

# India E-Mobility Financing Programme

## Environment & Social Management System

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# 1. Introduction

Macquarie Alternative Asset Management Limited (hereinafter referred to as **MAAML** or **AE**), a GCF Accredited Entity, has prepared a Funding Proposal to establish an E-mobility Financing Programme' (the **Programme**) with the aim of accelerating decarbonisation of the Indian transport sector. It plans to achieve this by focusing on sustainable road transport, enabled through faster adoption of electric vehicles and growth of associated infrastructure in the country.

The main activities of the Programme are as follows:

1. Establishment of a financing platform in India (hereinafter referred to as the **Platform**), including its legal entity, policies, procedures, and broader governance.
2. Financing provided by the Platform to counterparties in the e-mobility space, which involves upfront due diligence and structuring as well as ongoing monitoring.
3. Sale of the Platform (to facilitate GCF and other investor exit) with the expectation that the Platform will continue to operate in the market.

The Platform will be managed by Macquarie Asset Management (**MAM**), an operational division of Macquarie Group.

Given the Platform has not yet been established, this Environmental and Social Management System (**ESMS**) provides:

- an overview of the key environmental and social (**E&S**) risks and impacts expected as part of underlying sub-projects;
- outline the governance of the ESMS for the Programme; and
- an overview of the Environmental and Social Management System as to how E&S risks and impacts will be managed by the Platform.

Detailed policies and procedures at the Platform level will be developed once the Platform is established within the frameworks outlined in this document. These will be the working documents that will be updated regularly to ensure alignment to regulations and international best practices.

For the avoidance of doubt, there is no requirement for this ESMS to be submitted or approved by any environmental regulatory agency given the nature of the proposed activities of the Programme. The need to make any submissions for underlying sub-projects will be analysed on a case-by-case basis in line with regulatory requirements.

## 1.1 About Macquarie Asset Management

MAM provides specialist investment solutions to clients across a range of capabilities including infrastructure and renewables, real estate, agriculture, transportation finance, private credit, equities, fixed income, and multi-asset solutions. MAM's approach to environmental, social and governance (**ESG**) reflects our responsibility to clients, shareholders, and communities in which we operate. ESG considerations are embedded within our investment decision-making approach and the asset management frameworks that inform the way in which performance is assessed and improved.

Further, MAM's commitment to sustainability is further demonstrated through its membership and affiliation with numerous international standards, frameworks, and initiatives, including GRESB, the United Nations Principles for Responsible Investment (**PRI**) and Net Zero Asset Managers Initiative.

For more information regarding MAM's approach to ESG, sustainability and responsible investment, please refer to the website <https://www.MAMfunds.com/au/en/our-approach/sustainability.html>

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## 1.2 Target Sub-Projects and Counterparties

As outlined above, once the Platform is established it will provide financing to counterparties in the e-mobility space (also referred to as **sub-projects**). While the mandate of the Platform to invest across the entire e-mobility value chain in India, there are a few key sub-sectors that will be of higher focus initially. These include electric buses, shared 4W fleet and electric charging infrastructure. All these sectors have substantial financing requirements with an estimated USD 50 billion of financing required by 2030.<sup>1</sup>

Key characteristics of the sub-projects are:

- expected to involve physical assets in the e-mobility space (e.g., financing a set number of electric buses);
- vehicles or charging points will be operated by the counterparty;
- the relationship between the Platform and the counterparty will be governed by a financing agreement that will place certain obligations on both parties; and
- vehicles financed may not be dedicated to a specific route, but rather used by a counterparty across their broader fleet. This may limit site specific diligence.

For the avoidance of doubt:

- The Platform is designed to be a financing intervention. Sub-projects will not involve the design or development of broader transportation interventions except (where relevant) providing input on the e-mobility sector development from a financing perspective.
- The Platform will not be involved in the day-to-day operation of vehicles or charging points.
- The Platform will not be involved in the design or manufacturing of vehicles.

Given the financing nature of the Platform, it will not be responsible for the primary development and implementation of each sub-project. Instead, the Platform will provide financing (governed by financing documentation, such as lease or loan contracts) to counterparties, defined as entities who will be responsible for the day-to-day operation of sub-projects.

Examples of counterparties include:

- a bus operating company which is bidding for a new electric bus tender issued by a state government for the provision of new e-buses to service an urban area;
- a private bus company operating a route between two major cities;
- a company constructing a number of new charging points to support the increased penetration of e-vehicles in a new area; and
- a large corporate company providing a fleet of cars to their employees.

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<sup>1</sup> [https://niti.gov.in/sites/default/files/2021-01/RMI-EVreport-VF\\_28\\_1\\_21.pdf](https://niti.gov.in/sites/default/files/2021-01/RMI-EVreport-VF_28_1_21.pdf)

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## 2. E&S risks in the e-mobility sector

The following section provides an overview of the key E&S risks, opportunities and impacts identified in the e-mobility sector in India.

**This is not an exhaustive list of considerations or potential management strategies – each sub-project will be reviewed on a case-by-case basis to ensure E&S risks are considered holistically. Please see *section 4.3* for further details on the assessment and management of E&S risks in sub-projects.**

### 2.1 Hazardous Wastes

Electric vehicles (**EVs**) do not require handling of hazardous materials because they do not contain engine oil or similar lubricants, which are associated with conventional vehicles.

However, lithium-ion batteries are an important component of EVs and these include other chemical moieties like cobalt, graphite and nickel. At the end of the battery lifespan, there is a battery waste, comprising significant amounts of chemicals such as cobalt, electrolytes, lithium, manganese oxide and nickel. If not recycled or treated adequately, these substances can contaminate soil and groundwater. Further, lithium itself spontaneously reacts with moisture and can lead to major landfill explosions.

As a nascent sector, there are limited regulatory frameworks for the end-of-life treatment or recycling of e-waste related to EVs. Although, current policies related to e-waste in India do not include guidance on the safe disposal of lithium-ion batteries, as the sector develops globally there are expected to be guiding frameworks and best practices that can be followed and implemented in India.

#### Summary

<b>Risk</b>	Lack of adequate disposal mechanism, inadequacy in organised collection of e-waste, and potential for e-waste ending up in landfill are the key issues with e waste management.
<b>Regulatory Requirement</b>	The <i>E-waste (Management and Handling) Rules, 2011</i> , <i>E-waste (Management and Handling) Rules, 2016</i> and <i>E-waste (Management) Amendment Rules, 2018</i> , require an Extended Producer Responsibility Plan to be submitted by the producers / manufactures / bulk consumers to the Pollution Control Board, it also provides for authorised collectors (PROs) who are recognised to enable such collection of e-wastes. Collection of batteries (Lithium ion) are currently not in the purview of the Batteries rules. The new draft rules cover Extended Producer Responsibility for all Batteries.
<b>Management options</b>	<ul style="list-style-type: none"><li>• Regulations and best practices in the nascent e-waste management sector are rapidly evolving. It is recognised that the e-waste management approach adopted by the Platform and sub-projects will be subject to these evolving regulations and best practices.</li><li>• Generally, the Platform will seek that commercially feasible best practices and e-waste management principles are employed to minimise adverse environmental and social impacts associated with used batteries. An e-waste management strategy relevant for each sub-project will be outlined and approved in the corresponding E&amp;S Risk and Mitigation Summary prepared for the financing decision. It would also expect to be included in the Environment and Social Impact Assessment (<b>ESIA</b>) and Environmental and Social Action Plan (<b>ESAP</b>) for any Category B project where relevant.</li><li>• Some potential e-waste management options are <i>outlined in section 5.3.2 – Principles on Battery Disposal</i>, however they are not exhaustive.</li></ul>

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## 2.2 Supply Chain

As with any manufacturing sector, the supply chain can be prone to E&S issues, such as child labour, inadequate working conditions, health and safety lapses and corruption. Required standards and compliance can vary from country to country and across different counterparties. Adequate due diligence is required to ensure compliance with international best practices and GCF standards.

There are known supply chain issues related to mining of lithium-iron and other materials for batteries, which involves extraction of metals from jurisdictions where E&S regulations may not be as strict. Issues associated with this mining may involve acid mine drainage, water contamination, dam bursts and flooding (tailings deposits), waste production, soil erosion / contamination and ecosystem destruction.

The Platform will conduct due diligence on counterparties, including their labour practices and supply chain, as part of the upfront assessment of a transaction. The results of this will impact the ultimate financing decision to proceed with the transaction. This will mitigate against any significant adverse social impacts and ensure that the Platform only works with credible counterparties with adequate policies and measure in place to manage these risks.

### Summary

<b>Risk</b>	The main raw materials for batteries i.e., cobalt, lithium, copper and nickel, have known issues in some parts of the supply chain with human and workers' rights' violations and unacceptable environmental consequences: child labour, ecological destruction and water shortage.
<b>Regulatory Requirement</b>	<i>Batteries (Management and Handling) Rules, 2001</i> is currently applicable, however, this does not cover lithium-ion batteries or extend producer responsibility in depth. The new draft act of 2020 will include such a requirement.
<b>Management options</b>	<ul style="list-style-type: none"><li>• The Platform will have in place a Board-approved human rights policy that outlines the Platform's commitment to avoiding causing or contributing to adverse human rights impacts (including modern slavery) and the Platform's commitment to seek to prevent or mitigate adverse human rights impacts directly linked to the Platform's operations, products or services. The human rights policy will also support the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Fundamental Conventions and Recommendations.</li><li>• Undertake supply chain due diligence for select suppliers of the proposed entity. Exclude suppliers with negative reports.</li><li>• Each sub-project will have in place, commensurate with its human rights risk profile, a process to screen and undertake due diligence on suppliers to ascertain track record in respect of human rights risks such as modern slavery.</li><li>• Actively engage in stakeholder consultations regarding regulatory developments in this sector to support greater transparency and controls.</li><li>• Participate in workshops and trainings with financing counterparties regarding supplier governance and best practices in relation to this issue.</li></ul>

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## 2.3 Indirect Emissions & Air Quality

EVs do not have any direct air emissions due to electricity being their sole fuel source. This is a significant advantage over the petrol, diesel, or even gas fuelled vehicles as vehicular emission contributes to a significant proportion of pollution in all major cities, including India. Internal combustion engines (**ICEs**) produce pollutants like CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, and PM which are emitted directly to the air.

There are indirect emissions involved in the generation of power, which is used for charging of batteries in the EVs given India's grid still has reliance on conventional energy sources. This is mitigated by India's ambitious programme to decarbonise its grid over time by integrating more renewables, which will support the decarbonisation of the transport sector alongside electrification. Ultimately, the operation of electric vehicles still produces less emissions than the operation of ICEs.

The collaboration of renewable energy infrastructure and related storage mechanism with the operations of EVs can decrease overall emissions from this sector. Considering the upward trends of renewable energy and storage technology, the EV sector has a good potential to reduce air emissions from vehicular sources in coming years.

### Summary

<b>Risk</b>	Indirect emissions can be generated by charging of EVs through the grid rather than from renewable sources.
<b>Regulatory Requirement</b>	There are no requirements on the source of energy for charging electric vehicles.
<b>Management options</b>	<ul style="list-style-type: none"><li>• The Platform will use best efforts to investigate and pursue commercially feasible opportunities to reduce the indirect emissions associated with its operations. This may include installation of onsite renewables (e.g., rooftop solar), dispatchable storage, procurement of renewable electricity.</li><li>• The Platform will incorporate into its policies and stakeholder management programme the support of and participation in government programmes that support grid decarbonisation.</li></ul>

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## 2.4 Social Impacts

There are a number of expected positive social impacts from the transition to EVs.

- The fuelling cost of EVs is relatively lower than with fossil fuel powered vehicles. This provides a clear incentive for consumers as they can save substantially on fuel costs when using EVs instead of ICEs.
- The addition of EVs to public transport will see new buses with better features and quality of transportation. Advanced safety features, cameras on board and universal access will benefit society in general, especially women and vulnerable groups, including health outcomes from lower pollution.
- Advent of EVs and related infrastructure will open avenues for charging stations, increased manufacturing, research and development (**R&D**) and beyond, which will provide opportunities for employment. This will also be enhanced by the battery and ancillary supply network that will be set up to supplement the e-mobility sector.

However, there may be indirect impacts from the societal shift to EVs, such as the reskilling of roles in the conventional vehicle space. It is to be noted that the Platform will not have any interaction with conventional buses as the EVs will predominately support new bus capacity rather than replacement. Further, the electric vehicles in the transport sector will contribute to only a small section of the total fleet. Even in case of replacement of conventional buses by EVs, drivers can be trained to operate such buses with basic training as the techniques of driving will remain same. Therefore, issues related to economic displacement of drivers of conventional buses and need for restoration of their livelihoods is not envisaged due to the Programme.

### Summary

<b>Risk</b>	There may be indirect social impacts related to the shift to electric vehicles, however, these are not expected as a direct consequence of the sub-projects, which could have socially beneficial impacts related to generation of opportunities for employment, improved air quality and access to new transport options.
<b>Regulatory Requirement</b>	Nil
<b>Management options</b>	<ul style="list-style-type: none"><li>• Consider, as part of the planning phase of each sub-project, the social impact caused, including job creation for new / reskilled workers, improved amenity and aesthetics due to reduced noise and pollution, enhanced low-cost mobility and connectivity for communities and improved quality of life and security for customers.</li><li>• Review any likelihood of significant retrenchment as a result of the transaction (unlikely).</li><li>• Support or be involved in workshops and training for the e-mobility sector organised by financing counterparties.</li></ul>

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## 2.5 Gender-based Violence

Gender-based violence (and other forms of sexual abuse, exploitation and harassment, or SEAH) and the related safety considerations in public transport are known issues in India. There is potential for gender-based violence to occur on the buses or other vehicles financed by the Platform. This is not within the control of the Platform, however there are a number of safety regulations, such as CCTV cameras and panic buttons that are required under transport concessions. The Platform will seek to monitor the compliance of vehicles in meeting these regulations to mitigate against significant impacts from this risk. The regulations, best practice, procedures of the counterparty and other mitigating features will be reviewed as part of each sub-project to limit the impacts of this risk.

### Summary

<b>Risk</b>	Public transport is prone to harassment of women, especially in crowded buses and isolated places. There is a risk that gender-based violence occurs on vehicles financed by the Platform (operated by counterparties).
<b>Regulatory Requirement</b>	There are multiple regulations under Indian Penal code for harassment or misbehaviour in public places, however, nothing specific to transport sector. Some regulatory requirements in public bus concessions for new vehicles to include safety features.
<b>Management options</b>	Detailed in the Gender Action Plan. Some examples from the Gender Action Plan include: <ul style="list-style-type: none"><li>• Monitor compliance with requirements in e-buses regarding safety features such as emergency call button, CCTV cameras, easy access for disabled.</li><li>• Support initiatives such as increasing number of woman conductors or drivers on buses or women only buses.</li></ul>

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## 3. ESS categorisation

The focus of the Programme is establishing a Platform to provide financing to predominately corporate counterparties for electric vehicles, building charging infrastructure or other investments along the e-mobility value chain. This section outlines the assessment of the key risks for each sub-project by sub-sector that is expected to be financed by the Platform. All sub-projects under this Programme are envisaged to fall under Category B or lower. However, each sub-project will be screened for E&S risks and impacts and assigned categorisation as per details provided in *section 4.3.1 below*.

Based on the assessment summarised below, the Programme has been categorised as **Intermediation-2** to reflect that the Platform will act as an intermediary to the operation of the e-mobility investments, which will have maximum categorisation of **Category B**.

The rationale for the categorisation is based on expected risks of the Platform and the sub-projects as per the criteria defined in MAM's Environmental and Social Risk (**ESR**) Toolkit, and an assessment against the IFC Performance Standards and the potential management options which have been summarised in the following section.

**This is not an exhaustive list of considerations or potential management strategies – each sub-project will be reviewed on a case-by-case basis to ensure E&S risks are considered holistically. Please see *section 4.3* for further details on the assessment and management of E&S risks in sub-projects.**

### 3.1 Electric Buses

#### Maximum Categorisation: Category B

Electric buses are capital intensive, with a concentrated original equipment manufacturer (**OEM**) base and a fragmented operator base. The Platform will focus on this space and partner with a few key large OEMs actively seeking to migrate to electric buses. The Platform will provide innovative financing solutions to the key players targeting the intra-city, FAME II subsidy-based auctions, as well as to key players operating in the private, inter-city bus space.

The financing solutions would include products such as leasing, project financing, receivables financing, and other innovative solutions that best help address the market need. The Platform will target all segments of bus deployment, including intra-city public transport, inter-city transportation, school buses, office and other commercial applications.

#### Key E&S Risks, Mitigation and Management

Risk	IFC Performance Standard	Description	Mitigants / Management
Counterparty does not have adequate E&S policies or procedures in place to manage or mitigate risks	PS1: Risk Management	<ul style="list-style-type: none"> <li>The counterparty will be involved in direct implementation of E&amp;S management for sub-projects.</li> <li>There is a risk that the counterparty does not have the capacity or the governance in place to manage potential E&amp;S risks.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures and capacity of the counterparty as part of its upfront due diligence (<i>see Appendix 2 – Counterparty due diligence questionnaire</i>).</li> <li>The Platform will only invest in projects that are Category B rather than any higher risk Category A projects.</li> <li>The Platform will monitor the implementation of E&amp;S management as part of the ongoing monitoring of the sub-projects.</li> </ul>
Working conditions of	PS2: Labour	<ul style="list-style-type: none"> <li>Employees involved in the sub-projects could include bus drivers,</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures of the counterparty relating to labour and working</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
counterparty employees		<p>administration / office staff, technical and maintenance staff or otherwise.</p> <ul style="list-style-type: none"> <li>There is a risk that the counterparty does not uphold national and international standards for employment and labour conditions, including work, health and safety, non-discrimination and equal opportunity, SEAH and child labour laws.</li> </ul>	<p>conditions as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</p>
Working conditions in the supply chain	PS2: Labour	<ul style="list-style-type: none"> <li>There are known issues related to the supply chain of batteries, including poor working conditions.</li> <li>There is a risk that the batteries used in the e-buses have been sourced from suppliers who do not uphold national and international standards for employment and labour conditions, including work, health and safety, non-discrimination and equal opportunity, and child labour laws.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the procurement policies and procedures of the counterparty or manufacturer, especially relating to their own supplier due diligence. This is included as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> <li>If there are substantiated instances of poor labour conditions identified, this would be classified as a Category A or not able to be managed. In both cases, the Platform will not continue with this investment.</li> </ul>
Gender based violence and harassment (GBVH) (including SEAH considerations)	PS2: Labour, PS4: Community	<ul style="list-style-type: none"> <li>Instances of GBVH can be prevalent in public transport (<i>as outlined in the Gender Assessment for this Programme</i>) and can restrict women's use of public transport and participation in society.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the GBVH policies of counterparties as part of the upfront due diligence (<i>see Appendix 2 - Counterparty and sub-project due diligence questionnaire</i>).</li> <li>The Platform has also identified a number of actions in the Gender Action Plan to target this issue in sub-projects, including ensuring compliance with safety requirements in buses, such as CCTV cameras, panic buttons or otherwise.</li> </ul>
Potential change in skills	PS2: Labour, PS4: Community	<ul style="list-style-type: none"> <li>There may be a real or perceived risk that the transition to e-buses may cause the economic replacement</li> </ul>	<ul style="list-style-type: none"> <li>Sub-projects will not directly cause the retrenchment of employees.</li> <li>Potential positive social impacts of sub-projects to be identified.</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
		<p>of existing bus drivers or other workers in the industry.</p>	<ul style="list-style-type: none"> <li>As part of the broader shift to EVs across the industry, there may be additional training required at counterparties to adapt to any changes or new skills for e-buses (expected to be minimal). This will be reviewed as part of the labour policies of the counterparty.</li> </ul>
Use of electricity for charging	PS3: Resource efficiency	<ul style="list-style-type: none"> <li>The electric buses will require charging, which may come from the grid or direct generation, which could be sourced from non-renewable sources. This could limit the overall impact of the Programme in reducing GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will use best efforts to identify opportunities to use renewable energy for sub-projects.</li> <li>There is ongoing transition of the electricity grid in India, which will improve the impact of EV charging over time.</li> </ul>
Disposing of materials for batteries (or otherwise) and vehicle scrappage	PS3: Resource efficiency	<ul style="list-style-type: none"> <li>All electric buses will use a battery. There are currently limited sustainable options for disposal of these materials.</li> <li>Scrappage of e-vehicles could be an issue in cases of extensive damage to vehicles due to any accidents, or at the end of life of such vehicles.</li> <li>There is a risk that, by financing more e-buses, the Platform will contribute to greater e-waste in the future that is not managed in a sustainable or environmentally sensitive way.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will identify the disposal management plan in line with the principles identified in <i>section 4.3.2.2 - Principles of Battery Disposal</i>.</li> <li>The roles and responsibilities in the disposal process will be identified upfront and integrated into financing documentation.</li> <li>Platform will develop a Vehicle Scrappage Policy aligned with government guidelines. Government approved scrappage facilities with focus on recycling and reusing materials recovered from the scrappage.</li> </ul>
Community use of buses	PS4: Community	<ul style="list-style-type: none"> <li>Public and private buses are designed to serve the community. New electric buses are expected to reduce pollution which effects the community, however, there could be other risks involving quality of buses</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will be involved in financing vehicles and is not likely to be involved in developing public transportation policies (such as routes, or tenders) which is the responsibility of state or national governments.</li> <li>The Platform will diligence the involvement of the counterparty in the community and relevant stakeholder consultations, particularly if the counterparty of the expected bus</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
		financed or use of buses.	route involves a specific community or affected groups.
Women's use of buses	PS4: Community	<ul style="list-style-type: none"> <li>As outlined in the Gender Assessment for this Programme, women's participation in society can be affected by the design of public transport and ability to use services in a safe way.</li> </ul>	<ul style="list-style-type: none"> <li>In the Gender Action Plan, the Platform intends to identify financing specific services to support women.</li> <li>The Platform will review gender impacts through a gender assessment for each sub-project, including collecting sex-disaggregated data (which will be identified once each sub-project is identified).</li> </ul>

### 3.2 Charging Infrastructure

#### Maximum Categorisation: Category B

To achieve the desired electrification targets for vehicles, charging infrastructure (public and private) needs to be rapidly scaled up from the current levels. This space is currently plagued by supply chain issues, policy uncertainty and limited financing, coupled with high upfront costs. The Platform will seek to alleviate a major bottleneck in growth of e-mobility space in India by making financing solutions available for aggressive and pro-active deployment of charging infrastructure as a shared service for multiple owners / operators of electric vehicles.

#### Key E&S Risks, Mitigation and Management

Risk	IFC Performance Standard	Description	Mitigants / Management
Counterparty does not have adequate E&S policies or procedures in place to manage or mitigate risks	PS1: Risk Management	<ul style="list-style-type: none"> <li>The counterparty will be involved in direct implementation of E&amp;S management for sub-projects.</li> <li>There is a risk that the counterparty does not have the capacity or the governance in place to manage potential E&amp;S risks.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures and capacity of the counterparty as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> <li>The Platform will only invest in projects that are Category B rather than any higher risk Category A projects.</li> <li>The Platform will monitor the implementation of E&amp;S management as part of the ongoing monitoring of the sub-projects.</li> </ul>
Working conditions of counterparty employees	PS2: Labour	<ul style="list-style-type: none"> <li>Employees involved in the sub-projects could include administration / office staff, technical and maintenance staff or otherwise.</li> <li>There is a risk that the counterparty does not uphold national and international standards for employment and labour conditions,</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures of the counterparty relating to labour and working conditions as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
		including work, health and safety, non-discrimination and equal opportunity, SEAH and child labour laws.	
Gender based violence and harassment ( <b>GBVH</b> ) (including SEAH considerations)	PS2: Labour, PS4: Community	<ul style="list-style-type: none"> <li>Instances of GBVH can be prevalent in public transport (as outlined in the Gender Assessment for this Programme) and can restrict women's use of charging points and participation in society.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the GBVH policies of counterparties as part of the upfront due diligence (<i>see Appendix 2 - Counterparty and sub-project due diligence questionnaire</i>).</li> <li>The Platform has also identified a number of actions in the Gender Action Plan to target this issue in sub-projects, including ensuring compliance with safety requirements, such as CCTV cameras, panic buttons, improved lighting at charging stations or otherwise.</li> </ul>
Use of electricity for charging	PS3: Resource efficiency	<ul style="list-style-type: none"> <li>Charging infrastructure can be sourced from non-renewable sources. This could limit the overall impact of the Programme in reducing GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will use best efforts to identify opportunities to use renewable energy for sub-projects.</li> <li>There is ongoing transition of the electricity grid in India which will improve the impact of EV charging over time.</li> </ul>
Women's use of charging infrastructure	PS4: Community	<ul style="list-style-type: none"> <li>As outlined in the Gender Assessment for this Programme, women's participation in society can be affected by the design of public services (such as charging points) and ability to use services in a safe way.</li> </ul>	<ul style="list-style-type: none"> <li>In the Gender Action Plan, the Platform intends to review gender impacts through a gender assessment for each sub-project, including collecting sex-disaggregated data (which will be identified once each sub-project is identified), as well as identifying gender mainstreaming opportunities in the project design (e.g., location of charging points to adapt to women's needs where applicable).</li> </ul>
Impacts from land acquisition	PS5: Land resettlement, PS6: Biodiversity, PS7: Indigenous peoples, PS8: Cultural heritage	<ul style="list-style-type: none"> <li>Charging infrastructure points may involve acquisition, or leasing, of land in order to build new charging points.</li> <li>Acquisition of land has the potential to have resettlement, biodiversity, indigenous peoples or cultural heritage impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Resettlement, significant biodiversity impacts or impacts on indigenous peoples or cultural heritage are not expected due to the nature of the size and location of charging points, targeting predominately urban environments where there is likely existing commercial use where charging is convenient for users.</li> <li>Any limited biodiversity, indigenous peoples or cultural heritage impacts identified in E&amp;S diligence will need have mitigating actions in the E&amp;S Risk</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
			<p>and Mitigation Summary for financing decision (and where relevant ESAP) for that sub-project.</p> <ul style="list-style-type: none"> <li>• A Chance Find Procedure has been included in the Appendix.</li> <li>• A Resettlement Framework and Indigenous Peoples Plan have been provided in the Appendix.</li> <li>• Any major resettlement, biodiversity, indigenous peoples or cultural heritage risks / impacts would be classified as a Category A project or not able to be mitigated. The Platform will not invest in these activities.</li> </ul>
Impacts due to setting up of charging infrastructure for EVs and new electric bus depots	PS3: Resource efficiency and pollution prevention PS4: Community Health and Safety	<ul style="list-style-type: none"> <li>• Construction of charging infrastructure points and new bus depots will involve environmental issues, such as dust emission, construction waste generation, water use, waste water generation from labour camps and construction areas, social issues related labour management, overtime, worker accommodation, occupational health and safety, disturbance to community due to construction activities, increased traffic movement and traffic diversions, labour influx or otherwise.</li> </ul>	<ul style="list-style-type: none"> <li>• The Platform will require counterparties to identify all construction related risks during ESIA and prepare management plans accordingly.</li> <li>• Communities H&amp;S management plan will be prepared to manage issues related to traffic safety, dust generation, noise generation, water management, labour influx or otherwise.</li> </ul>

### 3.3 Shared Corporate Fleet (4W)

#### Maximum Categorisation: Category B

Migration to electric vehicles is a key theme for companies that provide mobility as a service to private corporates. However, this space faces key challenges of limited financing availability from banks and lack of suitable business models or inability to achieve utilisation thresholds to run a sustainable business.

This sector offers the investment themes preferred by the Platform of a key financing and viability gap, as well as of working with a few large players and concentrating the portfolio to a limited number of key relationships. The Platform will work towards enabling migration of shared fleet service providers to electric vehicles across buses and other 4W light commercial vehicles.

#### Key E&S Risks, Mitigation and Management



Risk	IFC Performance Standard	Description	Mitigants / Management
Counterparty does not have adequate E&S policies or procedures in place to manage or mitigate risks	PS1: Risk Management	<ul style="list-style-type: none"> <li>The counterparty will be involved in direct implementation of E&amp;S management for sub-projects.</li> <li>There is a risk that the counterparty does not have the capacity or the governance in place to manage potential E&amp;S risks.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures and capacity of the counterparty as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> <li>The Platform will only invest in projects that are Category B rather than any higher risk Category A projects.</li> <li>The Platform will monitor the implementation of E&amp;S management as part of the ongoing monitoring of the sub-projects.</li> </ul>
Working conditions of counterparty employees	PS2: Labour	<ul style="list-style-type: none"> <li>Employees involved in the sub-projects, primarily administration / office staff, technical and maintenance staff or otherwise.</li> <li>There is a risk that the counterparty does not uphold national and international standards for employment and labour conditions, including work, health and safety, non-discrimination and equal opportunity, SEAH and child labour laws.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the policies, procedures of the counterparty relating to labour and working conditions as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> </ul>
Working conditions in the supply chain	PS2: Labour	<ul style="list-style-type: none"> <li>There are known issues related to the supply chain of batteries, including poor working conditions.</li> <li>There is a risk that the batteries used in the e-vehicles have been sourced from suppliers who do not uphold national and international standards for employment and labour conditions, including work, health and safety, non-discrimination and equal opportunity, and child labour laws.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will review the procurement policies and procedures of the counterparty or manufacturer, especially relating to their own supplier due diligence. This is included as part of its upfront due diligence (<i>see Appendix 2 - Counterparty due diligence questionnaire</i>).</li> <li>If there are substantiated instances of poor labour conditions identified, this would be classified as a Category A or not able to be managed. In both cases, the Platform will not continue with this investment.</li> </ul>

Risk	IFC Performance Standard	Description	Mitigants / Management
Use of electricity for charging	PS3: Resource efficiency	<ul style="list-style-type: none"> <li>The electric vehicles will require charging, which may come from the grid or direct generation, which could be sourced from non-renewable sources. This could limit the overall impact of the Programme in reducing GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>The Platform will use best efforts to identify opportunities to use renewable energy for sub-projects.</li> <li>There is ongoing transition of the electricity grid in India which will improve the impact of EV charging over time.</li> </ul>
Disposing of materials for batteries (or otherwise)	PS3: Resource efficiency	<ul style="list-style-type: none"> <li>All electric buses will use a battery. There are currently limited sustainable options for disposal of these materials.</li> <li>There is a risk that, by financing more e-vehicles, the Platform will contribute to greater e-waste in the future that does is not managed in a sustainable or environmentally sensitive way.</li> </ul>	<ul style="list-style-type: none"> <li>In the Gender Action Plan, the Platform intends to review gender impacts through a gender assessment for each sub-project, including collecting sex-disaggregated data (which will be identified once each sub-project is identified), as well as identifying gender mainstreaming opportunities in the project design (e.g., location of charging points to adapt to women's needs where applicable).</li> </ul>
Women's use of vehicles	PS4: Community	<ul style="list-style-type: none"> <li>As outlined in the Gender Assessment for this Programme, effective transportation can be integral in women's participation in the workforce.</li> </ul>	<ul style="list-style-type: none"> <li>In the Gender Action Plan, the Platform intends to identify financing specific services to support women.</li> <li>The Platform will review gender impacts through a gender assessment for each sub-project, including collecting sex-disaggregated data (which will be identified once each sub-project is identified).</li> </ul>

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# 4. Governance of ESMS

## 4.1 Structure

The ESMS is designed to cover the operations and investment process of the Platform, including the review and monitoring of sub-projects. It is intended to cover the framework applied at the Platform level and how that will be filtered down to sub-projects (which may include other systems and frameworks that are implemented by counterparties).

The ESMS has been developed based on the experience of MAM and in line with GCF requirements. It broadly comprises two key sections:

**Section A - Governance and Reporting:** This comprises of activities at the Programme level to establish and maintain strong governance frameworks, including ensuring alignment to GCF standards and requirements.

**Section B - Integration into Investment Process & Monitoring:** This involves activities and frameworks for integrating E&S considerations into analysis and implementation of sub-projects.

### 4.1.1 Limitations

- **Intermediary role:** as a financing intervention, the Platform will not be able to directly implement activities regarding the operation of the electric vehicles. However, this is mitigated through upfront diligence and structuring by the Platform as part of a transaction and by activities flowed through to the financing counterparty.
- **Sub-Projects not yet defined:** the Platform has not yet identified specific sub-projects that will be financed by the Platform given it is not yet established. As a result, actions for sub-projects cannot be fully defined at this stage (*Part B of ESMS*). This is mitigated by the other governance activities (*Part A*) which seek to build frameworks and capacity to identify actions in Part B for sub-projects.

## 4.2 Roles and Responsibilities

### 4.2.1 MAAML's role as an Accredited Entity

MAAML's role as a GCF Accredited Entity (**AE**) will be to monitor the Programme on behalf of GCF. This will primarily include, confirming that:

- all GCF's policies are implemented at the Platform levels and in underlying financing documents (where appropriate);
- compliance with Accreditation Master Agreement (**AMA**) and Funded Activity Agreement (**FAA**) policies agreed between GCF and the AE; and
- assessing the Platform's performance vis-a-vis the Programme's targeted outcomes and results while commissioning independent mid-term and final evaluation reports as per GCF's requirements.

### 4.2.2 MAM's role as an Investment Manager

**MAM is the Investment Manager.** Key responsibilities of the Investment Manager will include:

Through the governance arrangements outlined in the Funding Proposal, the Investment Manager will be responsible for:

- assisting in establishing the Platform and ensure that all necessary licenses and approvals are in place;
- managing the investment in the Platform, including nominating representatives to the Board of the Platform for SG Co. as shareholder of the Platform (where appropriate);
- ensure that the Platform has in place all appropriate E&S policies, systems, procedures, and practices once its established;
- identifying and assisting with the implementation of strategic enhancements at the Platform level, including providing the support to the Platform using MAM experience globally;

- 
- provide quarterly and annual updates on the Platform's performance, including environmental and social standards; and
  - providing assistance in relation to adequate implementation of risk management systems in order to identify, measure, manage and monitor appropriately all risks relevant to the GCF's investment strategy.

### **MAM Sustainability Team**

MAM will also provide strategic oversight to the Platform, including supporting the Board and management with resources within MAM. This will include access to subject-matter experts and support on operational and governance expertise, such as implementation of MAM's minimum sustainability standards and leverage on its various policy frameworks (such as ESG, Anti Money Laundering, Cyber security) that are in line with best-in class industry practices.

MAM Sustainability team supports all MAM teams globally, ultimately reporting through to the Head of MAM. There are multiple experienced specialists in the MAM Sustainability team in each region to support on upfront and ongoing management of ESG within MAM and in its portfolio companies.

#### **4.2.3 Platform**

MAM staff will have representation on the Board of the Platform to participate in the key investment, operational, and governance decisions.

The Platform Board will be responsible for overseeing the company operations, including seeking to ensure that it has in place appropriate E&S policies, systems, procedures, and practices. The Board will aim to ensure that the Platform establishes and maintains its own risk management framework that effectively manages E&S issues and follows relevant regulations and standards of industry and the country in which it operates.

#### **E&S Specialist**

An E&S specialist will be hired to the Platform who will have primary responsibility to identify and address any E&S issues at the Platform level, the integration into the investment process and monitoring underlying sub-projects. They will also regularly provide updates on E&S matters to the Platform Board and the Investment Manager.

#### **Platform Staff**

A professional management team and associated staff will be identified and hired to manage the Platform with support from MAM and the Macquarie Group. The Platform's staff will support the E&S Specialist with day-to-day screening and evaluation of financing opportunities, performance monitoring and compliance.

#### **4.2.4 Financing Counterparties**

Financing counterparties will not have specific responsibilities for implementation of activities in this ESMS. However, counterparties will be involved in E&S management in sub-projects, which includes applying their relevant policies and procedures reviewed by the Platform, identifying risks in sub-projects, undertaking any specialised E&S studies and where relevant undertaking an ESIA and developing and implementing an ESAP. These activities will be monitored by the Platform. Where relevant, E&S activities identified by the Platform will be integrated into financing documentation. Financing counterparties will be required to meet obligations in their financing documentation.

#### **4.2.5 RASCI**

A RASCI (Responsible, Accountable, Support, Consulted, Informed) Matrix outlining the roles and responsibilities of each entity / team in implementing the ESMS has been provided as follows. The details of these activities are outlined in the following section of this ESMS.

Given the role of the Platform as an intermediary, in this RASCI "Responsible" relates to the role at the Platform and within the scope of this ESMS (i.e., diligence and monitoring of sub-projects, not the implementation).

Financing counterparties will be involved in the implementation and management of E&S in sub-projects, including complying with any requirements included in the financing documentation set by the Platform or ESAP developed as part of the sub-project development. The Platform will be responsible for considering the counterparty's capacity to implement E&S management, what requirements are integrated into financing documentation to meet GCF and international standards, and overseeing the counterparty appropriately implement these requirements.

Activities	MAAML (AE)	MAM (Investment Manager)	Platform Board	E&S Specialist	Platform Staff	MAM Sustainability Team
<b>Governance &amp; Reporting</b>						
Establish and Update of ESMS	C	C	A	R	S	S
External reporting and disclosure to GCF	A	C	C	R	S	S
Coordination of E&S Training	I	I	R	R	S	S
Grievance Mechanism	I	I	A	R	C	C
Documentation Control	-	-	A	R	-	-
<b>Integration into Investment Process &amp; Monitoring</b>						
E&S Screening for sub-project	I	I	I	R	C	C
Review of E&S Due Diligence for new sub-project	I	I	I	R	S	S
Review of Stakeholder engagement & Disclosures	I	I	A	R	C	C
Investment Approvals/ Financing decision	I	I	A	R	S	S
Monitoring of E&S risks after financing decision	C	C	A	R	S	S
Monitoring of sub-project ESAP (where applicable)	C	C	A	R	S	S
Periodic E&S Reporting	I	I	A	R	C	C

**Note:** Responsible (R); Accountable (A); Support (S); Consulted (C); Informed (I)

### 4.3 Costs and Budgets

The financial resources and budget required to support implementation of this ESMS are based on indicative estimates summarised below.

Transaction specific costs (e.g. environmental and social assessments, environmental and social management plan) will be borne by the financing counterparty in line with other transaction costs (such as legal fees, etc.). This will include engaging experts to complete due diligence where required.

SI No.	Cost Head	Budget (INR)	Budget (USD)
1	Employment of E&S specialist, including time spent on various activities outlined in this ESMS	50,00,000 p.a.	66,667 p.a.
2	Capacity building training programmes on annual basis (for 10 years) for Platform staff and counterparties	20,00,000 p.a.	27,000 p.a.
3	Stakeholder engagement, consultations, survey, data collection and analysis at Platform and sub-project level on annual basis	30,00,000 p.a.	40,500 p.a.

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# 5. Platform's environment & sustainability management system

## 5.1 Establishment

Once the Platform is set up, the Platform will establish its own Environmental and Social Management System (**ESMS**) that is in line with the appropriate risk profile and operations of the Platform as well as the local laws and regulations of India. This will be updated over time in line with best practice. The following sections outline the governance and procedural frameworks that will guide the Platform's ESMS and the activities of the Platform.

## 5.2 Part A - Governance and Reporting

The following sections outline the policies and frameworks that will be applied to the Platform based on policies of the Investment Manager or GCF requirements.

### 5.2.1 MAM's Existing ESG Policy

MAM (the **Investment Manager**) has an ESG Policy that defines the approach to the identification and management of ESG issues in investment due diligence, investment decision-making and ongoing asset management. This policy is applicable to all MAM operations, the funds it manages and some activities relating to its portfolio companies (such as the Platform). This policy draws on Macquarie's ESR Policy which can be accessed through the following link: [https://www.macquarie.com/assets/macq/impact/esg/policies/esr-policy-summary\\_97\\_2003.pdf](https://www.macquarie.com/assets/macq/impact/esg/policies/esr-policy-summary_97_2003.pdf)

MAM considers a broad range of ESG risks relating, but not limited to, workplace health and safety, community wellbeing, human rights, climate change, resilience, bribery, corruption, cybersecurity, and data privacy before any investment is made.

In line with this policy, the Platform will have its own risk management framework in place appropriate to its context, risk profile, operations and supply chain, which is monitored by the Platform's Board and implemented by management. This policy, as summarised below, will meet the minimum requirements as set out in MAM's ESG Policy, WHS Policy, and other MAM-level policies in respect of risk management, sustainability, ESG or otherwise.

### 5.2.2 Principles for Responsible Investment (PRI) Principles

MAM has been a signatory to the UN-supported PRI since 2015. As a signatory, it will require the Platform to adhere to all E&S considerations that are part of these principles. As a PRI signatory, MAM will make an annual disclosure on responsible investment activities and how material ESG issues are integrated into the investment decision-making and management process.

### 5.2.3 Tools, Training and Capacity Building

An E&S Specialist will be hired by the Platform. In line with other responsibilities, the E&S Specialist will be responsible for the capacity building of other staff on the Platform. Support will be provided by the MAM Sustainability Team with reference to international best practice in e-mobility as applied in MAM's other current and future investments in the sector.

The Platform is not yet established so dedicated procedures, guidelines and tools have not yet been established for the e-mobility sector in India or underlying sub-sectors. However:

- The Platform will use the framework of Macquarie Group's environmental and social risk assessment tool (**ESR Tool**). The tool was built in collaboration with external advisers. This provides a series of questions to consider in relation to each sub-project. The environmental and social criteria and categorisation is produced and based on International Finance Corporation Performance Standards. The tool is kept up to date in line with industry best practice.
- Sectoral guidance (including, for example, due diligence checklists) will be developed and updated to support analysis of new sub-projects based on experience and best practice.

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Platform staff will receive tailored sustainability training on a regular basis. Training shall include both mandatory training on topics such as directors' duties, health and safety, anti-bribery and corruption, conduct risk and information security and regular practical training to assist staff in performing their roles, as well as tailored training on specific sustainability topics. Such topics include the relevance and importance of ESG considerations in the e-mobility sector, minimum standard expectations, the use of GRESB assessments, modern slavery, regulatory developments, and best practice on key issues in the sector.

### **Trainings at Sub-project Level**

The Platform will look for opportunities to offer training to financing counterparties or workshops to discuss E&S issues within the e-mobility sector. This will support capacity building of both the Platform staff and counterparties involved in sub-projects.

The Platform will also review the training requirements that counterparties have in place as part of the due diligence of a sub-project (*see Appendix 2 - Counterparty and sub-project due diligence*). This should include (but is not limited to):

- general EHS aspects;
- ESIA process and report findings;
- Stakeholder Engagement and Grievance Redressal;
- implementation of ESAP (as applicable); and
- environment and social indicators.

#### **5.2.4 Stakeholder Engagement**

Stakeholder engagement will be conducted in line with GCF and MAM policies. Given the direct counterparties of the Platform will be corporate counterparties, most of the stakeholder consultations from the Platform's perspective will involve these counterparties, including OEMs, other financiers and state governments. The stakeholder engagement plan for the Programme has been included in *Appendix 5*.

Given the Platform will not be operating the vehicles, or directly involved in planning of new public transport routes, stakeholder consultations with individuals who will benefit from the vehicles will be completed by third parties and possibly prior to the financing transaction (e.g., as part of the tender that may have already been designed by a state government).

Stakeholder engagement will be conducted commensurate with the environmental and social risk category of the project. For example, it is not expected that extensive stakeholder engagement activities will be required for most Category C projects. However, this requirement will be assessed on a project specific basis. Any sub-project stakeholder engagement plans prepared by the financing counterparties will be reviewed by the Platform.

Where stakeholder consultation is required for a sub-project (e.g., such as for charging infrastructure with site specific requirements), MAM will review the stakeholder consultations that have been completed by counterparties as part of its upfront due diligence. This will include:

- defining stakeholders and issues for sub-projects, including women and vulnerable people;
- multiple opportunities for engagement provided to a broad range of participants and impacts summarised. Communication to involve multiple languages where applicable and in an accessible format;
- recording data on consultations, including gender-disaggregated data; and
- planning to monitor and follow-up on issues raised in relation to sub-projects.

For sub-projects where a site-specific stakeholder consultation is not required, MAM will review the general stakeholder engagement practices of the financing counterparty. For example, the community engagement of the relevant bus operator.

A stakeholder engagement framework to guide the preparation of project specific SEP has been provided in *Appendix 4*.



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### 5.2.5 Grievance Mechanism

An activity level grievance mechanism (**GM**) will be established once the Platform is established. The means of accessing this will be published to the GCF and AE's websites. The specific objectives of the GM will be:

- to put in place a process of receiving, recording and resolving grievances from various stakeholders, in keeping with their unique profiles and socio-economic contexts;
- to structure and manage the handling of comments, responses and grievances, and allow monitoring of effectiveness of the mechanism;
- to ensure that comments, responses and grievances are handled appropriately in a fair and transparent manner, in line with the projects internal policies and international best practice; and
- where the grievance relates to SEAH, to manage in a survivor-centred and gender-responsive way.

The GM will define the roles and responsibilities, reporting channels, timelines for addressing grievances and escalation matrix. The implementation of the GM will be reported to the Platform Board. Records will be maintained in the form of grievance registers, along with details on how each grievance was addressed.

**Grievance mechanisms are also available through the Accredited Entity and GCF:**

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<b>Accredited Entity</b>	Macquarie Integrity Office <a href="https://www.macquarie.com/au/en/disclosures/whistleblower-policy.html">https://www.macquarie.com/au/en/disclosures/whistleblower-policy.html</a> <a href="mailto:integrityoffice@macquarie.com">integrityoffice@macquarie.com</a>
<b>Green Climate Fund</b>	<a href="#">File a complaint   Independent Redress Mechanism   Green Climate Fund</a>

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The Platform will review the grievance mechanisms put in place for sub-projects where necessary as part of the due diligence of a sub-project, aligned to the principles above (*see Appendix 2 - Counterparty and sub-project due diligence questionnaire*). Such records will be submitted by counterparties as part of their reporting commitments to the Platform.

### 5.2.6 E&S Disclosures

The Platform will comply with the GCF information disclosure policy and environmental and social policy which indicates that, in the case of Category B sub-projects, the ESIA and ESAP will be disclosed at least 30 days in advance of the approving authority's decision. The same will be ensured for all sub-projects. The safeguard reports will be available in both English and the local language where the sub-project is located. The reports will be submitted to GCF and made available to GCF via electronic links in both the AE and the GCF's website, as well as in locations convenient to affected peoples in consonance with requirements of GCF Information Disclosure Policy and *section 7.1 of (Information Disclosure) of GCF Environmental and Social Policy*.

## Part B - Integration into Investment Process & Monitoring

E&S considerations will form an intrinsic part of the Platform's investment strategy and will be considered at all stages of the investment process. This will include consideration of E&S risks and impacts that are more prevalent in the e-mobility sector (such as materials or supply chain factors) or specific transaction types (such as heightened counterparty and procurement risks for leasing structures).

Its approach will be to ensure early identification of material E&S risks and opportunities that can have impact on the long-term value of the counterparty and any E&S impacts the sub-project may have. As a result, the Platform will focus on integrating both financial and non-financial factors into the financing decision process to drive superior long-term performance of a borrower or lessee, and hence its ability to repay the debt.

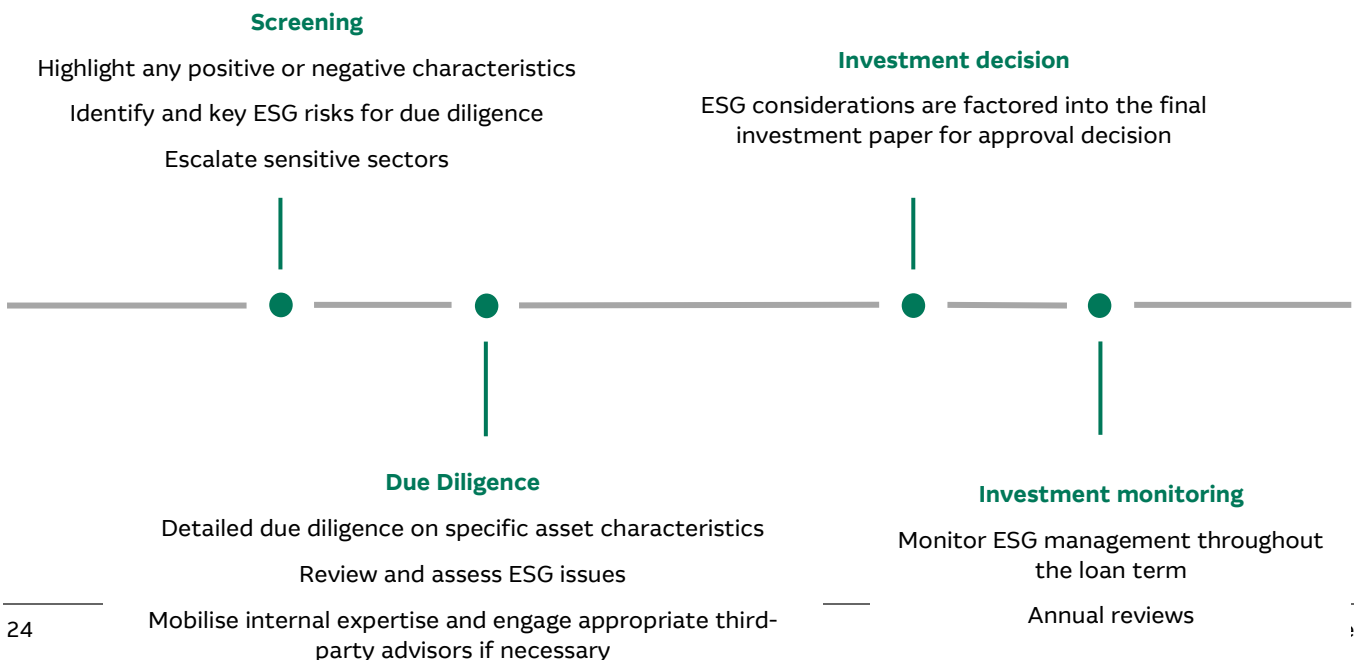
Platform will consider a broad range of E&S risks and opportunities in assessing potential financing opportunities and in ongoing asset management, including examples outlined in the table below. The approach to E&S will be driven by materiality. The Platform will focus on those which are most important and meaningful for the opportunity and its stakeholders. Materiality will be first identified at screening.

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Climate change exposure and vulnerabilities</li> <li>Greenhouse gas emissions</li> <li>Materials and recycling</li> <li>Water usage</li> <li>Impact on biodiversity</li> <li>Land use</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Labour practices</li> <li>Community engagement</li> <li>Human rights / anti-slavery</li> <li>Cultural heritage</li> <li>Privacy and data protection</li> <li>Gender and vulnerable people considerations</li> </ul>	<ul style="list-style-type: none"> <li>Conflicts of interest</li> <li>Anti-bribery and corruption</li> <li>Fraud prevention</li> <li>Cyber security</li> <li>Procurement practices</li> </ul>

To make any financing decision, Platform will cover the following key activities:

1. screening;
2. due diligence;
3. financing decision (including review and approval E&S risks, mitigants, classification and actions for a sub-project);
4. monitoring; and
5. reporting.

The below diagram highlights how ESG is integrated at each stage of the investment decision making process:



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The process will begin with the initial identification and evaluation of opportunity, review of the investment thesis and business case, due diligence and investment approvals.

Post financing, the Platform will have regular and ongoing monitoring mechanisms which will be discussed and agreed with the counterparties and reported on a regular basis.

Additionally, the Platform will have its own reporting requirements on the social and environmental impact, and sustainability performance of its portfolio investments. This will transparently report on the Platform and the Investment Manager's commitment to its investors to deliver high levels of sustainability and focus on ESG matters across its portfolio and the communities in which it operates.

### 5.2.7 Screening (Stage 1) and Exclusion

Each potential sub-project will include a preliminary E&S risk screening to be undertaken by the Platform. For new investments, the Platform will first be screened against an Exclusion List, as presented in *Appendix 1*, for early identification of environmentally or socially sensitive activities likely to result in a negative stakeholder or reputational impact.

During the screening phase, new sub-projects will be screened for "red flags" including E&S risks and adverse news relating to negative stakeholder or reputational impact. Anti-bribery and corruption assessments will also be conducted for each financing opportunity and transactions will be screened for conflicts of interest. Examples of red flags during this stage include:

- exposure to sensitive sectors or activities (*refer Appendix 1*);
- credible allegations of human rights breaches or significant environmental controversies; and / or
- breaches of national or international environmental or social laws or conventions.

The Platform will further screen financing opportunities using the ESR Tool outlined in previous sections. The results of the ESR Tool will be used to shape the scope of due diligence and identify material E&S risks and information gaps relevant to the financing opportunity. The ESR Tool results may also trigger escalated review, decision-making and approval requirements for financing opportunities found to exhibit high environmental and social risk.

E&S matters addressed by the ESR Tool include the following, aligned to the IFC Performance Standards (**IFC PS**). These will be assessed in relation to the financing counterparty and expected operation of the vehicles where applicable:

- compliance with regulations, permits and licenses;
- climate change mitigation and greenhouse gas emissions;
- climate change physical risk and resilience;
- human rights issues including modern slavery;
- land acquisition and involuntary resettlements;
- biodiversity and sustainable management;
- labour and working conditions;
- resource efficiency and pollution prevention;
- health, safety and security of workers and community;
- indigenous peoples and vulnerable groups; and
- cultural heritage considerations.

## 5.2.8 Categorisation

Each new sub-project will be assigned provisional risk categorisation as per the below definitions:

Category	Definition	Type of sub-project/ potential triggers	E&S Safeguard Requirement
Category A	Sub-projects with potential significant adverse environmental or social risks and / or impacts that are diverse, irreversible, or unprecedented.	<p>Any sub-project having potential severe negative impacts in terms of resettlement, biodiversity, indigenous people, resources, cultural heritage and / or occupational health and safety, that can trigger one or more of following:</p> <ul style="list-style-type: none"> <li>• large scale land acquisition / access restriction involving physical and / or economic displacement;</li> <li>• forced eviction of people to access / use land for a project;</li> <li>• located inside protected wildlife areas / areas protection-worthy in accordance with international conventions and standards, resulting in conversion of critical habitat or disturbance / loss of endangered species;</li> <li>• relocation of / damage to cultural heritage of significance (tangible / intangible heritage as defined in international standards); and / or</li> <li>• physical displacement of indigenous peoples from their ancestral lands / or significant access or use restrictions of such land resulting in loss of livelihood or traditional customs.</li> </ul>	Category A projects will not be financed by the Platform.
Category B	Sub-projects with potential limited adverse environmental or social risks and / or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	<p>Example:</p> <ul style="list-style-type: none"> <li>• charging infrastructure on greenfield land parcels, located in vicinity of ecologically sensitive areas or tribal areas where the risks are limited or site-specific, and can be addressed through mitigation measures.</li> </ul>	<p>Specific studies and management plans with respect to biodiversity, resettlement impacts, indigenous peoples or cultural heritage as per IFC PS requirements. These may be required to be conducted by the counterparty as per the findings of the detailed due diligence.</p> <p>Where these reports identify material risks, project specific ESAP and other management plans will need to be developed by, or with, the counterparty, in line with IFC PS requirements and</p>

Category	Definition	Type of sub-project/ potential triggers	E&S Safeguard Requirement
			industry relevant standards. This will be driven by the results of the ESIA (or other relevant studies) and formalised as a ESAP by the financing counterparty. For Category B activities with limited impacts, a fit-for-purpose ESIA and an ESMP, with a more limited focus as may be appropriate, that describes the potential impacts, as well as appropriate mitigation, monitoring and reporting measures, will be required.
Category C	Sub-projects with minimal or no adverse environmental or social risks and / or impacts.	Examples: <ul style="list-style-type: none"> <li>charging infrastructure points being established in existing fuel pumps or parking lots, with no new land procurement; or</li> <li>procurement / leasing of electric vehicles.</li> </ul>	Such sub-projects shall be periodically assessed to ensure that the initial categorisation of Category C remains accurate. No formal ESIA or ESAP will be required.

The above categorisation for sub-projects will be provisionally assigned by the Platform, and the detailed due diligence will further confirm the final categorisation of the sub-project.

For investment opportunities which qualify the screening stage, the Platform will undertake a detailed due diligence. The due diligence will cover counterparty capacity and competency, as well as sub-projects specific risks and impacts.

### 5.2.9 Detailed Due Diligence (Stage 2)

During the due diligence phase, the Platform will conduct due diligence to review the counterparty and the specifics of the new sub-project using a materiality approach. A range of important factors will be investigated during the due diligence phase, including E&S risks. The scope for the due diligence will need to be customised and modified to develop a fit to purpose and tailored scope for each sub-project based on the potential risks from the screening process.

A questionnaire on due diligence of counterparties and sub-projects have been provided in the *Appendix 2*. When the due diligence of each sub-project against the IFC performance Standards is completed, this will include identifying the key risks, who is responsible and how / if they can be managed effectively.

Some examples of E&S matters that will be investigated during E&S due diligence include:

- evaluate client / counterparty environmental and social risk management capacity and track record;
- review counterparty's capacity to implement the Platform requirements through the financing documentation, where required including reporting;
- review of stakeholder engagement, where applicable (particularly sites which involve land acquisition);
- historical and current compliance with regulations, permits and licences;
- historical and current instances of litigation involving the company;
- key E&S risks and liabilities, considering both financial and non-financial impacts;
- assessment of existing E&S risk management framework and its alignment with industry best practices;
- review of practices related to:
  - replacement and disposal of conventional vehicles by companies;

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- procurement and supply chain policies and practices;
  - employment and labour relations;
  - sexual abuse, exploitation and harassment;
  - waste management including e-waste and hazardous waste;
  - gender-related safeguarding actions implemented or planned by the company; and
  - stakeholder engagement and grievance redressal.
- assess adequacy of mitigation or management plans required to address material E&S risks; and
  - GHG quantifications and potential for reduction measures.

Where applicable, qualified external consultants will be engaged by the counterparties to conduct further due diligence.

### ESIA / ESAP Requirement

As per Indian regulations, e-mobility projects are not required to carry out mandatory environment and social impact assessment (**ESIA**) studies.

However, if the project categorisation is Category B, determined during the detailed due diligence process, then an ESIA and additional E&S studies will be required, scoped according to materiality and the specific issues. The Platform will ensure implementation of the requisite reports by counterparty:

- The scope of such studies will be context and location specific, based on the suggestions of the detailed due diligence.
- Based on the identified risks and impacts in the ESIA, an Environmental and Social Action Plan (**ESAP**) that meets the IFC PS requirement.
- To the extent that the counterparty has already prepared the ESIA and ESAP, these will be reviewed by the Platform as part of due diligence.
- The ESAP will clearly indicate timeline within which the recommended actions will be required to be implemented.
- A tentative budgetary estimate to comply with the ESAP action items shall also be provided in the ESAP.
- The implementation of ESAP items will be subsequently monitored by the Platform.

For Category B activities with limited impacts, a fit-for-purpose ESIA and an ESMP, with a more limited focus as may be appropriate, that describes the potential impacts, as well as appropriate mitigation, monitoring and reporting measures will be required.

#### 5.2.9.1 Principles on Battery Disposal

The battery disposal risks and plans will be reviewed for every sub-project, including the roles and responsibilities and inclusion in E&S Risk and Mitigation Summary for the financing decision (see below). The Platform's approach to assessing this will be principles-based and seek to deal with EV batteries via a waste hierarchy whereby the Platform and counterparty will endeavour to dispose of the batteries via the first method, or otherwise seek out the subsequent option:

1. **Longevity:** when procuring of financing vehicles, take into consideration the forecast useful life of the EV battery, seeking, where commercially feasible, to purchase batteries with maximum longevity.
2. **Procurement-fate matching:** seek to ensure that, from day one of EV battery procurement, there is a defined end of useful life forecast and pre-defined end-of-life strategy / fate in place for every EV battery purchased or financed by the Platform.
3. **Repurpose:** EV batteries are generally replaced when their original capacity depletes below 80%. The Platform will first explore local opportunities and partnerships to repurpose the batteries for stationary energy storage applications (e.g. community battery farms, secondary market resale) to extend their useful life by another 10+ years. The Platform will have appropriate oversight, assurance and safeguards to ensure that appropriate repurposing is occurring.

4. **Recycle:** where it is not feasible to repurpose batteries, the Platform will partner with local battery recycler who extract battery components and resell them back into the raw materials supply chain. The Platform will have appropriate oversight, assurance and safeguards to ensure that appropriate recycling is occurring.
5. **Export:** if no local reuse / recycling options are feasible, the Platform will seek to export the batteries to a jurisdiction where reuse / recycling can occur.
6. **Landfill:** disposal / landfilling of batteries will only be considered as a last resort if no other options are feasible. The Platform does not expect that landfilling will be required.

#### 5.2.10 E&S Risk and Mitigation Summary for Financing Decision (all sub-projects)

Once due diligence has been finalised, the Platform will summarise the findings as part of the approval to invest for all sub-projects setting forth:

- ESS classification of the sub-project and justification.
- Outline which environmental and social risks have been identified within the sub-project and classification as per the table below:

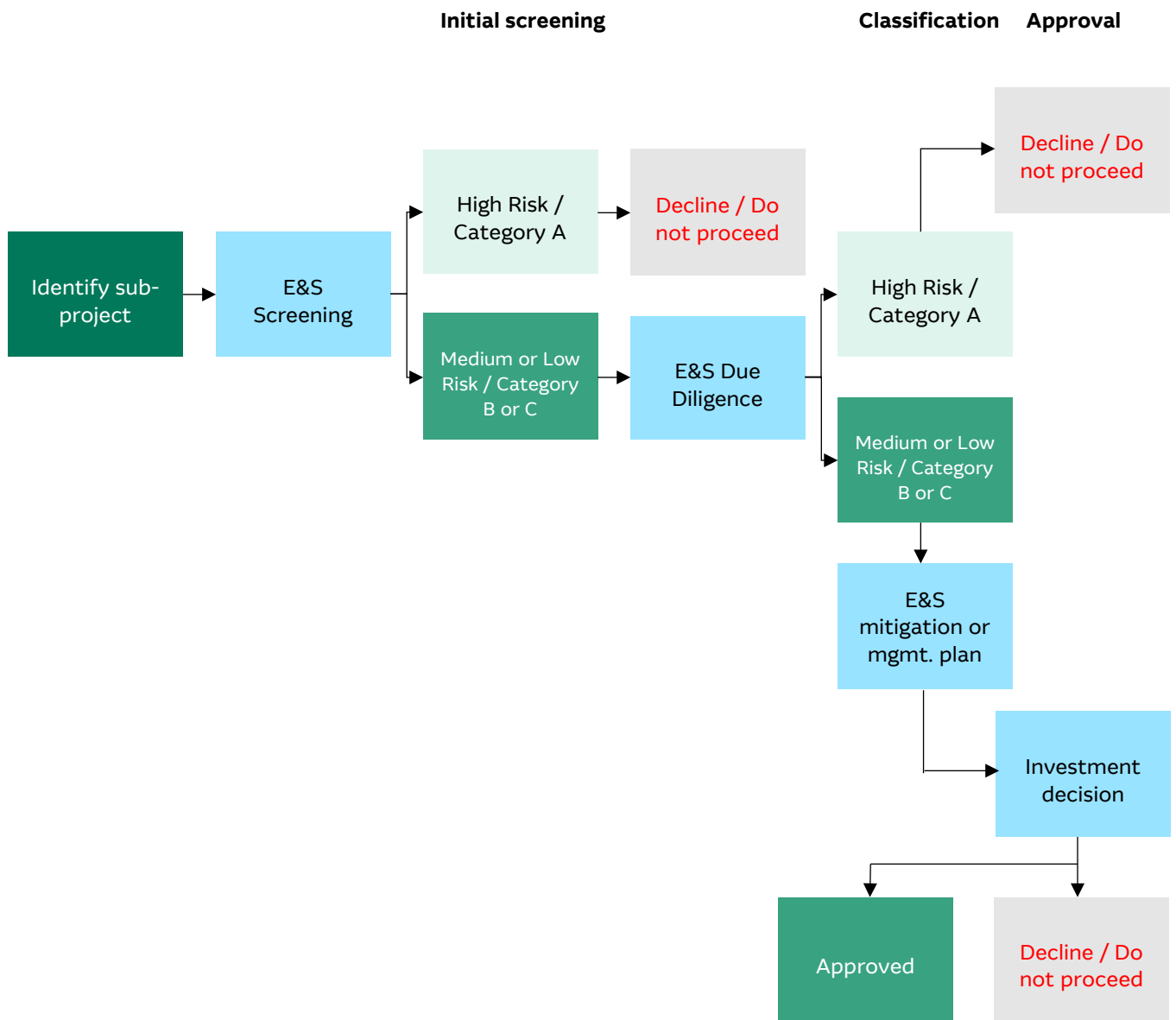
Priority of Issue	Definition
<b>Red Flag Issues</b>	Material issue with potential severe consequences and limited opportunities of mitigating, which could lead to immediate operational shut down, reputational damage / possibilities of significant reputational risks arising in the future, or impacts to sensitive environmental and social receptors, including fence line community and customers as key stakeholders or, lead to criminal proceedings.
<b>High Risk Issues</b>	Significant non-conformance to IFC PS and regulatory requirements, which may result in operational disruption, a material cost, regulatory notice, and / or include stakeholder opposition that may lead to reputational risks.
<b>Medium Risk Issues</b>	Non-conformance with the IFC PS and regulatory requirements, which may result in non-material rectification costs or fines, and is unlikely to result in the short-term in business discontinuity in current regulatory enforcement context.
<b>Low Risk Issues</b>	Minor regulatory or safeguard non-compliance, which may result in limited cost or only require management time to address the issue.

- Outline existing mitigating features identified during due diligence (such as review of completed ESIA) or in existing governance arrangements (such as where the financing counterparty has robust policies and procedures in place).
- Outline where avoidance of environmental and social risks is not possible, and as a result:
  - actions to minimise risks and impacts;
  - timeline of implementation of activities; and
  - responsibilities within the counterparty for implementation of mitigation and management measures.

Where applicable, these will be included in financing documentation with the financing counterparty. Potential activities may also include additional reporting that the Platform will request to monitor compliance with key E&S risks, or representations that will be required from the financing counterparty. The requirements will be determined as part of each investment to ensure that bespoke mitigation and management plan suits the needs of the given scenario.

Depending on the E&S analysis, project categorisation, the action items, possible mitigation measures and cost of mitigation, the Platform may choose not to pursue a sub-project.





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### 5.2.11 Monitoring

All implementation and reporting responsibilities will be clearly outlined and agreed between the counterparty and the Platform. This may include integration of actions in the financing documentations, which may include specific actions, requirements to report on adherence to any relevant policies and procedures reviewed by the Platform or reporting against the ESAP (where applicable).

E&S related factors and performance will be considered in the Platform's monitoring process through the annual review assessments and E&S trends and issues observed across the portfolio and wider market. The Platform will maintain an ongoing dialogue with the counterparty's management team throughout the life of the financing instrument and actively monitor the counterparty and market for E&S trends and events, amongst other credit items.

Ongoing monitoring will not be limited to individual sub-projects but will extend to the sub-industry trends and the impact of issues across the market.

Where relevant, the Platform will conduct a deep dive into the portfolio to assess potential exposure to any new or emerging risk that was not prevalent at the date of initial financing. Where (if any) material E&S risks are identified, issues will be escalated to the Platform's Board.

## 6. Applicable Reference Frameworks

There are limited specific standards related to the e-mobility sector in India, however, the Platform will explore alignment to best practice as the sector develops. A broad E&S reference framework, including Indian national standards, GCF standards and the IFC Performance Standards, that will apply to the Platform are as presented below. These will be updated over time as regulations develop.

**The Platform will apply whichever is the highest standard between GCF, national or MAM policies (designed to align to international practice).**

Where relevant, inconsistencies between national standards and GCF or MAM policies will be highlighted in the E&S Risk and Mitigation Summary for financing decision, outlining how the highest standard has been met. This could be met through inclusion of a specific clause in the financing documentation, reporting requested from the financing counterparty, a higher level of due diligence reporting requested from the counterparty, inclusion in the ESAP prepared by the financing counterparty (Category B projects only), or otherwise.

### 6.1 Applicable National Legislation and Regulations

Themes	Key Legislations (applicability to sub-projects may vary)
<b>Environmental Protection</b>	<ul style="list-style-type: none"> <li>• Environmental Protection Act 1986</li> <li>• Environmental Protection (Third) Amendment Rules, 2002, along with subsequent amendments</li> <li>• Air (Prevention and Control of Pollution) Act, 1981 as amended 1987; and Air (Prevention and Control of Pollution) Rules, 1982</li> <li>• Noise Pollution (Regulation and control Rules), 2000</li> <li>• Water (Prevention and Control of Pollution) Act 1974 (section 25) (herein after referred to as Water Act 1974)</li> <li>• Notified Guidelines to regulate and control Ground water Extraction in India dated 12 December 2018, with effect from 01 June 2019</li> <li>• Hazardous and Other Wastes (Management and Transboundary) Rules, 2016</li> <li>• Ozone Depleting Substances (Regulation and Control) Rules, 2000</li> <li>• Regulation of Polychlorinated Biphenyls (<b>PCB</b>) Order, 2016</li> <li>• Forest (Conservation) Act 1980</li> <li>• Wildlife Protection Act 1972</li> <li>• Guidelines for declaration of eco-sensitive zones around National parks and Wildlife Sanctuaries, 2011</li> <li>• Coastal Regulation Zone (<b>CRZ</b>) Notification, 2019</li> </ul>
<b>Land Acquisition and Resettlement</b>	<ul style="list-style-type: none"> <li>• Right to Fair Compensation and Transparency in Land Acquisition Resettlement and Rehabilitation Act 2013 (<b>RFCT LARR Act 2013</b>)</li> <li>• Guidelines / policies / rules / statutes for acquisition of land on consent basis by various State Governments (Kerala, Chhattisgarh, West Bengal, Uttar Pradesh, Telangana, Punjab, Rajasthan, Goa, Odisha, Bihar, Maharashtra, Himachal Pradesh, Karnataka, and Madhya Pradesh)</li> <li>• Land Revenue Codes of different State Governments and Union Territories</li> </ul>
<b>Labour and Working Conditions</b>	<ul style="list-style-type: none"> <li>• Factory Act 1948 and State Factory Rules (Director of Industrial Safety and Health requirement)</li> <li>• The Central Electricity Authority (Measures relating to Safety &amp; Electric Supply) Regulations, 2010 and amendments</li> <li>• Child and Adolescence Labour (Regulation and Abolition) Act 1986, as amended in 2017</li> <li>• Bonded Labour (Abolition) Act 1976</li> <li>• Contract labour (Regulation and Abolition), 1970</li> <li>• The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996</li> </ul>

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Themes	Key Legislations (applicability to sub-projects may vary)
	<ul style="list-style-type: none"> <li>• Equal Remuneration Act 1976</li> <li>• Maternity Benefits Act 2017</li> <li>• Minimum Wages Act 1948</li> <li>• Payment of Wages Act 1936</li> <li>• Workmen’s Compensation Act 1923</li> <li>• Sexual Harassment at Workplace (Prohibition, Prevention and Redressal) Act 2013</li> <li>• The Payment of Bonus Act 1965 and rules 1975 and subsequent amendment</li> <li>• The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979</li> <li>• The Payment of Gratuity Act 1972</li> <li>• The Employees’ Provident Funds and Miscellaneous Provisions Act 1952</li> <li>• The Employees’ State Insurance Act 1948</li> <li>• The Industrial Disputes Act 1947</li> <li>• The Employees’ Provident Fund &amp; Miscellaneous Provisions (Amendment) Act 1996</li> <li>• State specific Shops and Establishment Rules</li> </ul>
<b>Social Safeguards on engagement and inclusion, cultural heritage and others</b>	<ul style="list-style-type: none"> <li>• Panchayats (Extension to Scheduled Areas) Act 1996</li> <li>• Forest Rights Act 2006;</li> <li>• Scheduled Castes and Scheduled Tribes (Prevention of Atrocities Act) 1989</li> <li>• Ancient Monuments and Archaeological Sites and Remains Act, 1958 as amended up to 2010</li> </ul>

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## 6.2 GCF Standards

All relevant GCF policies will be applied to the Platform and sub-projects. The following GCF E&S policy key requirements are considered to be applicable to the Platform operations and sub-projects that will be considered for financing:

Standards	Implementation by the Platform
The accredited entities will put in place an effective <b>environmental and social management system</b> to assess the environmental and social risks and impacts associated with the activities and the means to subsequently manage these effectively and equitably.	Outlined in this document. The Platform will also be required to establish an ESMS once set up in line with the framework outlined in this ESMS.
Ensures that activities proposed for GCF financing are properly <b>screened, assigned appropriate environmental and social risk categories</b> and that the environmental and social risks and impacts are properly and sufficiently assessed.	The Platform will use MAM's ESR Toolkit aligned to the IFC Performance Standards to assign the appropriate ESS category. This analysis will be supported by MAM's dedicated E&S specialists.
Require the accredited entities to ensure that the borrowers, grantees, and investees have the adequate management systems, processes, and capacity to manage environmental and social risks and impacts, that the individual sub-projects and delegated activities are properly screened, assessed, assigned an appropriate risk category, subjected to due diligence and oversight, and that the implementation and outcomes are monitored and reported.	MAM, as the Investment Manager, will provide support to the Platform to manage E&S risks and impacts through oversight from the Platform Board and through day-to-day support of Platform management and staff. MAM has significant experience and a dedicated team to support portfolio companies, like the Platform, in implementing E&S best practice, including identifying, mitigating and monitoring risks over time.
Ensures disclosure of information on the GCF-financed activities and component sub-projects pursuant to the GCF Information Disclosure Policy.	The required disclosures will be made in line with the GCF Information Disclosure Policy.
Ensures that continuing stakeholder engagement, as well as entity-level and activity-level grievance mechanisms are developed and implemented.	An activity-level grievance mechanism will be established at the Platform once it is set up. Stakeholder engagement with the relevant counterparties will continue throughout the Programme as outlined in the Stakeholder Engagement Plan.
Require the accredited entities to undertake assessment of environmental and social, including transboundary, risks and impacts to ensure that the activities proposed for GCF financing meet their environmental and social safeguards pursuant to the ESS standards of GCF Policy.	The E&S management will be delegated to the Platform, with reporting to the Executing Entities and Accredited Entity. E&S risks and impacts will be assessed by the Platform as part of the upfront screening, due diligence and ongoing monitoring of all investments made by the Platform.
Ensures that ESAPs, and all measures to mitigate and manage environmental and social risks and impacts and to improve outcomes, are implemented, monitored and continuously improved.	An ESAP will be established for category B projects in line with requirements.
Ensures that the progress and performance are monitored and reported to GCF and its stakeholders throughout the implementation of the GCF-financed activities, in accordance with the monitoring and accountability framework and allowing GCF or GCF-authorized third-party verification of such reports.	Regular reporting will be required from the Platform on E&S issues, risks, monitoring activities and sector-wide themes. This will be provided to the AE and ultimately to GCF in line with the requirements set out under the Funded Activity Agreement for the Programme. Reporting also expected from financing counterparties for each sub-project.

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Take all necessary measures to ensure the compliance with all applicable laws, including the laws, regulations, and standards of the country in which the activities are located, and / or obligations of the country or countries directly applicable to the activities under relevant international treaties and agreements.

The relevant ESS standards have been identified in this document. The Platform and the Programme will monitor for any changes in regulations or laws that could apply to activities financed by the Platform to maintain compliance.

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Undertake all necessary measures to ensure that the communities affected, or potentially affected, by the activities (including vulnerable and marginalised groups and individuals) are properly consulted in a manner that facilitates the inclusion of local knowledge in the design of the activities, provides them with opportunities to express their views on risks, impacts and mitigation measures related to the activities, and allows the accredited entities to consider and respond to their concerns.

Potential risks and impacts to local communities will be highlighted by the ESR Toolkit, in line with the requirements outlined under the IFC Performance Standards. Where there are potential risk and impacts to communities, the Platform will conduct (or require the financing counterparty to conduct) the relevant stakeholder engagement to discuss concerns and mitigation measures in line with GCF standards.

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### 6.3 IFC Performance Standards on Environment and Social Sustainability, 2012

These standards are integrating into MAM's ESR Toolkit which will be used to assess all sub-projects (see sections below).

Description	Applicability
<p><b>IFC PS 1</b> - Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>The standards aim to assesses the existing social and environmental management systems and identify the gaps with respect to their functioning, existence and implementation of an environmental and social management plan (<b>ESMP</b>), a defined EHS Policy, organisation chart with defined roles and responsibilities, risk identification and management procedures, as well as processes like stakeholder engagement and grievance management.</p> <p>This will be implemented once the Platform is set up and in line with the requirements outlined above under MAM's framework. The E&amp;S management systems developed and implemented by the Platform will apply on a sub-project basis. this will also be considered in the diligence of financing counterparties.</p>
<p><b>IFC PS 2</b> - Labour and Working Conditions</p>	<p>A number of international conventions and instruments guide this aspect on labour and workers' rights. The guidelines cover the following themes: Human Resource Policy and management, workers' organisation, non-discrimination and equal opportunity, retrenchment, protecting the workforce and occupational health and safety.</p> <p>Under this reference, the status of the employees and workers of the Platform's financing counterparties, as well as the contractors and sub-contractors hired by them, are required to be assessed. Supply chain issues will also be reviewed as part of this Performance Standard.</p>
<p><b>IFC PS 3</b> - Resource Efficiency and Pollution Prevention</p>	<p>PS 3 covers the use resources and materials as inputs and wastes that could affect human health. The objectives of PS 3 are to avoid or minimise adverse impacts on human health and the environment by avoiding or minimising pollution from project activities, and to promote more sustainable use of resources, including energy and water, etc. Key themes covered under PS 3 are pollution prevention, resource conservation and energy efficiency, wastes, hazardous materials, emergency preparedness and response, greenhouse emissions and pesticide use and management.</p> <p>This Performance Standard will assess how financing counterparties intend to minimise pollution related impacts, what management plans and systems are in place, and what measures it plans to take to conserve and use resources more efficiently, including the use of renewable energy for charging of EVs.</p>
<p><b>IFC PS 4</b> - Community Health, Safety and Security</p>	<p>PS 4 requires due diligence to anticipate and avoid adverse impacts on the health and safety of the affected community during the project life, from both routine and non-routine circumstances. It also requires the Platform to ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles, and in a manner that avoids or minimises risks to the affected communities.</p> <p>Key areas of compliance screened under PS 4 include: infrastructure / equipment safety, hazardous material safety, natural resource issues, exposure to disease, emergency preparedness and response, and security personnel requirements.</p>
<p><b>IFC PS 5</b> - Land Acquisition and Involuntary Resettlement</p>	<p>PS 5 requires project proponents to anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition or restrictions on land use. The key themes covered under this are: compensation and benefits for displaced persons, consultation and grievance mechanism, resettlement planning and implementation, physical displacement and economic displacement. PS 5 also prescribes private sector responsibility to supplement government actions and bridge the gap between government-assigned entitlements, procedures, and the requirements of PS5.</p>



Description	Applicability
	<p>There is not expected to be significant land acquisition or involuntary resettlement given land parcels identified / procured / leased will generally be private land procured / to be procured on a willing buyer and willing seller basis. If this is triggered, the resettlement will be managed according to the Resettlement Framework outlined in <i>Appendix 7</i>.</p>
<p><b>IFC PS 6</b> - Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>The requirements of this Performance Standard are applied to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact, or are dependent on, ecosystem services over which the client has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry). PS 6 screens relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. The key themes covered under PS 6 are: natural habitat, critical habitat, legally protected areas, international introduction of alien species, and living natural resources (natural and plantation forest, aquatic resources etc.).</p> <p>In case any of the sub-projects are present in the vicinity of sensitive areas, protected area or forest areas, or have impacts on biodiversity, this Performance Standard will likely be triggered. However, this is not expected to be likely given the limited land acquisition that is expected under the Programme and the types of land acquisition that is expected (as described under PS 5).</p>
<p><b>IFC PS 7</b> - Indigenous Peoples</p>	<p>This Performance Standard applies to communities or groups of indigenous peoples who maintain a collective attachment, i.e., whose identity as a group or community is linked, to distinct habitats or ancestral territories and the natural resources therein. PS 7 endeavors to ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of indigenous peoples. Key themes covered under PS 7 are: avoidance of adverse impacts, consultation and informed participation, impacts on traditional or customary lands under use, relocation of IPs from traditional or customary lands, and cultural resources.</p> <p>This is not expected to be triggered given land parcels identified / procured / leased will generally be private land. These will also be predominately in urban areas where projects are unlikely to have adverse impacts on indigenous peoples. However, if this is triggered, then the Indigenous Peoples Policy Framework outlined in <i>Appendix 8</i> will be followed.</p>
<p><b>IFC PS 8</b> - Cultural Heritage</p>	<p>For the purposes of PS 8, cultural heritage refers to (i) tangible forms of cultural heritage; (ii) unique natural features or tangible objects that embody cultural values; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes. The requirements of PS 8 apply to cultural heritage regardless of whether or not it has been legally protected or previously disturbed. This Performance Standard will be applicable for sub-projects where cultural heritage will be affected by the project activities.</p>

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# A1. Exclusion list

## Category A projects will not be financed by the Platform.

The Platform will have the mandate to invest across the e-mobility value chain and at such time, there are no sub-sectors which are currently excluded. Once the Platform is established or material E&S issues are identified within specific sub-sectors or activities, the Platform may add exclusion sectors or activities to this list.

**As a baseline standard, the Platform will adopt an exclusion list that complies with IFC Exclusion List (2007).** The IFC Exclusion List defines the types of projects that IFC **does not** finance.

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides / herbicides, ozone depleting substances,<sup>2</sup> PCB's, wildlife or products regulated under CITES.<sup>3</sup>
- Production or trade in weapons and munitions, alcoholic beverages (excluding beer and wine), tobacco.<sup>4</sup>
- Gambling, casinos and equivalent enterprises.<sup>5</sup>
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and / or adequately shielded.
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.

**All financial intermediaries (FIs)**, except those engaged in activities specified below\*, must apply the following exclusions, in addition to IFC's Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labour<sup>6</sup>/ harmful child labour.<sup>7</sup>
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.

\* When investing in **microfinance** activities, FIs will apply the following items in addition to the IFC Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labour / harmful child labour.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.

\* **Trade finance projects**, given the nature of the transactions, FIs will apply the following items in addition to the IFC Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labour / harmful child labour.

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<sup>2</sup> A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

<sup>3</sup> As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), see [www.cites.org](http://www.cites.org), as may be amended from time to time.

<sup>4</sup> 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 a project sponsor's primary operations.

<sup>5</sup> 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 a project sponsor's primary operations.

<sup>6</sup> Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>7</sup> Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

## A2. Counterparty and sub-project due diligence checklist

S.N.	Aspects	Questions for due diligence
1	<b>Organisation capacity and competency of counterparty</b>	<ul style="list-style-type: none"> <li>• What is the total number of employees?</li> <li>• What is the firm's organisational structure (proposed or actual)?</li> <li>• Any financial, health, litigation, personal or other existing conditions of any team members that might impact their ability to carry out their duties as related to the project?</li> <li>• Who are the key personnel, and what key person provisions exist?</li> </ul>
2	<b>Environment management systems, policies and procedures</b>	<ul style="list-style-type: none"> <li>• Does the firm have a robust policy in place around identifying and managing ESG issues? If not, will it consider adopting a policy? Does the policy align with Platform's ESG standards? Will ESG considerations be an inherent part of the investment decision making process?</li> <li>• Does the company adhere to any international standards or frameworks (e.g., IFC Performance Standards), or plan to do so?</li> <li>• How often does the company review and update the system?</li> <li>• Does the company have resources earmarked to support this? Do they have any best practice certification (ISO)?</li> <li>• What are the implementation tools for the above policies?</li> <li>• Are there persons responsible for implementation of the management system?</li> <li>• Include an outline of the persons responsible including S&amp;E management.</li> <li>• What are the training and reporting lines, KPIs?</li> <li>• Does the company have a community engagement process for affected communities? If applicable, does this process ensure free, prior and informed consultation of the affected community?</li> <li>• Does the company have a grievance mechanism in place for affected communities?</li> <li>• Does the company have procedures in place to monitor management programme performance?</li> <li>• Is appropriate environmental and social performance information periodically reported internally to senior management, investors and stakeholders as relevant?</li> </ul>
3	<b>Land procurement and acquisition</b>	<ul style="list-style-type: none"> <li>• Is there any land acquisition for the proposed investment? If yes, what was the previous use of the land and how was the land acquired? Was the land acquisition managed by the government? Are there any existing or potential land ownership or access rights disputes?</li> <li>• Has there been any physical and / or economic displacement and resettlement as a result of land acquisition for this project? If yes, provide detailed information with regard to the type of displacement and the displaced persons and communities.</li> <li>• Has the company engaged with the displaced persons and communities and / or provided opportunities to derive appropriate development benefits from the project? If yes, provide details.</li> <li>• Has the company: <ul style="list-style-type: none"> <li>– considered alternative designs to avoid or minimise economic and physical displacement?</li> <li>– identified persons to be displaced by the project and those eligible for compensation and assistance through a baseline census with appropriate</li> </ul> </li> </ul>

S.N.	Aspects	Questions for due diligence
		<p>socio-economic baseline data? Has the census established the status of displaced persons according to their legal rights or claim to land?</p> <ul style="list-style-type: none"> <li>- prepared a Resettlement Action Plan or resettlement framework (if physical displacement is involved) that mitigates the negative impacts of displacement, identifies development opportunities and establishes entitlement for all affected persons?</li> </ul> <ul style="list-style-type: none"> <li>• Was resettlement managed by the government? If yes, has the company supplemented government actions and bridged the gaps (if applicable) between the government-assigned entitlements and procedures and the requirements of IFC PS 5?</li> </ul>
4	<b>Biodiversity conservation and management</b>	<ul style="list-style-type: none"> <li>• Has the company identified and addressed the impacts on biodiversity as part of their operations?</li> <li>• Will modified, natural and critical habitat (as defined by IFC PS 6) be impacted by the company's activities? <ul style="list-style-type: none"> <li>- In the case of natural habitat, has the company considered alternatives and adequately mitigated any potential degradation?</li> <li>- In the case of critical habitat, has the company suitably determined that there will be no measurable adverse impact on species or habitat?</li> </ul> </li> <li>• Does the company conduct any operations in legally protected areas? If yes, has the company addressed the requirements for legally protected areas outlined in PS 6?</li> <li>• Has the company identified any alien species which may be intentionally or unintentionally introduced through its activities? If intentional introduction of alien species is planned, has this received appropriate government regulatory approval?</li> <li>• Has the investee company identified renewable natural resources which it will use, and committed to managing them in a sustainable manner?</li> </ul>
5	<b>Worker / workforce management</b>	<ul style="list-style-type: none"> <li>• Does the investee company have an HR policy? Is it clearly understandable and easily accessible to all employees? Does it provide information on rights under national labour and employment law?</li> <li>• Is the company committed to complying with ILO requirements (including commitment to non-discrimination, equal opportunity, collective bargaining and rights of association)?</li> <li>• Is the company committed to complying with national employment requirements?</li> <li>• Has the company documented and communicated working conditions and terms of employment to all workers directly contracted? Does this include guidelines on working hours, overtime procedures, wages paid, types of contracts, frequency of payments and sick and maternity leave?</li> <li>• What is the language of communication with workers and employees?</li> <li>• Are the terms and conditions in accordance with any collective agreement with workers?</li> <li>• Has the company implemented a grievance mechanism to review and address employee complaints, including in relation to SEAH?</li> <li>• Is there a person responsible to review complaints and follow up on them in a timely and transparent manner?</li> <li>• Are written procedures in place for performance appraisals, promotions and any performance-related pay (if applicable)?</li> <li>• Are trade unions present / allowed?</li> <li>• Are there policies around child labour / forced labour? Have any instances around child / forced labour been reported or observed onsite?</li> <li>• Does the company have documented transparent procedures with respect to discipline, performance and grievance procedures to ensure that employment decisions are not made on the basis of personal characteristics unrelated to</li> </ul>

S.N.	Aspects	Questions for due diligence
		<p>job requirements? Does the company have any preferential employment policies in place?</p> <ul style="list-style-type: none"> <li>• Does the company anticipate retrenchment of a significant number of employees? If yes, is there a retrenchment procedure in place? Have workers been consulted appropriately? If the investment entails an expansion, will this create additional jobs?</li> <li>• Does the company: <ul style="list-style-type: none"> <li>– provide its workers with a safe and healthy work environment? Does this include providing workers with and mandating that workers use personal protective equipment? Has the company taken steps to prevent accidents, injury, and disease by minimising the causes of hazards?</li> <li>– conduct appropriate monitoring and inspections to ensure worker safety? Does this include monitoring ambient and workplace exposure to noise, and workplace illumination, air quality and temperature as applicable?</li> <li>– track and report on rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities? Does the company track staff turnover?</li> <li>– have training programmes in place for workers in occupational health and safety?</li> <li>– have a fire, life and safety plan?</li> </ul> </li> </ul>
6	<b>Gender based violence and harassment (including SEAH considerations)</b>	<ul style="list-style-type: none"> <li>• Has the company identified GBVH risks and are these reflected in the company's risk management system?</li> <li>• Has GBVH been reflected in company policy, including a clear definition of GBVH (either as a separate policy or integrated into wider policies)?</li> <li>• Has the company developed clear codes of conduct that prohibit all forms of GBVH?</li> <li>• Are GBVH policies and codes of conduct available to workers and external stakeholders in accessible formats?</li> <li>• Are confidential grievance mechanisms in place where reports and concerns related to GBVH can be raised?</li> <li>• Are accessible reporting channels available to workers, community members and service users, including anonymous options?</li> <li>• Are procedures in place to respond to reports of GBVH when they are made, including clear investigation procedures that focus on the safety and wellbeing of survivors? Have trained investigators been identified?</li> <li>• Have reports of GBVH been made and how have they been handled?</li> <li>• Has company leadership publicly committed to taking reports seriously?</li> <li>• Is mandatory training on GBVH and company policies and procedures provided to all workers of all grades, including contractors and security personnel, as well as induction training for new recruits?</li> <li>• Is additional specialised training provided to members of staff with specific responsibilities for GBVH prevention and response?</li> <li>• Is clear messaging provided to service users and communities on GBVH, how to report it and how reports will be handled?</li> <li>• Is information on GBVH risks and expectations included in bid documents?</li> <li>• Are bidders required to share their GBVH policies and procedures?</li> <li>• Are clauses included in contracts committing contractors and suppliers to adhere to company codes of conduct?</li> <li>• Is information provided to contractors and suppliers about company grievance mechanisms for reporting GBVH?</li> <li>• Is GBVH included in workplace safety assessments, including worker accommodation and transportation?</li> </ul>

S.N.	Aspects	Questions for due diligence
7	<b>Pollution prevention and resource efficiency</b>	<ul style="list-style-type: none"> <li>• Provide details about the project's expected resource use including sources, including energy. Has the ability to use different resources (e.g., renewable energy for charging) been considered for the project?</li> <li>• Will there be any degradation of ambient environmental conditions (e.g., air quality, noise, water quality and water table) as a result of the project?</li> <li>• Are there any operational, physical or structural risks from extreme weather or other climate change related events?</li> <li>• Will the project apply project-specific pollution prevention and control techniques?</li> <li>• Have Scope 1 and Scope 2 GHG emissions been quantified for the project? Provide details.</li> <li>• Are there any hazardous materials generated as part of the project? Will these be managed in accordance with national legislation and / or international bans or phase outs?</li> <li>• Will the project have procedures for storage, handling, and disposal of solid wastes? Does this include waste management techniques?</li> <li>• Provide detail about the disposal of batteries or other materials, including alignment to national regulations and international best practice, and roles and responsibilities for the management of end-of-life for the project.</li> <li>• Will the project generate effluents? Does it treat effluents prior to disposal?</li> <li>• Will the project have procedures for storage, handling and disposal of hazardous materials?</li> <li>• Will the project have an emergency prevention, preparedness and response plan?</li> </ul>
8	<b>Community health and safety</b>	<ul style="list-style-type: none"> <li>• Are there any communities in close proximity to the project sites? What is the relationship of the company with the local community? Does the company take community, health and safety considerations into account in the context of its operations? Do its requirements take into account company infrastructure and equipment safety, hazardous material release, transport and disposal considerations, natural resource use and community exposure to disease?</li> <li>• Has the company designated contact persons within the organisation responsible for receiving and responding to questions, concerns or complaints raised by nearby communities or other stakeholders? If yes, are the contact details for these persons will be displayed prominently on the company facility signage?</li> <li>• Does the company's emergency preparedness and response plan take into account risks and impacts from project activities to local communities? Does this include the requirement to inform affected communities of significant potential hazards in a culturally appropriate manner?</li> <li>• Does the company / project require security personnel to provide security services at their facilities? If yes, do the contract provisions include guidelines on how security personnel shall interact with communities in close proximity to the facility?</li> </ul>
9	<b>Indigenous peoples</b>	<ul style="list-style-type: none"> <li>• Is the project located in Scheduled V area or any area with high proportion of tribal population?</li> <li>• Will the project impact indigenous peoples in an adverse manner? Does the ESIA or any other study conducted by the company identify the adverse impacts to IPs and identify ways to avoid these where possible?</li> <li>• Has the investee company compensated in a culturally appropriate manner consistent with the guidance provided in IFC PS 7?</li> <li>• Has the investee company established a process for Informed Participation through an FPIC process centred on mitigation measures, sharing of</li> </ul>

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S.N.	Aspects	Questions for due diligence
		developmental benefits and opportunities and implementation issues as outlined in PS 7?
<b>10</b>	<b>Cultural heritage</b>	<ul style="list-style-type: none"> <li>• Is the project located in an area where cultural heritage is expected to be found? If yes, has a Chance Find Procedure been established as outlined in IFC PS 8?</li> <li>• Is it possible that the project may affect cultural heritage or has critical cultural heritage been identified where significant damage is unavoidable? If yes, has the company complied with the requirements of IFC PS 8?</li> <li>• Is the project located in a legally protected area or a legally defined buffer zone? If yes, has the company complied with requirements of IFC PS 8?</li> </ul>

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# A3. Sample terms of reference for ESIA

## Terms of Reference for ESIA Study

[This template can be used as a guide for developing a Terms of Reference (**ToR**) for an external third-party consultant to conduct an Environmental and Social Impact Assessment (**ESIA**) study for sub- projects.]

### Project Description

[To be filled in by counterparty and will include basic description of the sub-project for which ESIA study is required to be undertaken (location, land area, type of land involved, stage of project development).]

### Objective of ESIA

The objectives of the Environmental and Social Impact Assessment study will be:

- To analyse, quantify the impacts, and design project activities keeping in view environmental and social issues and integrate such issues in the project planning and design.
- To establish the environmental baseline in the study area and to identify any significant environmental issues.
- To prepare an inventory of biodiversity (Flora and Fauna) affected due to project activity.
- To analyse specific risks associated with the project and its impact considering the project foot print (including associated facilities).
- To mitigate adverse impacts by provision of the requisite avoidance and compensation measures of proposed project activities.
- To identify and prepare a profile of stakeholders involved in the project, including community, through a suitable survey, using internationally acceptable tools as applicable.
- To conduct a socio-economic survey, using tools such as Focused Group Discussion, to identify expectations and concerns of project affected community.
- To establish the socio-economic status of the project affected community based on data collated through secondary as well as primary information.
- To formulate and suggest suitable CSR and community development activities (if applicable) for the specific project.
- To develop an Environment and Social Management and Monitoring Plan (**ESAP**) for implementation and monitoring of the mitigation measures along with indicative budget.
- To categorise the project as per IFC categorisation, based on outcome of the ESIA study.

### Scope of ESIA

The approach for the ESIA study shall comply with the specific guideline of IFC Performance Standards 2012 and other applicable statutory requirements of India.

The broad scope of work that will be undertaken by the consultant for ESIA study includes the following aspects of proposed project, but is not limited to:

- Literature survey, data collection, examination of available environmental, social reports / data, understanding the proposed project through project report and discussions etc.
- Baseline environmental studies shall be carried out as below, but not limited to:
  - Physical environment:
    - Temperature, wind speed, wind direction, wind rose patterns, relative humidity, rainfall, visibility, cloud cover and solar radiation.



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- Ambient air quality (PM10, PM2.5, SO2, NOx, CO) to be monitored as per CPCB guidelines.
  - Noise levels of the study area shall be monitored and measured as per CPCB guidelines and IFC PS requirements.
  - Ground water quality (drinking purpose) shall be monitored against IS specifications.
  - Surface water quality shall be monitored and measured as per CPCB norms.
  - Soil quality of study area will be monitored and analysed for parameters as per ICAR specification / guidelines.
  - Geological and hydro geological data / information will be compiled from secondary sources or as per study requirement.
  - Land use information / status will be based on the district census handbooks as well as with the help of satellite imagery.
  - Ecological environment:
    - This shall include assessments / information of terrestrial and aquatic communities (as applicable), presence of rare, threatened and endangered species etc., if any.
    - The survey also includes identification and presence of national parks, sanctuaries, biodiversity park, endangered / threatened / rare species and assessment of the species diversity, density, abundance etc., and formulation of ecological indexes.
  - Socioeconomic environment:
    - Demographical information / status will be based on census document and other state level / district level databases.
    - Socio-economic information and profile outlining data from census and socio-economic surveys, with information on livelihood profile, infrastructure, vulnerability, gender, indigenous peoples (ethnic minorities, scheduled tribes), and labour.
    - Identification of historical / archaeological sites / monuments in the study area (if any) based on Archaeological Survey of India (**ASI**) / revenue records.
    - Identification of common property resources within project site and mitigation measures, if any.
    - Traffic survey for the present daily traffic, peak hour traffic and traffic composition and any change in traffic composition and volumes due to project development.
  - Assessment of E&S Impacts:
    - The potential E&S impacts will be assessed on the basis of baseline data generated from studies. It should be analysed and compared with applicable standards for each environmental attribute. The short-term and long-term impacts, particularly on sensitive targets, such as endangered species, plants and historically important monuments, should also be identified.
    - A qualitative and quantitative assessment of sources of pollution from proposed project (dust, waste water, noise pollution, solid waste, etc.) should be done to identify the adequacy of the proposed control measures, as well as the likely impact on existing critical areas.
    - Discuss the land procurement / acquisition process, considering Indian laws, rules and regulations aligned with IFC PS 5 guidelines. Rates of compensation paid in accordance with market rates, consultation before land procurement shall be reflected with relevant evidence in the Study.
    - Discuss impacts on indigenous peoples or scheduled tribes,
    - Impacts will be assessed for both construction and operation phases.
  - Environmental and social management plan:
    - For each potential negative impact identified, recommendations will be presented for avoidance, minimisation or mitigation of impacts, along with costs associated with potential mitigation. The ESAP will address the following:
      - Identify and summarise all anticipated significant adverse E&S impacts along with mitigation measures.
      - Define a set of policies and objectives for environmental performance and continual enhancement of performance.

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- Monitoring programme for the proposed project (for construction and operation phases) will be worked out covering all E&S attributes as per the best practices in the World Bank / IFC general and sector specific EHS guidelines.
  - Recommend monitoring and reporting procedures, including the parameters to be monitored, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions.
  - Develop management plan for addressing specific issues such as waste management, disasters, emergencies, external grievances, construction safety, labour management, stakeholder engagement, indigenous peoples, etc.
  - Recommend an organisational structure for effective implementation of the ESAP.

### **Terms of Reference for ESDD**

The following subsections provide a sample Terms of Reference for a third party for carrying out due diligence. External ESDD consultant will be provided following information provided by the Platform:

- overview of the asset;
- outcomes of the preliminary E&S screening undertaken by platform;
- outcomes of any specialised studies undertaken prior to ESDD; and
- scope of ESDD.

### **Sub-project overview**

To be included here.

### **Objectives of the ESDD**

To be included here.

### **Reference framework**

The consultant shall undertake the ESDD in accordance with the following reference frameworks:

- Applicable Indian regulatory framework (national, state and local) on E&S issues;
- International Finance Corporation Performance Standards, 2012;
- World Bank Group's (**WBG**) General EHS Guidelines, 2007; and
- WBG Sectoral EHS Guidelines, 2007.

### **Consultant Qualifications**

To be included here.

### **Focussed assessment parameters**

The Platform will utilise an E&S due diligence standardised scope, similar to that outlined below. This list of E&S risks and opportunities is not exhaustive. Not all listed items may be applicable or material to each project undertaken by the Platform. The user should address any additional E&S risks and opportunities not listed that are deemed to materially impact the project.

Parameter	Details required to be assessed
<b>Management systems and compliance</b>	<ul style="list-style-type: none"> <li>• Existence and appropriateness of ESMS and associated policies and procedures, including details on any ISO certifications or related systems.</li> <li>• Description and appropriateness of how E&amp;S management responsibilities are structured at the target.</li> <li>• Adequacy and expertise of the company's E&amp;S staff / resourcing and training.</li> <li>• Compliance with environmental and social regulations, planning conditions and licences, including any unresolved legal claims, judicial proceedings, pending or environmental legislative or regulatory changes with material impacts.</li> <li>• Potential upcoming regulation changes that may impact the company which have the potential for material impacts to the company.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Historic and existing contamination issues.</li> <li>• Identify any significant environmental incidents that have occurred in the last 3 years.</li> <li>• Adherence with industry standards and best practice for environmental management.</li> <li>• Hazardous substances, chemicals and fuels handling, storage and transportation (asbestos, radioactive substances, etc.).</li> <li>• Banned substances such as asbestos, CFC, PCB, lead paint or PFAS.</li> <li>• Impacts to ecology, biodiversity, wildlife and threatened species.</li> <li>• Impacts upon environmentally sensitive, protected areas.</li> <li>• Waste, wastewater management and resource efficiency.</li> <li>• Water consumption and water resource efficiency.</li> <li>• Noise management.</li> <li>• Presence of up to date GHG inventory - scope 1 and 2 GHG emissions as well as energy consumption.</li> <li>• Physical climate change risks which could impact the company and its operations.</li> <li>• Readiness for a low-carbon transition.</li> <li>• Physical readiness and resilience to natural disaster resilience, e.g. bushfires, floods, winds and earthquakes.</li> <li>• Business contingency plans for natural disaster resilience, e.g. bushfires, floods, winds and earthquakes.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Existence and appropriateness of stakeholder management plan, policies, grievance mechanisms and whistleblowing mechanism.</li> <li>• Identify any significant social incidents that have occurred in the last 3 year, including in relation to SEAH.</li> <li>• State of relationship with adjacent communities, clients and customers.</li> <li>• Evidence, credible allegations, community protests or activist campaigns relating to environmental or social mismanagement by the company including human rights breaches, modern slavery or industrial relations issues.</li> <li>• Unresolved land rights disputes, infringement of rights of indigenous communities, flora / fauna or resettlement issues.</li> <li>• Impact on human health, aesthetic, noise or odour impacts upon workers and / or adjacent communities.</li> <li>• Archaeological and heritage risk.</li> <li>• Appropriate security management plan, system, policy, resourcing, training and practices.</li> <li>• Review the existence of any potential issues regarding child and / or forced labour.</li> <li>• Labour and working conditions, including unions.</li> <li>• Impacts upon diversity, equity and inclusion.</li> </ul>

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## Approach

The ESDD will comprise the following steps:

**Information Review:** This should include a review of all relevant social, labour, health and safety and environmental related documents and information (i.e., environmental permits / licenses and associated applications, health and safety plan, stakeholder engagement plans, human rights and indigenous peoples policies and procedures, land acquisition and R & R plans, emergency response plan, consultation plans and documentation of consultations done to date, concession and construction contracts, any other additional environmental, health and safety studies, etc.), and, subsequent to the site reconnaissance, review of any additional information obtained or collected.

**Site Reconnaissance:** A site investigation of the entire sub-project will be performed consisting of a visual observation of relevant areas directly and indirectly affected by the sub-project, meetings with relevant individuals / entities associated with the sub-project to discuss the social and environmental issues, health and safety and labour issues, consultations with fence line communities and / or affected communities and obtaining any additional information required.

**Discussions:** These will be held at site level.

**Report Preparation:** Two documents will be required associated with the due diligence:

1. Key Issues Report (or Principal Findings Report), and
2. detailed E&S Due Diligence Report.

## Schedule

- The Consultant shall submit the Key Issues Report within [x] working days from completion of site reconnaissance visit. The draft [Due Diligence] Report will be submitted by [insert date]. The final Report shall be submitted within 1 week of receiving comments from MAM on the draft report.
- All reports should be written and prepared in English and delivered in electronic format.

## Sample Structure of ESDD Report

A typical ESDD 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 assessment;
  - methodology adopted for the assessment; and
  - limitations to the assessment;
2. **Project Overview:** This section primarily entails the complete sub-project, its various components, as well as the current status of the sub-project. This includes:
  - status of regulatory compliances against concession agreement, E&S permit conditions and applicable legislations;
  - an overview existing E&S management systems;
  - details on land footprint, procurement details, status of R&R implementation;
  - details on project utilities;
  - details on ecological aspects, including presence of natural and critical habitat, status of compensatory afforestation, etc.;
  - other details to include - workforce, status of ongoing/ pending litigations, accident/ incident statistics;
  - a review of information available on the public domain regarding the project; and
  - details of stakeholder engagement activities.
3. **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. A sample structure of a key findings table is provided below for reference.

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## ESDD Findings Table

S.N.	Requirements as per the Applicable Reference Framework	Observations	Key Findings & Gaps	Recommendations
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4. **Confirmation on Project Categorisation:** This section will discuss the parameters for categorisation of the project (Category A, B or C) in keeping with the reference framework.
5. **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;
  - measurable outcomes / documentation;
  - responsibility of counterparty and resources required;
  - timeline for completion and implementation of the corrective actions; and
  - budget or cost for corrective actions.

A sample template for ESAP is provided below for reference:

Key Issues & Gaps	Corrective Actions	Responsibility and Resources	Measurable Outcome	Timeline	Cost
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# A4. Stakeholder engagement framework

This framework provides guidance on preparing and implementing a Stakeholder Engagement Plan (**SEP**) for each sub-project on case-by-case basis.

## Principles

The principles which shall govern the formulation of the SEP are as follows:

i. Congruence and Materiality

The engagement activities undertaken shall be aligned to the business objectives, priorities and the identified issues / impacts / risks associated with the sub-project.

ii. Cultural Appropriateness and Inclusivity

The engagement activities undertaken shall be in cognizance of the cultural norms and practices of the stakeholder groups, as well as the differences in social status of the various groups. To the extent possible, the engagement activities shall 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 populations.

iii. Transparency

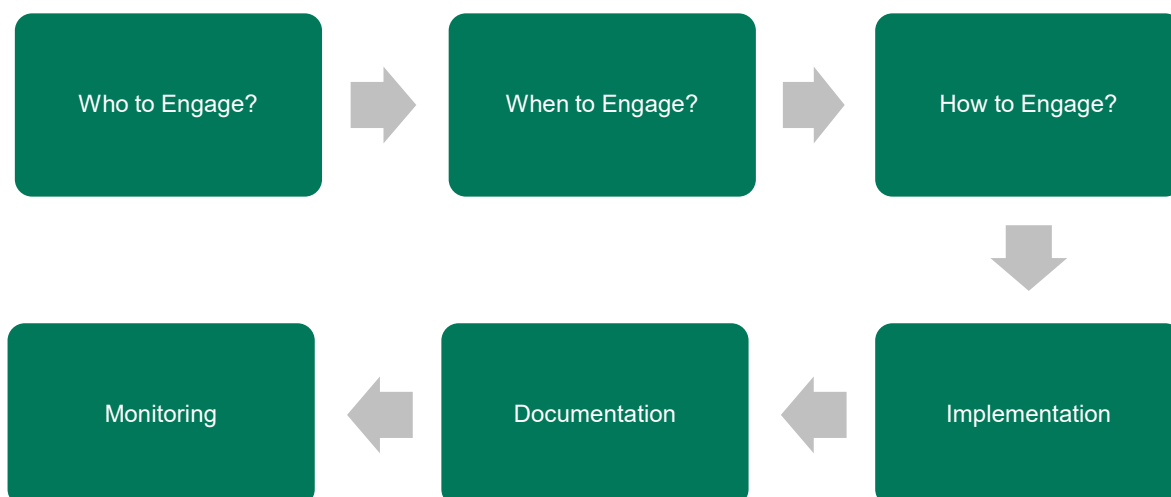
In order to ensure that engagement activities are undertaken in a collaborative manner, it is essential that the stakeholders have access to certain key information. Transparency and information sharing also enables trust to be built amongst the stakeholders towards the site / business by allowing for a clearer understanding to be developed of the reasoning and motivation behind the activities, and thus allow for understanding and fairness of the process.

iv. Rights Compatibility

The stakeholder engagement activities and planning shall promote processes and agreements based on decisions that promote equity and human rights. Companies should note that the sub-project level SEPs should not undermine the human rights of a local community, especially vulnerable groups like indigenous peoples, migrant workers, women, etc.

## Formulation and Implementation of a Stakeholder Engagement Plan

Figure 1. Stages of Stakeholder Engagement



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### 6.3.1 Stage One - Who to Engage?

#### 6.3.1.1 Identification of Stakeholders

For the purpose of identifying the stakeholders at sub-project level, counterparties will follow the process as laid down below:

- identify the geographical area to be covered in the SEP;
- once a detailed mapping of the footprint is completed, the potential issues and impacts from the project will be identified; and
- in addition to project area, the overall area of influence should also be considered for identifying stakeholders.

Group s/ individuals that may be directly or indirectly impacted by the sub-project will be identified. These stakeholders will then be classified into various groups, such as:

- Project Affected Community;
- contractors;
- local, regional and national government institutions;
- media;
- NGOs, civil society organisations (**CSO**);
- other industries;
- regulatory authorities; or
- suppliers

#### 6.3.1.2 Stakeholder Profiling

It will be the responsibility of the counterparty to create the stakeholder profiles. The stakeholder profiles should list all significant characteristics of the groups identified, such as:

- the number of stakeholders identified in the group;
- scale of operation and influence;
- legal and regulatory context;
- if the group is a representative of a larger group, such as elected leaders, then confirm its legitimacy;
- the group's engagement capacity; and
- the existing relationship with the counterparty and other stakeholder groups.

The counterparty will identify key issues related to potential stakeholders which will help in identifying the significance of each stakeholder later. The issue profile will include an understanding of the following:

- a description of the issue;
- an understanding of the level at which is the issue is relevant;
- an understanding of the geographical spread of the potential impact from the issue;
- the potential impact on operations, in terms of the influence on decisions, actions and the behaviour of the organisation; and
- the level of control that the counterparty is able to exercise on the issue.

Some of the key issues pertaining to stakeholders listed above may be one or more of the following:

Table 2. Examples of Key Stakeholder Issues

Type of Interest	Description of Issues
<b>Social</b>	<ul style="list-style-type: none"> <li>Concerns regarding the impacts of in-migration of workers, e.g. from other regions of country.</li> <li>Impact on or sensitivity to women's specific issues or needs</li> <li>Expectation that local infrastructure will improve.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>Requests for employment opportunities for local people, including women.</li> <li>Expectation that there will be an improvement in living standards for local people.</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>Ongoing requests for compensation, wherever applicable.</li> </ul>

### 6.3.1.3 Stakeholder Mapping

After identifying the key stakeholders, it is important to consider the stakeholders' expectations and levels of interest and influence in relation to the issue they are being engaged on. Stakeholder mapping is an essential step in the process of developing a useful engagement plan.

Stakeholders vary in terms of degree of interest, influence and control they have over the project. Stakeholders can be categorised into two broad categories:

- **Primary Stakeholders:** Stakeholders who have a direct impact on, or are directly impacted by, the project are known as Primary Stakeholders.
- **Secondary Stakeholders:** Stakeholders who have an indirect impact on, or are indirectly impacted by, the project are known as Secondary Stakeholders.

Each stakeholder has a varying degree of influence and interest. The following table provides a sample illustration of preliminary categorisation of stakeholders.

Table 3. Preliminary Stakeholder Categorisation

No.	Stakeholders	Stakeholder Category	
		Primary	Secondary
1	Employees	✓	
2	Project Affected Community	✓	
3	Contractors	✓	
4	Suppliers	✓	
5	Regulatory Authorities	✓	
6	NGOs, civil society	✓	
7	Media	✓	

The significance of a stakeholder group shall be categorised with the following criteria:

- magnitude of impact (type, extent, duration, scale, frequency) or degree of influence (power, proximity) of a stakeholder group; and,
- urgency / likelihood of the impact / influence associated with the particular stakeholder group in the project context.



The magnitude of stakeholder impact / influence is assessed taking the power / responsibility<sup>8</sup> and proximity<sup>9</sup> of the stakeholder group and is categorised as negligible, small, medium and large. The urgency or likelihood of the impact on / influence by the stakeholder is assessed in a scale of low, medium and high. The overall significance of the stakeholder group is assessed as per the matrix provided below:

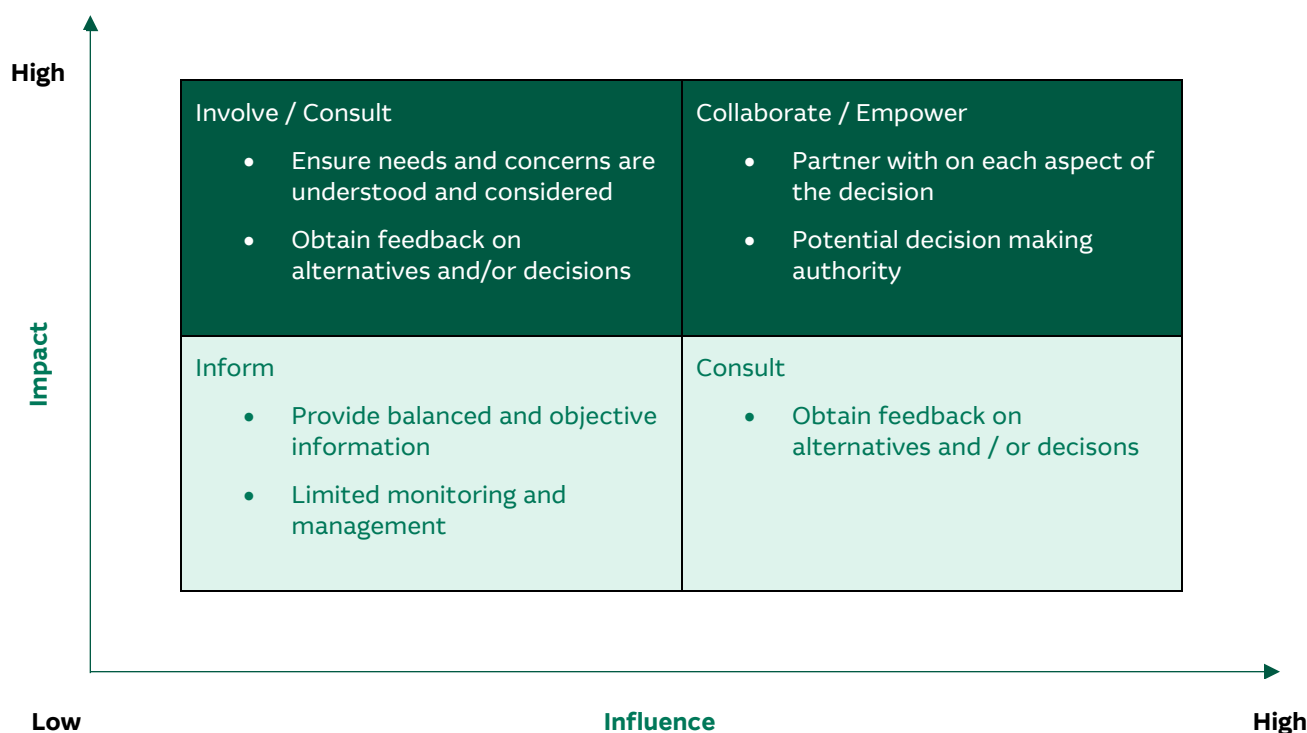
Table 5. Stakeholder Significance Matrix

Stakeholder		Urgency/Likelihood of Influence on/by Stakeholder		
		Low	Medium	High
Magnitude of Influence / Impact	Negligible	Negligible	Negligible	Negligible
	Small	Negligible	Minor	Moderate
	Medium	Minor	Moderate	Urgent
	Large	Moderate	Urgent	Urgent

Once the level of influence is evaluated per Table 5 guidance, Figure 2 Stakeholder mapping tool can be used to further inform the frequency of the communications. Thus, Figure 2 provides in illustration of the Stakeholder Mapping tool to analyse each stakeholders' significance and prioritising the same.

It is important to keep in mind that the interest or influence of a stakeholder may change as the policy or sub-project progresses. Therefore, there is a need to continuously re-assess and identify new stakeholders and the level of stakeholder engagement at different stages of the project.

Figure 2. Stakeholder Mapping as per Interest / Impact and Influence



- If a stakeholder has high levels of influence and interest in the project's outcomes they should be placed in the top right quadrant.

<sup>8</sup>Power / Responsibility: Those stakeholders to whom the counterparty has, or in the future may have, legal, financial and operational responsibilities in the form of regulations, contracts, policies or codes of practice.

<sup>9</sup>Proximity: indicates stakeholders that the organisation interacts with most, including internal stakeholders, those with long-standing relationships and those the organisation depends on for its day-to-day operations.

- Conversely, if they have a low level of influence and low interest they should be placed in the bottom left quadrant.
- The level of interest and influence of stakeholders will depend on a range of issues, such as the nature of the policy or project, the timing and extent of their involvement and their potential ability to impact on the effectiveness of the outcomes.

### 6.3.2 Stage Two - When to Engage

The SEP should include consideration for the operations and maintenance stage. The counterparty will prepare the SEP for the project development / O&M stage (as applicable) and for any expansion / additional activities. The counterparty should list out all O&M activities to understand the relevant environmental and social issues. Once the relevant environmental and social issues are identified, the counterparty shall map the frequency and engagement channels to ensure regular communications with affected stakeholders.

### 6.3.3 Stage Three - How to Engage?

Once stakeholders are identified, analysed and the level of engagement required is understood, it is then possible to determine the most appropriate method of engagement, aligned to the principles of engagement defined in *section 10.2.1*.

#### 6.3.3.1 Choose Method

The SEP shall determine a transparent and mutually acceptable engagement process with each stakeholder group identified. The engagement process shall provide the level of communication to be maintained and the method of communication to be adopted. The levels of engagement and methods of communication are provided below. The methods of communication can be either verbal or written, on the basis of the purpose of communication and the target stakeholder group. Some of the key methods of communication are as follows:

Table 7. Pros and Cons of Different Engagement Methods

Method	Pros	Cons
<b>Semi-Structured Interviews</b>	<ul style="list-style-type: none"> <li>• Demonstrates commitment on part of the project.</li> <li>• Provides an opportunity to build a relationship with the stakeholder.</li> <li>• Provides detailed data through two-way communication.</li> </ul>	<ul style="list-style-type: none"> <li>• Time and resource intensive.</li> <li>• No opportunity to test attitudes and assertions independently.</li> <li>• Individuals may not necessarily be representative of a stakeholder group as a whole.</li> </ul>
<b>Workshops</b>	<ul style="list-style-type: none"> <li>• Demonstrates commitment on part of the company.</li> <li>• Provides an opportunity to build a network of relationships.</li> <li>• Allows issues to be verified, tested and solutions developed.</li> <li>• Increases ownership by participants.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation is limited to a relatively small number of stakeholders.</li> <li>• Individuals may not necessarily be representative of a stakeholder group as a whole.</li> <li>• Need to provide sufficient information such that participants can provide informed views.</li> </ul>
<b>Focus Group Discussions</b>	<ul style="list-style-type: none"> <li>• Demonstrates commitment on part of the company.</li> <li>• Provides an opportunity to build a network of relationships.</li> <li>• Allows issues to be verified, tested and solutions developed.</li> <li>• Increases ownership by participants.</li> </ul>	<ul style="list-style-type: none"> <li>• Participation is limited to a relatively small number of stakeholders.</li> <li>• Individuals may not necessarily be representative of a stakeholder group or community as a whole.</li> <li>• Need to provide sufficient (sometimes sensitive) information such that participants can provide informed views.</li> </ul>
<b>Public Meetings</b>	<ul style="list-style-type: none"> <li>• Relatively inexpensive and quick.</li> <li>• Allows the company to reach a large number of people simultaneously.</li> <li>• Demonstrates willingness to be open.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a risk that vocal but unrepresentative groups may 'take over' the meeting.</li> </ul>

Method	Pros	Cons
	<ul style="list-style-type: none"> <li>Provides communities with opportunity to speak directly to company representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Some communities or groups within them may not be comfortable speaking in such a public forum.</li> <li>Limited opportunity to explore issues of particular stakeholders in detail.</li> <li>Can be difficult to facilitate if the issues under discussion are controversial or highly emotive.</li> </ul>
<b>Surveys</b>	<ul style="list-style-type: none"> <li>Provide detailed data on specific issues.</li> <li>Assuming an appropriate sample is gathered, provides a good insight to the extent of an issue's significance within the community.</li> <li>Widely known and acceptable, particularly in developed countries.</li> </ul>	<ul style="list-style-type: none"> <li>Written surveys are not appropriate in an environment where literacy levels are low</li> <li>Can be easily manipulated or designed to yield particular results.</li> <li>Depending on the response method, surveys can yield poor response results.</li> <li>Surveys take considerable time and resources to prepare, implement and analyse results.</li> </ul>
<b>Participatory tools</b>	<ul style="list-style-type: none"> <li>Demonstrates commitment on part of the company.</li> <li>Provides an opportunity to build relationships and stakeholder ownership of outcomes.</li> <li>Can gain in-depth understanding of community' cultures, beliefs, assets and interactors.</li> </ul>	<ul style="list-style-type: none"> <li>Need to manage conflicting community demands.</li> <li>Can result in unrealistic community expectations.</li> <li>Process can be dominated by articulate and organised stakeholder groups.</li> </ul>
<b>Stakeholder panels</b>	<ul style="list-style-type: none"> <li>Examines specific aspects of corporate policy, action or performance.</li> <li>Produces comments or recommendations upon which the company may or may not make specific commitments.</li> <li>Helps the company to receive advice, gauge expectations and criticism concerning its sustainable development strategy and / or reports.</li> </ul>	<ul style="list-style-type: none"> <li>May not be representative.</li> <li>May not have expertise in specific subjects or in all the issues dealt with in the company's engagement policy.</li> </ul>

### 6.3.3.2 Determine Key Messages

The engagement methods and activities identified should be commiserate with the following:

- scale of the project;
- project activities;
- present engagement status;
- objectives of engagement;
- location and geography;
- socio-economic setting; and
- importance, expectations and concerns of the stakeholders.

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Based on the above criteria, project shall assess the key engagement strategies and messages to be shared with identified stakeholders. The Stakeholder Engagement Strategy below outlines suggested ways to engage stakeholders according to each of the five engagement levels (inform, consult, involve, collaborate and empower).

Table 8. Stakeholder Engagement Strategy

Aspects	Inform	Consult	Involve	Collaborate	Empower
Stakeholder engagement goal	Provide balanced, objective, accurate and consistent information to assist stakeholders to understand the problem, alternatives, opportunities and / or solutions.	Obtain feedback from stakeholders on analysis, alternatives and / or outcomes.	Work directly with stakeholders throughout the process to ensure that their concerns and needs are consistently understood and considered.	Partner with the stakeholder including the development of alternatives, making decisions and the identification of preferred solutions.	Place final decision-making in the hands of the stakeholder.
Methods of engagement	<ul style="list-style-type: none"> <li>• Fact sheets</li> <li>• Websites</li> <li>• Open houses</li> <li>• Newsletters bulletins circulars</li> <li>• Websites</li> </ul>	<ul style="list-style-type: none"> <li>• Public comment</li> <li>• Focus groups</li> <li>• Survey</li> <li>• Public meetings</li> <li>• Web tools</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops</li> <li>• Deliberative polling</li> <li>• Web tools</li> <li>• Forums</li> </ul>	<ul style="list-style-type: none"> <li>• Web tools</li> <li>• Reference groups</li> <li>• Facilitated consensus building forums for deliberation and decision-making</li> <li>• Experimental projects</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitation of direct dialogue between stakeholders and government</li> <li>• Local governance</li> <li>• Joint planning</li> </ul>
Examples of Stakeholders	<ul style="list-style-type: none"> <li>• Media</li> <li>• Local governments</li> <li>• Academia</li> <li>• Regulatory Authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Local community (not affected community)</li> <li>• Third-party consultants</li> </ul>	<ul style="list-style-type: none"> <li>• Affected community</li> <li>• Local political representatives</li> </ul>	<ul style="list-style-type: none"> <li>• NGOs</li> <li>• Trade Union</li> </ul>	<ul style="list-style-type: none"> <li>• Vulnerable Groups (including women)</li> <li>• Resettled community (as applicable)</li> </ul>

### 6.3.4 Stage Four - Implementation of SEP

#### 6.3.4.1 Preparation of a Sub-Project Level SEP document

Where applicable, the Platform will require counterparties to develop a sub-project level SEP (if not already developed) which shall contain the following contents:

#### 1. Introduction

- i. *Project Description*: Briefly describe the sub-project and its activities, including potential environmental and social issues identified. Where possible, include maps of the project footprint area.
- ii. *Objectives and Targets*: Provide an understanding of the key objectives and targets of the SEP. The level of detail should be fit to the needs of Platform objective and counterparty operations.
- iii. *Scope*: Provide an understanding of the scope and level of detail of the SEP. The level of detail should be fit to the needs of operations.
- iv. *Inter-linkage with other plans*: Provide an understanding of the manner in which the SEP will be integrated with the other management plans formed for the sub-project, including grievance redressal.

2. **Applicable Reference Framework**: Provide a summary of the applicable legal, regulatory and counterparty requirements pertaining to the stakeholder engagement.

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3. **Review of Existing Stakeholder Engagement Process:** If the counterparty has undertaken any activities to date, including information disclosure and engagement activities required for regulatory compliance, the following details should be provided:
    - i. type of engagement activities undertaken;
    - ii. details of information disclosed;
    - iii. the location and dates of any meetings undertaken to date, including a record of attendees by gender;
    - iv. the stakeholder groups engaged with;
    - v. key issues discussed and key concerns raised;
    - vi. company's response to issues raised, including any follow up actions identified; and
    - vii. process undertaken for the documentation and reporting of the activities.
  4. **Analysis of Stakeholders and Issues:** Provide a list of the key issues and stakeholder groups identified and their profile, importance and key concerns and expectations.
  5. **Stakeholder Engagement Plan:** Provide the details of the SEP formulated, including the purpose and methods of engagement, frequency of engagement, timeline for the activities, specific provisions for vulnerable groups; including women and IPs.
  6. **Grievance Mechanism:** Provide a summary of the grievance mechanism to be put in place for the project operations and the manner in which the same is to be integrated into the engagement process.
  7. **Roles and Responsibilities:** Indicate what staff and resources will be devoted to implementing and managing the SEP, the organisation structure to be put in place and any external resources required and their roles.
  8. **Budget Allocation:** Indicate the budget and the financial resources that will be made available for the implementation and management of the SEP.
  9. **Documentation, Monitoring and Review:** Describe the process of documentation of engagement activities to be undertaken, the frequency and process of monitoring and review, the process by which the findings of the monitoring and review process will be integrated into the SEP, and the frequency and process of reporting.

#### 6.3.4.2 Information Disclosure

Whenever necessary, the counterparty will disclose required information to its stakeholders as part of its adherence to international standards. It should be noted that the counterparty should disclose information at an appropriate time that allows the community to use the information to make their own decisions, or approach the company with informed comments and feedback. Hence, early disclosure of information, related to asset level impacts, policies and procedures, helps maintain transparency and trust among stakeholders. Some examples of information disclosure can be:

- project completion milestones, updates on the project development status etc;
- key results / impacts / risks of the project as identified in related studies;
- key mitigation measures and systems that are to be put in place to minimise any adverse impacts;
- proposed community interventions and engagement activities that are planned;
- proposed changes in project design, schedule of events, potential activities associated with the project; and
- monitoring reports.

The Platform will confirm the requisite information disclosure has taken place prior to sub-project execution and implementation, as well as part of the monitoring of the sub-project on an ongoing basis.

#### 6.3.4.3 Budget Allocation

Various resources will be required to implement a SEP. These may include resources of dedicated personnel, training, external communications material, the use of neutral third parties or consultants as reviewers, advisors, facilitators or mediators, and any costs associated with the planning, implementation and monitoring of the engagement plan. These costs should be included in the budget planning process as ad hoc, monthly, yearly, etc., and shall be included in the SEP. This will be reviewed by the Platform prior to sub-project implementation to ensure it is adequate.

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#### 6.3.4.4 Roles and Responsibilities

Stakeholder engagement needs to be an on-going process throughout the entire project lifecycle. This will be coordinated across project activities and contractors by designated personnel in implementing the stakeholder engagement process, which will have the following tasks:

- interface between the sub-project and its stakeholders, including the Platform;
- disclosure of project specific information for all components to settlements within the footprint area and other stakeholders as required, when necessary;
- establish a transparent mechanism to obtain, report, redress and monitor all grievances from stakeholders;
- ensure engagement with meaningful and representative participation of stakeholders in decision making process, when required;
- regular engagement with key stakeholders and local leaders to ensure a transparent feedback process into the project, when necessary; and
- to plan, implement, monitor and evaluate community development programmes.

The Platform will monitor compliance with a SEP as part of the ongoing monitoring of a sub-project.

#### 6.3.5 Stage Five – Documentation and Monitoring of SEP

##### 6.3.5.1 Documentation of Stakeholder Engagement Activities

The counterparty should document and maintain a database of all the engagement activities undertaken in the lifecycle of the sub-project. Some of the key information to be captured in the documentation is provided in the checklist below:

Table 11. Checklist for key information to be captured for SEP Documentation

No.	Questions	Remarks
1	Which Stakeholder group(s) was engaged with?	
2	When was the engagement activity undertaken? (Date)	
3	Location and venue?	
4	Name of key stakeholder and counterparty representatives?	
5	Gender split of attendees?	
6	What was the purpose of engagement?	
7	Which method of engagement was used?	
8	What were the key outcomes and actions planned / decided?	
9	What is the status of actions identified in previous any consultations? State if there is any.	
10	Reference to records with counterparty's internal documentation system. State if there is any.	

This process of documentation will allow for proper record keeping as well as regular monitoring of the engagement plan and its implementation. On the basis of this documentation, the counterparty will consolidate the following information on a regular basis:

- the stakeholder groups that are being regularly engaged with;
- the key methods of engagement being used frequently;
- any pending issues / actions from previous engagement activities and the reason for the same;
- any key issues / feedback which require immediate attention; and

- feedback loop and responses to the stakeholders on issues of interest and concerns.

These reports will be prepared internally by the project and reported to the Platform. This will allow for the Platform to identify any issues / concerns.

In certain cases, documentation may be required by the applicable standards, in which case, the documentation guidelines prescribed shall be followed. In cases, where such a requirement does not exist, an indicative format is provided in table below:

Table 12. Format for Stakeholder Engagement Register

No.	Stakeholder Groups	Date	Location and Venue	Name of Key Representatives	Gender split of attendees	Purpose of Engagement	Method of Engagement	Key Outcomes & Actions	Status of actions identified in previous consultations	Reference to records
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# A5. Platform stakeholder engagement plan

Stakeholder group	Interests and influence relevant to the project	Proposed role in the project	Engagement strategy
<b>Niti Aayog (Nodal agency for EVs)</b>	<ul style="list-style-type: none"> <li>Niti Aayog is the Indian government's think tank group. They are also the key policy anchor and coordinator for electric vehicles in India.</li> <li>In that respect, they have been consulted during the preparation of this Programme. They work with various ministries of the government to facilitate the EV ecosystem. They are an important stakeholder in policy interventions pertaining to promoting EVs in India and are directly interested in success of this Programme.</li> </ul>	<ul style="list-style-type: none"> <li>Niti Aayog will be consulted periodically pertaining to various impediments impacting the accelerated adoption of EVs in India and accordingly will play an indirect consultative role in the Programme.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure periodic engagement, especially in the formative years, for suitable policy interventions that can enhance the success of the Programme.</li> </ul>
<b>Ministry of Environment, Forest &amp; Climate Change (MoEFCC)</b>	<ul style="list-style-type: none"> <li>MoEFCC is the nodal agency for all environment and climate change related actions and policies.</li> <li>It is the key ministry driving implementation of India's Nationally Determined Contributions (<b>NDCs</b>) and Sustainability Development Goals (<b>SDGs</b>) based on Paris Agreement and Agenda 2030 of UN respectively.</li> <li>Further, it is expected to play a pivotal role as India looks to achieve its Conference</li> </ul>	<ul style="list-style-type: none"> <li>MoEFCC will coordinate along with Niti Aayog in aligning policies specially pertaining to implementing India's NDCs and achieving COP26 promises.</li> </ul>	<ul style="list-style-type: none"> <li>Consultations with the ministry as and when required for update on the programme's progress and policy interventions as required.</li> </ul>

Stakeholder group	Interests and influence relevant to the project	Proposed role in the project	Engagement strategy
	<p>of Parties (<b>COP</b>) 26 promises of reducing India's carbon intensity by 45% by 2030, and achieve net zero target by 2070.</p> <ul style="list-style-type: none"> <li>MoEFCC has been actively involved in the development of the EV ecosystem. This includes driving the execution of National Electric Mobility Mission Plan (<b>NEMMP</b>) 2020 and notification of Draft Battery Waste Management Rules 2020, which is expected to strengthen the EV batteries value chain across India.</li> <li>The ministry has a direct interest in the success of the Programme as it is the designated National Designated Authority (<b>NDA</b>) for all GCF proposals in India. The ministry has been consulted in preparation of the proposal.</li> </ul>		
<p><b>OEMs (Original Equipment Manufacturers)</b></p>	<ul style="list-style-type: none"> <li>OEMs are manufacturers of electric vehicles in India (and globally). These players are keen to expand their presence in the EV domain and ensure greater adoption by the customers.</li> <li>OEMs, as direct beneficiaries of the Programme, are critical for the Programme's success by ensuring availability of suitable products in the market and underwriting product</li> </ul>	<p>Direct beneficiaries</p> <ul style="list-style-type: none"> <li>OEMs will be regularly consulted for designing suitable credit products that meet their requirements and that of the customers.</li> <li>OEMs that will be funded by the Programme will either <ul style="list-style-type: none"> <li>a) redeploy the capital in R&amp;D which will help reduce the high upfront vehicle cost and address concerns regarding vehicle's performance, and / or</li> <li>b) invest in further</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Once the Platform has funded an OEM, it will maintain strong oversight over its business performance and regularly track various KPIs as per the agreed contractual terms.</li> <li>For other OEMs, an ongoing engagement will be maintained through the Platform's management team and MAM representatives: <ul style="list-style-type: none"> <li>to have access to key insights regarding latest</li> </ul> </li> </ul>

Stakeholder group	Interests and influence relevant to the project	Proposed role in the project	Engagement strategy
	performance risks, if any.	development of EV value chain, both of which help the Programme in driving accelerated adoption of EVs in India.	developments in the EV sector; <ul style="list-style-type: none"> <li>– for identification of potential funding opportunities; and</li> <li>– for appropriate customisation of lease / credit products as various segments of the EV sector mature over time.</li> </ul>
<b>Operators</b>	<ul style="list-style-type: none"> <li>• Asset owners in the industry who also operate the vehicles in the Business to Business (<b>B2B</b>) space. It is a well-developed but fragmented domain in India, which is presently using ICE vehicles. Accordingly, they are the direct beneficiaries of the Programme and are keenly interested in its success.</li> </ul>	Direct beneficiaries <ul style="list-style-type: none"> <li>• Operators will be one of the key drivers of the EV transition in India as faster adoption by them will encourage a) OEMs to introduce more attractive models in the market, and b) ensure rapid deployment of EV charging stations.</li> <li>• Further, operators will be regularly consulted on improving a) the design and implementation of financing solutions as required in the market, and b) gather feedback and share it with OEMs (for relevant product design upgrades) that can be used to enhance the safety of men and women in public transport.</li> </ul>	<ul style="list-style-type: none"> <li>• Like OEMs, operators that will be funded by the Programme will be subject to strong oversight from the Platform's management team.</li> <li>• With other operators, there will be continuous engagement through the Platform's management team and MAM's representatives through regular follow up calls, industry conferences and / or interactions at various thought leadership events.</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Local communities are extremely vulnerable to climate change and pollution related health risks across all major cities in India. Accordingly, they will be indirect beneficiaries of increased adoption of EVs in India that will</li> </ul>	Indirect beneficiaries <ul style="list-style-type: none"> <li>• The Programme plans to roll out various initiatives to engage local communities in providing feedback on the success of the Programme, and ways to improve the services provided by EV operators.</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement ensured through ad-hoc surveys with the local community on the benefits of the EVs rolled out.</li> </ul>

Stakeholder group	Interests and influence relevant to the project	Proposed role in the project	Engagement strategy
	<p>result in lower GHG emission.</p>		
<p><b>Financial Institutions</b></p>	<ul style="list-style-type: none"> <li>The financial institutions in India, especially banks and non-banking financial companies, are the primary source of credit for vehicles in the country. They have however been slow in financing electric vehicles due to high perceived risks associated with the sector. Accordingly, they will be an indirect beneficiary of the Programme that is expected to establish the segment as one of the mainstream sectors in the country.</li> </ul>	<p>Indirect beneficiaries</p> <ul style="list-style-type: none"> <li>Peer companies will be consulted regularly for policy related interventions that can enable further adoption of EVs in the country.</li> <li>Additionally, they will help popularise and expand the market for leasing and structured credit solutions introduced under the Programme by financing more and newer e-mobility focussed companies, thus creating a multiplier effect on the entire EV value chain.</li> </ul>	<ul style="list-style-type: none"> <li>Periodic engagement in industry forums and government consultative set ups.</li> </ul>

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## A6. Chance Find procedure

The screening of impacts and risks due to any sub-project activities will also include conserving physical cultural resources and promoting the equitable sharing of benefits from the use of cultural heritage in business activities.

During construction of charging stations or vehicle depots, there may be need for excavation and activities in proximity to areas of cultural importance. Whilst all cultural areas of significance will be avoided, areas of lesser importance or with potential “Chance Find” may get touched upon by the sub-project.

“Chance Find” refers to any tangible cultural heritage encountered unexpectedly during project construction or operation phases, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.

### Procedure

During the screening / DD of a sub-project, significant adverse impact to cultural heritage will be identified and avoided to the extent possible. The environmental and social risks and impacts identification process should determine whether the proposed location of a project is in areas where cultural heritage is expected to be found, either during construction or operation phases.

1. **Consultation:** If a sub-project affects any cultural heritage, the site screening team shall consult with affected communities who use, or have used within living memory, the cultural heritage for long standing cultural purposes. Consultations will be undertaken to identify cultural heritage of importance, and incorporate into the communities views. Consultations will also extend to involvement of the relevant national or local regulatory agencies that are entrusted with the protection of cultural heritage. A report on the same will be prepared by the counterparty and submitted to AE regarding Chance Find.
2. **Community Access:** When any of sub-project sites contain cultural heritage or prevents the access to previously accessible cultural heritage sites being used by affected communities, the sub-project shall, based on the consultation process, allow continued access to the cultural sites or provide an alternative access route, subject to overriding health, safety and security considerations.
3. **Removal of Replicable Cultural Heritage:** Whenever the sub-project encounters tangible cultural heritage that is replicable<sup>10</sup> and not critical, the sub-project will apply mitigation measures that favour avoidance.
4. **Removal of Non-Replicable Cultural Heritage:** Most cultural heritage is best protected by preservation in its place, since removal is likely to result in irreparable damage or destruction of the cultural heritage. The sub-project will not remove any non-replicable cultural heritage, unless:
  - there are no technically or financially feasible alternatives to removal; and / or
  - the overall benefits of the project conclusively outweigh the anticipated cultural heritage loss from removal.

Any removal of cultural heritage is conducted using the best available technique.

In circumstances where the sub-project is located within a legally protected area or a legally defined buffer zone, the sub-project, will meet the following requirements:

- comply with defined national or local cultural heritage regulations or the protected area management plans;
- consult the protected area sponsors and managers, local communities and other key stakeholders on the proposed project; and
- implement additional programmes, as appropriate, to promote and enhance the conservation aims of the protected area.

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<sup>10</sup> IFC Performance Standard 8: Cultural Heritage: Replicable cultural heritage is defined as tangible forms of cultural heritage that can themselves be moved to another location or that can be replaced by a similar structure or natural features to which the cultural values can be transferred by appropriate measures. Archaeological or historical sites may be considered replicable where the particular eras and cultural values they represent are well represented by other sites and/or structures.

Once the report on Chance Find is submitted to the AE, it will be assessed and necessary actions will be identified. Local authorities will be informed of the Chance Find and the project team at the site level will be briefed of the outcome. The proceedings and outcome will be documented by counterparty and AE.

5. **Monitoring:** The AE team shall monitor the progress of implementation of the Chance Find Procedure by the counterparty site team during periodic monitoring processes.
6. **Reporting:** A Chance Find Report highlighting the siting of Chance Find shall be submitted by the counterparty. The following reporting format shall be used.

#### Reporting Format on Chance Find

Project	Location	Identified Chance Find	Consultations carried out	Area of Chance Find	Remarks
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An Outcome Report once Chance Find Procedure has been implemented shall be submitted by the Social Officer for documentation purpose to the Social Head. The following format shall be used by the Social Officer.

#### Reporting Outcome Format on Chance Find Procedure

Project	Location	Identified Chance Find	Information Disclosure & Consultation	Action taken	Current Status	Remarks
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#### Records

- Chance Find Report
- Outcome Report

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# A7. Resettlement Policy Framework

Involuntary land acquisition or resettlement for the sub-projects is not expected to be triggered due to the nature of the sub-sectors which require limited to no land. However, the Platform will assess sub-projects to determine whether there are any direct or indirect impacts that trigger IFC Performance Standard 5. It is expected that, if triggered, the majority (if not all) acquisition of the land for project activities is expected to use willing seller-willing buyer approach.

## Definitions

IFC Performance Standard 5 sets the standards for addressing and mitigating risks resulting from involuntary resettlement, including any case of involuntary land taking. “Involuntary resettlement” as used in this document shall refer to physical displacement (relocation or loss of shelter) and economic displacement, including loss of assets or restriction of access to assets that lead to loss of income, as directly or indirectly affected by project activities. Involuntary resettlement arises when persons or communities do not have the right to refuse or object 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.

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, minimised, mitigated or compensated for through the process of social assessment as part of the ESIA.

## Principles

The overall principles of the Platform when considering involuntary resettlement are the following:

1. involuntary resettlement should be avoided where feasible, or minimised, which should include consideration of feasible alternative project designs, paying particular attention to impacts on vulnerable people;
2. where it is not feasible to avoid resettlement, resettlement activities should be designed and executed as part of a programme which promotes sustainable development such that affected persons are able to share in project benefits. Persons displaced by the project should be meaningfully consulted and given the opportunity to participate in the planning and implementation of resettlement programmes; and
3. 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).

The Platform will review sub-projects against these principles, IFC Performance Standard 5 more broadly as well as GCF’s safeguard standard on land acquisition and involuntary resettlement.

## Exclusions

The Programme will not invest in projects where large-scale resettlement is required.

## Local Laws and Regulations

There may be differences between local laws and policies related to land acquisition and GCF safeguard standards. A comparison and gaps assessment will identify any gaps in the policies to be implemented at the sub-projects level. For the avoidance of doubt, the Platform will review the sub-projects against the most stringent measure.

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## Resettlement Action Plan & Livelihood Restoration Plan

As part of the due diligence, the Platform will assess any physical displacement as a result of the sub-project. For all projects that involve involuntary resettlement, a Resettlement Action Plan is required to be prepared by the financing counterparty and reviewed by the Platform. In the case where the sub-project involves economic displacement only, the counterparty will be expected to develop a Livelihood Restoration Plan. The Platform will ensure that these management plans are prepared in line with the IFC Handbook for preparing a Resettlement Action Plan.

The key principles to be considered for this include:

- Identification of project impacts and affected population
- Legal Framework
- Compensation Framework
- Resettlement Assistance and Livelihood
- Budget and Implementation Schedule
- Organisation Responsibilities
- Consultation and Participation
- Grievance Redress
- Monitoring and Evaluation

### 6.3.6 Template Outline of a Resettlement Action Plan<sup>11</sup>

1. *Description of the project:* General description of the project and identification of the project area.
2. *Potential impacts:* Identification of a) the project component or activities that give rise to resettlement; b) the zone of impact of such component or activities; c) the alternatives considered to avoid or minimise resettlement; and d) the mechanisms established to minimise resettlement, to the extent possible, during project implementation.
3. *Objectives and studies undertaken:* The main objectives of the resettlement programme and a summary of studies undertaken in support of resettlement planning / implementation, e.g., census surveys, socio-economic studies, meetings, site selection studies...etc.
4. *Regulatory framework:* Relevant laws of the host country, client policies and procedures, performance standards.
5. *Institutional framework:* Political structure, NGOs.
6. *Stakeholder engagement:* Summary of public consultation and disclosure associated with resettlement planning, including engagement with affected households, local and / or national authorities, relevant CBOs and NGOs and other identified stakeholders, including host communities. This should include, at a minimum, a list of key stakeholders identified, the process followed (meetings, focus groups, etc), issues raised, responses provided, significant grievances (if any) and plan for ongoing engagement throughout the resettlement implementation process.
7. *Socioeconomic characteristics:* The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including results of household and census survey, information on vulnerable groups, livelihoods and standards of living, land tenure and transfer systems, use of natural resources, patterns of social interaction, social services and public infrastructure.
8. *Eligibility:* Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

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<sup>11</sup> IFC Performance Standard 5 – Guidance Note – Annex A.



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9. *Valuation of and compensation for losses:* The methodology used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.
  10. *Magnitude of displacement:* Summary of the numbers of persons, households, structures, public buildings, businesses, croplands, churches, etc., to be affected.
  11. *Entitlement framework:* Showing all categories of affected persons and what options they were / are being offered, preferably summarised in tabular form.
  12. *Livelihood restoration measures:* The various measures to be used to improve or restore livelihoods of displaced people. January 1, 2012 29 Guidance Note 5 Land Acquisition and Involuntary Resettlement
  13. *Resettlement sites:* Including site selection, site preparation, and relocation, alternative relocation sites considered and explanation of those selected, impacts on host communities.
  14. *Housing, infrastructure, and social services:* Plans to provide, or to finance resettlers' provision of, housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
  15. *Grievance procedures:* Affordable and accessible procedures for third-party settlement of disputes arising from resettlement.; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
  16. *Organisational responsibilities:* The organisational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures, including technical assistance, needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.
  17. *Implementation schedule:* An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts, and implementing the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
  18. *Costs and budget:* Tables showing itemised cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
  19. *Monitoring, evaluation and reporting:* Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors to ensure complete and objective information; Performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

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# A8. Indigenous Peoples Policy Framework

There is not expected to be significant impacts on indigenous people in underlying sub-projects given the location of projects is expected to be predominately urban areas and any land acquisition is expected to be limited.

However, as part of the due diligence, the Platform will assess any interaction or involvement of a sub-project with indigenous communities and ensure the following principles are or have been applied:

- Identification of potential impacts on indigenous peoples in the project area who may be affected directly or indirectly by the sub-project.
- Recognise and respect the indigenous peoples' collective rights to own, use, and develop and control the lands, resources and territories that they have traditionally owned, occupied or otherwise used or acquired.
- Respect, protect, conserve and shall not take the cultural, intellectual, religious and spiritual property of indigenous people without their free, prior and informed consent (**FPIC**).
- Ensure that the indigenous people are provided with the equitable sharing of benefits to be derived from utilisation and / or commercial development of natural resources on lands and territories or use of their traditional knowledge and practices by the project. This shall be done in a manner that is culturally appropriate and inclusive and that does not impede land rights or equal access to basic services, including health services, clean water, energy, education, safe and decent working conditions and housing.

For all projects that involve involuntary resettlement, an Indigenous Peoples Plan is required. The Platform will ensure that the management plan is prepared.

The Platform will not proceed with an investment where these principles have not been met.

## Stakeholder Engagement with Indigenous Peoples

Stakeholder engagement methods adopted by the counterparty need to make a clear distinction between procedures used for mainstream local population and those for indigenous peoples (**IPs**) wherever applicable. IPs have unique attributes, including language, culture, and political, economic, and social institutions. They are also more sensitive to issues such as alienation of customary land rights, claims to natural resources, and impacts on cultural property. In addition, IPs may be politically marginalised and unfamiliar with (or do not trust) engagement processes used by the mainstream society. At sub-projects where IPs form a significant number, the counterparty will identify the established forms of leadership within the IP and their relationship with government, mainstream community leaders, and civil society.

The counterparty may operate in regions where IP form a significant proportion of the local population (like *Schedule V* areas). In case of a presence of such groups in project area, the following additional steps shall be undertaken as part of the stakeholder engagement process:

1. Develop an understanding of the importance and special status of these groups in terms of their historical and cultural connection to land, forests and other natural resources.
2. Ensure compliance to national law and international best practices, including:
  - Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006
  - Panchayats (Extension to Scheduled Areas) Act, 1996
  - Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989
  - UN Declaration of the Rights of Indigenous Peoples (**UNDRIP**)
  - UN Common Understanding on the Human Rights Based Approach to Development Cooperation
  - UN Development Group's Guidelines on Indigenous Peoples' Issues

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- International Labour Organisation's Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries (1989)
  - IFC PS 7, especially in terms of Free Prior Informed Consent (**FPIC**)

3. Formation of village council / committee to enable engagement with representatives of IPs.

These groups shall be recognised as separate stakeholder groups. Their relationships with the other stakeholder groups and the business, and specific concerns pertaining to business activities, need to be analysed.

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