

saviu

Saviu II

ESG Policy

December 2024

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1. Definitions

Except as expressly provided herein, any obligations and undertakings of the Fund shall be deemed to be made and undertaken by the Manager on behalf of the Fund, and the following terms shall have the following meanings:

Fund: refers to Saviu II, a private company limited by shares and formed under the laws of the Republic of Mauritius, whose registered office is at c/o Mitco 4th Floor, Ebene Skies, rue de l'Institut, Ebene, Mauritius;

Manager: refers to Saviu Partners, a private company limited by shares and formed under the laws of the Republic of Mauritius, whose registered office is at c/o Mitco 4th Floor, Ebene Skies, rue de l'Institut, Ebene, Mauritius, being the CIS Manager of the Fund;

Advisory Committee: refers to the Fund advisory committee, a supervisory body in charge of verifying and ensuring the Fund's compliance with any of its regulatory, legal, ESG or Impact undertakings.

"Authority" means any national, supranational, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity;

"Authorization" means any consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents;

"Basic Terms and Conditions of Employment" means the requirements as applicable to the Portfolio Companies on wage, working hours, labour contracts and occupational health & safety issues, stemming from ILO conventions 26 and 131 (on remuneration), 1 (on working hours) and 155 (on health & safety);

"Core Labor Standards" means the requirements as applicable to the Portfolio Companies on child and forced labour, discrimination and freedom of association and collective bargaining, stemming from the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and covering: (i) freedom of association and the right to collective bargaining, (ii) the elimination of forced and compulsory labor, (iii) the abolition of child labor and (iv) the elimination of discrimination in the workplace;

"E&S Action Plan" means the environmental and social action plan agreed upon between the Fund and any Portfolio Company, defining actions, responsibilities, deliverables, compliance indicators and a timeframe for the measures required to remedy the known non-compliances of the business activities of the Portfolio Company with the E&S Requirements and for any other measure agreed upon, as amended from time to time;

"E&S Management System" means the part of the overall management system of the Fund that includes the relevant policies, organizational structure, planning activities, responsibilities, practices, procedures and resources for developing, implementing, achieving, reviewing and maintaining compliance with the E&S Requirements, dedicated to the systematic and structured improvement of environmental and social performance, specifically targeted to identify and manage environmental and social risks and opportunities in the investment appraisal and management processes for:

- ensuring compliance with the Exclusion List;
- assessing and categorizing (as low, medium or high) the environmental, social, labor, occupational health and safety risks associated with each Portfolio Company;
- verifying that each Portfolio Company complies with the E&S Requirements;
- contractually agreeing with each Portfolio Company that it will comply with the E&S Requirements;
- agreeing upon an E&S Action Plan between the Fund and each Portfolio Company that does not comply with the E&S Requirements, and
- monitoring, evaluating and reporting on a regular basis and at least annually on the compliance

of each Portfolio Company with the E&S Requirements and, if applicable, its E&S Action Plan or any other actions found to be necessary to reach compliance, including any Remediation Measures;

“E&S Officer” means the suitably trained investment team member of the Fund, responsible for the practical and day-to-day development, implementation and operation of the Environmental and Social Management System;

“E&S Manager” means the senior officer of the Fund having management responsibility, among other things, for ensuring proper operation and maintenance of the E&S Management System;

“E&S Performance Report” the annual environmental and social monitoring report providing information set out in Annex A (E&S Performance Report);

“E&S Permit” any environmental and/or social permit, license, consent, approval or other Authorization required by the Fund or a Portfolio Company to conduct its business;

“E&S Principles” means the guiding principles set out in paragraph 3.1 (Environmental and Social (E&S) Principles);

“E&S Recommendations” means the recommendations on the E&S due diligence report relating to an anticipated investment provided by members of the Advisory Committee in accordance with the Investment Code, the E&S Principles and the E&S Requirements;

“E&S Requirements” means the stricter of (i) Environmental Law, (ii) Social Law, (iii) E&S Permits, (iv) Basic Terms and Conditions of Employment, (v) Core Labor Standards, (vi) other requirements set by the E&S Management System, (vi) with respect to High Risk Clients, all applicable IFC Performance Standards and (vii) with respect to the Fund, IFC Performance Standard 2 (“Labor and Working Conditions”);

“Environmental Law” means any law, rule or regulation (including international treaty obligations) concerning environmental matters and natural resource management applicable to any Portfolio Company in any country in which it carries out business activities financed by the Fund;

“Exclusion List” means the list of prohibited activities set forth in section 4 (Exclusion List);

“High Risk Activity” means any activity of a Portfolio Company which is likely to have significant adverse environmental or social impacts that are sensitive, diverse or unprecedented, examples of which are set out in Annex B (Examples of High Risk Clients);

“High Risk Client” means a Portfolio Company that carries or intends to carry out a High Risk Activity;

“IFC” means the International Finance Corporation, an international organization established in Washington, DC, USA, by articles of agreement among its member countries;

“IFC Performance Standards” means the IFC’s Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety Guidelines)¹;

“ILO” means the International Labor Organization, the tripartite United Nations agency which brings together governments, employers and workers of its member states in common action to promote decent work throughout the world;

“Portfolio Company” means all businesses in which the Fund’s capital is invested;

“Remediation Measures” means with respect to any existing investment in a Portfolio Company, such measures as are necessary or appropriate to remedy the applicable breach, including an appropriate timeframe for implementation of such measures; and

“Social Law” means any law, rule or regulation (including international treaty obligations) applicable to any Portfolio Company, any country in which it carries out business activities financed by the Fund

¹ All IFC Performance Standards may be downloaded from the IFC website:

http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Risk+Management/Sustainability+Framework/Sustainability+Framework+-+2012/, and all World Bank Group Environmental, Health, and Safety Guidelines may be downloaded from the IFC website:

http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/risk+management/sustainability+framework/sustainability+framework+-+2006/environmental%2C+health%2C+and+safety+guidelines/ehsguidelines

concerning (i) labour, (ii) social security, (iii) the regulation of industrial relations (between government, employers and employees), (iv) the protection of occupational as well as public health and safety, (v) the regulation of public participation, (vi) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (vii) the protection and empowerment of indigenous peoples or ethnic groups, (viii) the protection, restoration and promotion of cultural heritage, (ix) all other laws, rules and regulations providing for the protection of employees and citizens.

2. ESG and Impact policies applicable to the Fund and the Manager

The Fund and the Manager shall procure that the Fund and each Portfolio Company shall, at all times, comply with the provisions of ESG & Impact policies (the “**Investment Code**”), set out in section 3.

The Fund and the Manager shall procure that the Fund and the Manager will:

- not finance any activity, production, use of, trade in, distribution of or involving those excluded matters listed in section 4 (Exclusion List) ; and
- provide to their shareholders all information required under paragraph 3.2.3 (E&S Performance Report) on an annual basis.

The Manager shall use all best commercial efforts for the Fund to be deployed in Portfolio Investments that meet the 2x Criteria as defined and may be amended from time to time at <https://www.2xchallenge.org/criteria>

3. Investment Code

3.1. Environmental and Social (E&S) Principles

The Fund will, and will ensure that the Portfolio Companies, commit to continuous improvements with respect to management of the environment, social matters and work over time to apply relevant international best practice standards with appropriate targets and timetables for achieving them. Therefore the Fund and the Portfolio Companies will implement management systems which effectively address E&S risks and realize E&S opportunities as a fundamental part of a company’s value and to act in accordance with the following principles:

- minimize adverse impacts and enhance positive effects on the environment and all stakeholders (including employees and any affected communities) as relevant and appropriate, of the Portfolio Companies;
- encourage the Portfolio Companies to make efficient use of natural resources and to protect the environment wherever possible;
- support the reduction of greenhouse gas emissions;
- encourage the Portfolio Companies to work within a defined timeframe towards full compliance with the International Labor Organization (“ILO”) Core Labor Standards and ILO Basic Terms and Conditions of Work and to respect the International Bill of Human Rights² in line with the UN Guiding Principles on Business and Human Rights³;
- encourage the operation of the Portfolio Companies to be carried out in accordance with good international industry practices⁴, recognize and, as appropriate, promote the social aspects of the development impact from the Portfolio Companies; and
- consider the potential for positive impacts and opportunities from business activities (e.g. certifications to enter new markets, strengthening of supply chain structures/management).

It is however recognized that the Fund’s investment strategy is to invest as a minority investor and not a controlling investor, in small startup companies. Requirements of the Investment Code in relation to Portfolio

² The International Bill of Human Rights includes the United Nations (“UN”) Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights.

³ <http://www.business-humanrights.org>

⁴ Including the range of internationally certifiable environmental standards issued by the International Organization for Standardization (“ISO”), the ISO 14000 series, notably including standards for environmental management systems (ISO 14001) and greenhouse gas emissions (ISO 14064-65), as may be amended from time to time. See www.iso.org.

Companies and holding companies or vehicles which are not directly or indirectly controlled by the Fund shall therefore be on a best-efforts basis.

3.2. Environmental and Social Undertakings

3.2.1. Implementation and Operation of the Fund's E&S Management System

The Fund will:

- establish, implement before the first investment and maintain an E&S Management System and act in accordance with the E&S Principles as defined in paragraph 3.1 (Environmental and Social (E&S) Principles) in all its business activities;
- ensure that the E&S Management System will assess and manage the environmental and social performance of the Fund in compliance with these provisions and any E&S Action Plan agreed with Portfolio Companies;
- advise and consult with the Advisory Committee regarding any proposed change in the objectives or operations of the Fund, including any material environmental or social risk posed by the proposed change; and if requested by the Advisory Committee, amend the E&S Management System to assess and manage such additional risks in compliance with the E&S Requirements and these provisions, in a manner reasonably acceptable to the Advisory Committee.

The Fund shall nominate and train a member of the investment team as E&S Officer and nominate a member of the management as E&S Manager. Any successor or replacement E&S Manager shall be notified and reasonably acceptable to the Advisory Committee.

3.2.2. Investments

In connection with any proposed investment in a Portfolio Company:

- Before the Fund invests in any proposed Portfolio Company (including in respect of a new investment or a follow-on investment in an existing Portfolio Company), the Fund will review and investigate information available in the public domain regarding any adverse impact on local communities or the environment or adverse environmental or social performance associated with that proposed Portfolio Company.
- The Fund will assess the environmental, health and safety and community risks and impacts of the proposed Portfolio Company's operations, categorize the operations accordingly into high, medium and low risk⁵, document the rationale for such categorization and inform the Advisory Committee at the start of due diligence.
- For all High Risk Activities, the Fund will involve adequately qualified external experts to evaluate compliance with the E&S Requirements and carry out a gap analysis by applying the relevant IFC Performance Standards and EHS guidelines⁶. An adequate evaluation shall comprise:
 - for greenfield operations and major expansions of existing facilities: Evaluate risks and impacts through an adequate environmental and social impact assessment (ESIA);⁷
 - for existing operations: Evaluate risks and impacts through an adequate environmental and social audit⁸.
- Upon request by any member of the Advisory Committee, the Fund shall promptly (but in any event within two Business Days of such request, and prior to making the relevant investment), provide copies

⁵ For assessing risks and categorization FMO Toolkit for Private Equity Funds (http://www.fmo.nl/FMO/documents/ESG/FMO_PEF-EandS_Toolkit.zip) or an equivalent tool or consultant report will have to be used). Annex C of this Schedule provides examples of high risk investments are included.

⁶ The IFC Performance Standards and the IFC EHS Guidelines, as may be amended from time to time. See www.ifc.org/ifcext/enviro.nsf/Content/PerformanceStandards and www.ifc.org/ifcext/policyreview.nsf/Content/EHSGuidelinesUpdate

⁷ Requirements for an adequate impact assessment can be found in IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex A).

⁸ Requirements for an adequate audit can be found in IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex B).

of the environmental and social due diligence report, and/or any proposed E&S Action Plan, prepared in connection with the proposed investment.

- The Fund will only make an investment in a proposed Portfolio Company (including in respect of a new investment or a follow-on investment in an existing Portfolio Company) if:
 - any identified adverse impact or performance has been resolved in accordance with the E&S Requirements (including, in respect of any follow-on investment in an existing Portfolio Company, by way of implementation of any Remediation Measures approved in accordance with paragraph 3.2.4 (Supervision; Exercise of Remedies) below); or
 - in respect of any new investment, the proposed Portfolio Company has agreed an E&S Action Plan to so resolve the identified adverse impacts or performance within a reasonable timeframe (including appropriate conditions precedent for the proposed investment), and the investment documentation includes appropriate remedies if the proposed Portfolio Company fails to implement the E&S Action Plan.

The E&S Manager and the Fund will for any proposed investment in a High Risk Client consult with the Advisory Committee to discuss the rationale for categorization, scope and focus areas of the environmental & social due diligence (unless deemed unnecessary by the Advisory Committee), need for involvement of external consultants and other relevant matters. Furthermore the Fund will share the environmental & social due diligence report (unless such report has been deemed unnecessary by the Advisory Committee) as well as any proposed corrective action plan for the potential investment promptly after completion thereof, but no later than 15 Business Days before presentation of the proposed investment to the Fund's final investment committee approving the investment:

- No later than 10 Business Days after the receipt of the E&S due diligence report from the Fund, any member of the Advisory Committee may, if it considers appropriate, provide the Fund its E&S Recommendations;
- Promptly after delivery of the E&S Recommendations to the Fund (but before presenting the proposed investment to the Fund's investment committee for final investment approval), the Fund will consult with the Advisory Committee and address the E&S Recommendations, by delivery of a final corrective action plan for the proposed Portfolio Company. The final corrective action plan will be agreed with the proposed Portfolio Company and will include a timeframe for implementation of the E&S Recommendations and conditions precedent for the proposed investment;
- Members of the Advisory Committee shall be entitled upon request to review and comment on any final corrective action plan agreed with the proposed Portfolio Company, prior to making such investment.

The Fund shall not in any event invest in a Portfolio Company engaged in any of the activities on the Exclusion List.

Any material amendment to the E&S Action Plan agreed with a Portfolio Company pursuant to paragraph 3.2.2 (Investments) shall be notified to the Advisory Committee.

The Fund shall, on a best efforts basis, encourage the Portfolio Companies to implement policies and commit to continuous improvements on E&S matters.

In case a Portfolio Company anticipates collective dismissals of more than 10 per cent. of the workforce and/or more than a total of 50 Employees, the Fund will encourage the Portfolio Company on a best efforts basis, to develop a plan to mitigate the adverse impacts of retrenchment in line with national law and good industry practice⁹ and based on the principles of non-discrimination and consultation to be reflected in the final retrenchment plan.

3.2.3. Monitoring and Reporting

The Fund will:

- within ninety 90 calendar days after the end of each Financial Year, deliver copies of the E&S Performance Report to members of the Advisory Committee;

⁹ For reference see IFC Good Practice Note on Managing Retrenchment or EBRD Retrenchment Guidance.

- within five calendar days after becoming aware of the occurrence, notify the Advisory Committee of any environmental, social, labor or health and safety incident, accident or circumstance with respect to any existing or proposed Portfolio Company that (a) has, or could reasonably be expected to have, a material adverse effect or impact on the Fund, the Portfolio Company, the environment, communities or the workforce, or (b) involves or causes, or is reasonably likely to involve or cause, any material breach of the E&S Requirements, specifying the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep the Advisory Committee informed of the on-going implementation of those measures; and
- within 15 calendar days of a request by any member of the Advisory Committee, provide such information as is reasonably requested by that party to confirm that the Fund is in compliance with the E&S Requirements.

The Fund will ensure that members of the Advisory Committee and any E&S consultants appointed by such members have the right to visit, upon reasonable notice, any of the premises where the business of a Portfolio Company is conducted, to have access to Portfolio Company management, and to have access to the Portfolio Company's books of account and records, in each case, as such member reasonably considers necessary to (i) monitor the Fund's compliance with these E&S provisions, or (ii) assess the legal or reputational risk posed to the Fund or its investors by any incident, accident or circumstance described in paragraph 3.2.3 (Monitoring and Reporting).

3.2.4. Supervision; Exercise of Remedies

At the request of any member of the Advisory Committee, the Fund will promptly call a special meeting of the Advisory Committee to review and discuss the Fund's compliance with the E&S Requirements, the operation of the E&S Management System, or the compliance of any Portfolio Company with the E&S Requirements or any agreed E&S Action Plan or Remediation Measures which have been agreed pursuant to 3.2.2 (Investments) above.

If the Fund becomes aware of additional environmental and social risks of an existing Portfolio Company, the Fund will confirm to the Advisory Committee that the E&S Management System has sufficient capacity, including quality of staffing and expertise, to assess and manage the environmental and social risks of Fund operations on an ongoing basis, as contemplated by the E&S Requirements. The Fund will promptly report the results of the review to the Advisory Committee.

If (A) any member of the Advisory Committee reasonably determines that a Portfolio Company is in material breach of any of the E&S Requirements and notifies the Fund and the other members of the Advisory Committee of such determination or (B) any of the Fund otherwise becomes aware that a Portfolio Company is in material breach of such E&S Requirements, the Fund shall promptly: (i) in the case of (B), notify the Advisory Committee, (ii) in consultation with the Advisory Committee, require the relevant Portfolio Company to undertake, within a specified timeframe, Remediation Measures which shall be approved by, in the case of a High Risk Client, the Advisory Committee, acting unanimously, and, in the case of a Non High Risk Client, a majority of the Advisory Committee and keep the Advisory Committee regularly informed of the ongoing implementation of those measures; and (iii) if the Remediation Measures are not so approved or if they are so approved but the relevant Portfolio Company fails to implement such Remediation Measures within the agreed timeframes, use all reasonable efforts to (a) assert and enforce any right of the Fund to require the Portfolio Company to comply with such undertakings, including but not limited to, any available action for specific performance or similar remedy, and/or (b) absent timely or reasonable remedy, dispose of the Fund's investment in such Portfolio Company on commercially reasonable terms, taking into account liquidity, market constraints and fiduciary responsibilities.

3.2.5. Certain Undertakings of the Fund

To the best knowledge and belief of the Fund after due inquiry, there are no material environmental or social risks or issues in respect of Fund operations other than those identified by the E&S Management System.

The Fund has not received or is aware of: (i) any existing or threatened complaint, order, directive, claim, citation or notice from any Authority; or (ii) any material written communication from any person, concerning the failure by any Portfolio Company to undertake its operations and activities in accordance with the E&S Requirements.

3.3. E&S Performance Report

3.3.1. Format

The Fund can report in its own format, provided that such format has been approved by Advisory Committee, or alternatively provided that the format complies with an agreed format of another EDFI or IFC.

3.3.2. Content

The Performance Report shall contain, at a minimum, the information set out below.

- For the Fund:
 - Name of the responsible E&S Manager;
 - Status/Changes in E&S Management System;
 - Transactions declined on E&S grounds;
 - Difficulties and/or constraints related to the implementation of E&S Management System;
 - Overview of current pipeline, status and expected categorization;
 - E&S trainings undertaken/planned;
 - Exclusion list: confirmation that no investments are undertaken in any of the activities listed in the Exclusion List (or, in cases where a Portfolio Company is found to be partly active in activities included on the Exclusion List, submits a plan to phase out such activities).
- For each Portfolio Company:
 - Categorization of each investment and rationale behind that categorization;
 - Summary assessment of E&S risks identified;
 - For High Risk Activities, summary of qualified external E&S assessment undertaken and reference to qualification of external expert undertaking assessment;
 - Status of E&S performance to date, implementation of E&S Management System and agreed E&S Action Plan (if applicable).
 - For companies with CO2 equivalent emissions exceeding 25,000 metric tons annually (report on emissions in accordance with requirements set out in IFC Performance Standard 3).
 - Employment data:
 - Total number and breakdown of staff employed: Direct Employment, Permanent, Males/Females;
 - Has retrenchment of employees taken place in the reporting period? If yes, please specify number of employees affected and attach copy of retrenchment plan.
 - Date of the last site visit for E&S purposes.
 - Optional information on each Portfolio Company:
 - Any improvements in performance with a clear environmental benefit (e.g. energy savings, reducing (hazardous) waste, certification of relevant management systems such as ISO 14,001, OHSAS 18,000);
 - Any improvements in performance with a clear social benefit (e.g. improvements in labor conditions, certification of relevant management systems such as SA 8000).

3.4. Examples Of High Risk Clients

The following sectors are generally considered to be typical High Risk industry sectors, for both new developments (Greenfield) and existing projects (Brownfield). Depending on project specifics, the E&S risks of individual projects may be considered to be medium. The contrary could also be applicable: projects which are considered to be medium risks from the sector perspective may prove to be high risk. Therefore, detailed rationales for categorization must therefore be documented. For an indication of the E&S risks, the FMO Toolkit for Private Equity Funds (see <http://www.fmo.nl/esg-tools>) or another appropriate DFI toolkit (such as IFC, CDC) can be applied.

The sectors listed below cover activities as defined under the heading ‘Applicability’ of the corresponding IFC’s Environmental, Health, and Safety Guidelines as defined under IFC’s Performance Standards or directly trigger IFC Performance Standard 5-8.

Infrastructure

- Railways
- Ports, harbors and terminals
- Airports
- Toll roads
- Crude oil and petroleum product terminals
- Pipelines
- Long-distance overhead transmission lines
- Large dams (hydro power plants/irrigation/water supply)
- River-run-off hydro power plants (> 50 MW)
- Waste management / Waste treatment facilities
- Thermal power: new plants (> 50 MW)
- Thermal power: existing plants (> 50 MW)
- Wind parks (> 100 MW installed capacity)

Oil & Gas

- Offshore oil and gas development
- Onshore oil and gas development
- Liquefied natural gas (LNG) facilities

Large-Scale Primary Production (Plants/Animals)

- Plantation crop production
- Forestry
- Aquaculture
- Animal production

Heavy Industry

- Cement and lime manufacturing
- Glass manufacturing
- Construction materials extraction
- Integrated steel mills
- Base metal smelting and Refining
- Pulp and paper mills
- Foundries
- Pharmaceuticals and biotechnology manufacturing
- Coal processing
- Natural gas processing
- Oleo chemicals manufacturing
- Nitrogenous fertilizer manufacturing

- Phosphate fertilizer manufacturing
- Pesticides manufacturing and packaging
- Petroleum-based polymers manufacturing
- Petroleum refining
- Large-volume petroleum-based organic chemicals manufacturing
- Large-volume inorganic compounds manufacturing and coal tar distillation

Mining

- Mining (open pit and underground)

Socially Critical Projects

- Projects with large groups of low-skilled labor, for instance in free trade zones etc. (e.g. textiles manufacturing projects which may affect indigenous or tribal populations)
- Projects which may affect areas of archaeological or cultural significance
- Projects which cause or have caused (during last 5 years) physical or economic resettlement
- Projects which cause retrenchment of more than 10% of the present work force (or > 50 workers)

Environmentally Critical Projects

- Projects in or bordering ecological sensitive or protected areas (e.g. agriculture in Amazon area, large-scale tourism projects)
- Large-scale conversion of natural habitats
- Large-scale land reclamation
- Projects that have potential to heavily impact ecosystem services (e.g. due to intensive use of ground water)

All of IFC's Performance Standards and IFC Environmental, Health, and Safety Guidelines may be downloaded from the IFC website:

http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/

4. Exclusion List

4.1. Illegal activities:

- Any equipment, sector or service subject to economic sanctions issued by the United Nations, the European Union or France, without absolute or relative restriction regarding the amount;
- Production or activity involving forced labour¹⁰, child labour¹¹ or trafficking in human beings;¹²
- Illicit activities involving organs, tissues and products of the human body, or genetic engineering activities banned by the national bioethical standards of France¹³ or of the host country, and by relevant applicable European or international standards;¹⁴
- Trade, production, breeding or possession of animals, plants or any natural products in breach of the

¹⁰ "Forced labour" refers to any work or service performed involuntarily and exacted from an individual by threat of force or punishment as defined in the conventions of the International Labour Organization (ILO).

¹¹ Employees must be at least 14 years of age as defined in the ILO's Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory schooling or a minimum age for admission to employment or work. In such circumstances, the highest age requirement must be used.

¹² Council of Europe Convention on Action against Trafficking in Human Beings (2005); Directive 2011/36/EU.

¹³ V. AR. 16 à 16-14 of the French Civil Code (mainly as set out in Law No. 94-653 of 29 July 1994 on the respect for the human body and Law No. 2004-800 of 6 August 2004 on bioethics).

¹⁴ The Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Application of Biology and Medicine: Convention on Human Rights and Biomedicine (Oviedo, 04/04/1997); Council of Europe Convention against Trafficking in Human Organs (Saint-Jacques-de-Compostelle, 25/03/2015).

provisions of CITES;¹⁵

- Fishing activity using a driftnet in excess of 2.5 km in length;
- Research, purchase, promotion or multiplication of genetically modified seeds;¹⁶
- Production, use or trade of hazardous materials (such as asbestos fibres) and all products (including chemical products, pharmaceuticals, pesticides/herbicides, ozone-depleting substances¹⁷ or any other hazardous product) the production or use of which is banned or which will be phased out in the regulations of destination countries or internationally;
- Transboundary trade of wastes, except those consistent with the Basel Convention¹⁸ and its underlying regulations;
- Exploitation of diamond mines and marketing of diamonds in countries that have not adhered to the Kimberley Process;
- Illicit trade or activities that facilitate the illicit traffic of cultural property.¹⁹

4.2. Activities not aligned with the investors' commitment to sustainable development:

- Production or trade:
 - relating to pornography or prostitution;
- Production or trade in:²⁰
 - weapons and/or munitions;
 - tobacco;
 - alcoholic beverages (excluding beer and wine);
 - gambling establishments, casinos or equivalent enterprises;²¹
- Production and distribution or participation in media that is racist or anti-democratic or which promotes discrimination against part of the population;
- Operations resulting in an irreversible alteration or a significant displacement of a critical element of cultural heritage;²²
- Projects to construct, extend or refurbish fossil fuel-fired power plants;²³
- Infrastructure associated²⁴ to a facility for producing, storing or processing fossil energy resources (mines, processing facilities, storage, etc.) or for generating electricity from fossil energy sources, referred to in point 14 of this list;
- Projects for the exploration, production or processing or dedicated exclusively to the transport of coal,

¹⁵ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington, 1973).

¹⁶ Programming Act No. 2021-1031 of 4 August 2021 on inclusive development and combating global inequalities prohibits financing by AFD of activities involving the purchase, promotion or multiplication of genetically modified seeds (LPDSL – Cadre de partenariat global [Global Partnership Framework] Part II – B – b / - 3 - paragraph 6). AFD adds research activities to this (Territorial and Ecological Transition Strategy 2020-2024).

¹⁷ Any chemical component which reacts with, and destroys, the stratospheric ozone layer leading to the formation of "holes" in this layer. The Montreal Protocol lists ozone depleting substances (ODS), their reduction targets and the deadlines for phasing them out.

¹⁸ The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal is available at: www.basel.int

¹⁹ Trade in cultural property is regulated by the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970).

²⁰ If these activities represent more than 10% of the turnover of the counterparty financed or, if the client is a financial intermediary, more than 10% of the outstandings of its portfolio.

²¹ Any direct financing of these projects or activities including them (for example, a hotel incorporating a casino). It does not concern urban development plans that could subsequently integrate such projects.

²² "Critical cultural heritage" is considered to be any part of the heritage that is internationally or nationally recognised as being of historical, social or/and cultural interest.

²³ Except for projects involving mini-grids served by hybrid power plants (combining renewable energies and fossil fuels).

²⁴ The term "associated infrastructure" is used when the infrastructure is associated with a production facility using fossil fuel if the two following conditions are fulfilled: i) the infrastructure would not have been built in the absence of this fossil fuel facility, and ii) the fossil fuel facility would not be economically viable without the infrastructure.

gas and oil (conventional or non-conventional);

- Biodiversity:
- Any financing in the (a) sites of the Alliance for Zero Extinction (AZE)^{25 / 26}, (b) natural and mixed sites on the Unesco World Heritage List²⁰ and (c) legally protected areas (IUCN categories)²⁷ and,
- Any operation leading to an adverse and irreversible²⁸ residual²⁹ impact on a critical habitat;^{30 / 31}
- Any forest project or agricultural project with broad coverage (>100 ha) that does not implement a methodology³² ensuring zero-deforestation;
- Projects whose purpose and/or approach are inconsistent with human rights, and in the case of private sector financing, projects underpinned by rationales that clearly contradict the United Nations Guiding Principles on Business and Human Rights;³³
- Projects where it is known that a forced eviction within the meaning of the United Nations³⁴ was carried out on the impact site of the proposed project, and which eviction can be causally linked to the purpose of this project and which is materially impossible to compensate.³⁵

Signature

DocuSigned by:
Benoit DELESTRE
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Name / Position

Benoit Delestre - Saviu Partners, Director

Date

30/12/2024

²⁵ Unless the area of influence of the funded activities and their associated facilities does not encroach on zones that effectively meet the criteria for being designated as an AZE site – <https://zeroextinction.org/site-identification/aze-site-criteria/>

²⁶ Unless the financing aims to conserve or restore these areas.

²⁷ Unless the financing aims to conserve or restore these areas or complies with the management and spatial planning arrangements for the latter, such as those formalised in plans with international standards relating to the activities being financed – categories I-VI in [World Database on Protected Areas | IUCN](#).

²⁸ Irreversible impact: permanent conversion or degradation of biodiversity or of the ecological functions or characteristics that warranted the critical habitat designation.

²⁹ Residual impact: a project’s measurable impact on a biodiversity value, after implementation of avoidance and mitigation measures, but before implementation of restoration and compensation measures.

³⁰ Critical habitat: within the meaning of the World Bank’s Environmental and Social Standard 6 – 2018 or IFC-GN PS6 2019.

³¹ Unless the said project is of overriding general interest for the destination country, in which case a derogation can be presented to the Group’s governance for a decision.

³² Methodology including (i) a reference tool equivalent to the HCS approach, allowing for forest classification, (ii) a guarantee that no high carbon stock forest will be converted under the project and (iii) monitoring of forest cover (field or satellite monitoring).

³³ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

³⁴ United Nations Sub-Commission on Human Rights Resolution 1993/41: “Forced Eviction”. “The term ‘forced evictions’ [...] is defined as the permanent or temporary removal against their will of people, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection (Committee on Economic, Social and Cultural Rights, [General Comment No. 7](#)).

³⁵ Due to the project sponsor’s refusal or its inability to identify the populations that are victims of forced evictions. Projects for which an effective remedy can be provided for violated rights will not be excluded.