal or cyclical uses, by the indigenous peoples and communities for their livelihoods, or cultural, ceremonial, or spiritual purposes that define their identity and community, can be substantiated and need to be duly documented. If the project location is decided to be on traditional or customary land, and adverse impacts are expected on the livelihoods or cultural, ceremonial, or spiritual uses that define the identity and community of the indigenous peoples, Portfolio Companies shall ensure that the process of land acquisition is respectful of their use of the land. They will do this by taking the following measures:

- Portfolio Companies shall document efforts to avoid or at least minimize the proposed project footprint.
- Experts will be engaged to document land uses in collaboration with the affected indigenous peoples communities without prejudicing their land claim.
- Affected indigenous peoples' communities are informed of their rights with respect to their land under national laws, particularly those recognizing customary rights or use.
- Projects may offer the affected indigenous peoples' communities fair compensation and due process such as benefit-sharing mechanisms; and/or land-based and/or in-kind compensation in lieu of cash compensation where feasible.
- Portfolio Companies enter into good faith negotiation with the affected indigenous peoples' communities and document their informed participation and outcomes of consultations.
- Evidence the free, prior and informed consent as outcome from the negotiation and such consent to be validated by the Portfolio Companies.

#### **(b) Relocation of indigenous peoples**

Portfolio Companies shall consider alternative subproject designs to avoid relocation of indigenous peoples from their communally held traditional or customary land. If such relocation is unavoidable, projects will not proceed, unless there has been good faith negotiation with the affected indigenous peoples' communities, and document evidence of free, prior and informed consent (FPIC) as an outcome from the negotiation and validated by the Portfolio Companies. Any relocation of Indigenous Peoples will need to be consistent with the IFC standards on land acquisition and

involuntary resettlement. The option for relocated indigenous peoples to return to their traditional or customary land, should the reason for their relocation cease to exist should remain throughout the project cycle.

**(c) Cultural resources**

Where a project proposes to use the cultural resources, knowledge, or practices of indigenous peoples for commercial purposes, projects shall document and inform the indigenous peoples and communities of: (i) their rights under national laws; (ii) the scope and nature of the proposed commercial development; and (iii) the potential consequences of such development. Projects shall not proceed with such commercialization unless it: (i) enters into a good faith negotiation with the affected indigenous people communities; (ii) evidence the free, prior and informed consent as outcome from the negotiation and such consent to be validated by the Portfolio Companies; and (iii) provides for fair and equitable sharing of benefits.

## XVII APPENDIX O: E&S CONSIDERATIONS INTO PROCUREMENT

The objective of this appendix is to promote sustainability in the supply chain by establishing the E&S considerations to be included in the procurement process of Eversource Capital and the portfolio companies.

### ESG COVENANTS IN CONTRACTS

An indicative list of E&S clauses that can be included in agreements with suppliers/vendors and purchase orders from major suppliers<sup>26</sup> has been provided below:

- Suppliers and vendors should comply with local, national and international laws including all environmental, health and safety and labour laws.
- Suppliers to conduct their business with the highest standards of integrity, avoiding all forms of corruption, bribery, extortion, embezzlement and unfair business practices.
- Suppliers to prohibit use of forced, bonded or child labour across their supply chains.
- Suppliers should be encouraged to respect and recognize their employees' rights to freely associate, organize and bargain collectively.
- Suppliers to provide a safe, healthy and inclusive work environment to its workers and establish fair labour practices.
- Suppliers should promote initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity, etc.
- Suppliers should consider their operational footprint including physical assets, transportation routes and temporary facilities to ensure there is minimum impact to natural resources and biodiversity values of conservation significance.
- Suppliers should be encouraged to locally source raw materials from reputed vendors where possible.

Suppliers, vendors and contractors should report to the portfolio company and/or Fund on any breaches with respect to the ESG covenants including but without limitation – safety incidents resulting in a fatality or permanent injury, environmental incident, violet community interaction that changes the local cultural/social context and safeguarding violations.

### PERIODIC VENDOR ASSESSMENT

The following provides an indicative list of monitoring and review mechanisms that can be implemented to ensure compliance of vendors/suppliers to the E&S requirements of the Fund.

- **Grievance Mechanism:** The Fund and portfolio companies should include a process to record and address grievances of vendors/suppliers, their supply chain and affected communities of major suppliers. The same can be incorporated into the grievance mechanism framework identified in Appendix L.
- **Vendor Screening and Empanelment:** The identification of major suppliers where the Fund or portfolio company intends to have a continued association, a vendor screening process can be implemented. As part of the vendor screening, the vendor will be evaluated on environment, health and safety and social parameters (See ESG covenants above). In the case of vendors with

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<sup>26</sup> Suppliers providing goods or services directly to the Fund or portfolio company where the supplier's goods or services has a significant impact on the Fund or portfolio company operations, replaceability of the supplier is difficult and the Fund/portfolio company can exercise management or operational control on the supplier based on volume of goods/services purchased.

disproportionately high impact on the business (e.g. module suppliers for renewable energy companies), an empanelment process or exclusivity contract can be considered to formally screen and monitor E&S performance.

- **Periodic Vendor Assessments:** Periodic vendor assessments can be undertaken through surprise audits, formal periodic site visits, third party reviews and/or self-assessments/undertakings of the vendors to ensure E&S performance of the vendor is aligned to the requirements of the Fund.

***Implementation of ESG covenants into procurement process***

All supply contracts, agreements and purchase orders initiated by the fund, portfolio companies, contractors, subcontractors or partners should include E&S covenants into the document. The list of E&S covenants can be specific to the fund or portfolio company operations and commensurate with the nature of engagement but should at the bare minimum include regulatory compliance, adherence to labour laws and conformance to the Fund’s ESGMS (or otherwise replaced by a company-specific ESGMS) when operating within the Fund’s portfolio company sites.

Portfolio companies should establish monitoring mechanisms including identification of suppliers in the stakeholder engagement process, provision of grievance handles and initial/periodic vendor assessments to monitor the E&S performance of major suppliers. Suppliers and vendors can raise a grievance through the grievance handles at the portfolio companies to raise any concerns related to ESG aspects or to communicate a breach in the ESG covenants defined in the contract. Supplier can also escalate a grievance or concern directly with the Fund’s ESG team through the grievance handle on the Eversource Capital website (contact@Eversourcecapital.com) or enquiry form on the ‘Contact Us’ page of the website (<https://www.Eversourcecapital.com/contact/>)