***Note for FIs***

*This checklist supports the CDC Sector Profiles and should be used in conjunction with them and, where appropriate, the relevant E&S Topics. It aims to provide guidance for Financial Institutions (FIs) on the key potential environmental and social (E&S) aspects associated with a prospective transaction that should be interrogated during the screening stage of the transaction lifecycle.*

*This checklist provides a general guidance on E&S topics/issues which may be encountered for a particular client business or project. However, it is important to assess every new transaction based on its own specific circumstances and risk factors including the type of financing, main business activities, scale of operation, technology, location, as well as the client’s* [*commitment capacity and track record*](http://toolkit.cdcgroup.com/esg-in-the-investment-cycle/cdc-guidance/assessing-cctr)*. For example, depending on the clients/project’s operations and locations, issues such as negative impacts on Indigenous Peoples and cultural heritage may apply. See E&S Topics, CDC Sector Profiles,* [*IFC Performance Standards*](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards) *and* [*World Bank Group EHS Guidelines*](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines) *for further information. Similarly, every prospective transaction will be exposed to different opportunities.*

*This checklist is divided into themes and a series of questions are provided to help guide the E&S screening process.*

*Not all questions will be relevant. The table below will help FI’s to focus their attention on the most common and relevant topics for any transaction. FI’s will need to be guided by prior experience, the comments and guidance of consultants and experiences of others (including potentially the* [*IFC Projects Database*](http://ifcextapps.ifc.org/ifcext/spiwebsite1.nsf/$$Search?openform)*) as sources of information and guidance.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company Name and Address**:  *Please list all facilities relevant to this transaction* | | | | |
| **Project/Transaction Details:**   * *Facility type* * *Proposed amount and tenor* * *Information on whether the transaction involves any greenfield development/expansions* | | | | |
| **Industry**:  *Please include key sector specific E&S risks* | | | | |
| **Details of the site visit and/or documents reviewed:** | | | | |
| **Provisional E&S Category:**  *Please provide rationale for categorization* | | | | |
| **Instructions**:   * Please ensure the “Comment” sections are completed. * If a question is marked as Not Applicable, please provide rationale. * Please include an action plan if required. * If IFC Performance Standards are applicable for this transaction, please ensure a sufficient E&S DD report is attached to the initial risk assessment. | | | | |
| **Applicable Requirements**  *Please select the relevant applicable requirements and comment on the project’s current compliance status* | | | | |
| Does the Company have any activities on the FI’s **Exclusion List**? | Y | N | NA | Please provide a list of excluded activities if any |
| [Confirm compliance with other FI’s policies, as applicable] | Y | N | NA | Please provide a list of excluded activities if any |
| What are the key **applicable E&S laws** relevant for this transaction? Can the Company provide documented evidence showing compliance i.e. permits, licenses, EIAs etc.? | Y | N | NA | Please provide a list of permits or licenses required for this transaction |
| Does this transaction need to comply with **IFC Performance Standards or other internal standards? (refer to the FI’s ESMS)** | Y | N | NA | Please state the rationale for PS applicability |
| **E&S Risk (transaction / client) Assessment**  Please complete the following section based on the site visits and documents reviewed. Please list all relevant documents as applicable**.** | | | | |
| **Roles and Responsibilities** | | | | |
| Please list the key personnel responsible for environmental, social, health and safety (ESHS) and Human Resources (HR) management. |  | | | |
| Please provide details on the composition of teams responsible for ESHS and HR |  | | | |
| Please provide a summary of internal and external reporting mechanism on ESHS |  | | | |
| **Environmental and Social Policies and Procedures** | **Y** | **N** | **NA** | **Comments** |
| Does the Company have an E&S Policy? |  |  |  | Comment on the E&S Policy (senior management commitment, date, scope, reference framework such as international standards) |
| Does the Company have an overarching E&S Management System identifying environmental and social risks and impacts associated with its operations? |  |  |  | Comment on the scope and contents of the E&S Management System including key topics covered and respective management plans if any. |
| Does the Company have a procedure to identify and engage with relevant stakeholders including affected communities? |  |  |  | Please list all relevant documents and procedures including by not limited to stakeholder mapping, community grievance mechanism, stakeholder engagement plan etc. |
| Does the Company have an Emergency Preparedness and Response Plan? |  |  |  | Please comment on what is defined as an emergency i.e. natural hazards, environmental spills etc. and how the plan is communicated to staff including drills and training programs. Does the plan also cover emergencies that could potentially affect local communities or any third parties in the vicinity of the project? |
| **Labor and Working Conditions** | **Y** | **N** | **NA** | **Comments** |
| **Human Resources** | | | | |
| How many employees does the company have? | Please provide the breakdown between direct and contract workers | | | |
| Please select whether the Company has the following HR documents; |  |  |  |  |
| HR Policy |  |  |  | Please comment on the contents of the HR Policy e.g. terms of employment, working hours, overtime, payment, leave, freedom of association etc. |
| Internal Grievance Mechanism |  |  |  | Does the mechanism allow for anonymous complaints? Does the Company record all grievances?  Does the grievance mechanism accessible to third party workers, if any? |
| Code of Conduct |  |  |  | Please include the key requirements under the CoC such as non-discrimination |
| Do all employees have written contracts? |  |  |  | Please comment on whether terms of employment are clearly included |
| Have there been any collective dismissals or labor disputes in the past two years? |  |  |  | If yes, please provide details |
| Does the company have a contractor management plan? |  |  |  | If applicable, please comment on what this plan entails and how company requirements are cascaded to contractors? |
| Does the company operate in a sector where the primary supply chain can be considered high risk such as textile? |  |  |  | Please provide details on how the company monitors its supply chain. |
| **Occupational Health and Safety** | | | | |
| Does the company have a health and safety management plan? |  |  |  | Please comment on the scope and contents including how the H&S requirements are cascaded to contractors. |
| Does the company have a documented risk assessment? |  |  |  | Please provide a list of high risks areas identified |
| Does the Company record health and safety incidents? |  |  |  | Please provide number of serious accidents/incidents including but limited to fatalities in the past year. |
| Does the company have mechanisms in place to communicate health and safety measures to its employees e.g. training, toolbox talks, permits to work etc. |  |  |  | Please provide details |
| **Resource Efficiency and Pollution Prevention** | **Y** | **N** | **NA** | **Comments** |
| Does the company generate in any air emissions? |  |  |  | If yes, please comment on whether and how the company monitors its air emissions? |
| Does the company generate any wastewater? |  |  |  | If yes, please provide details on how the company monitors its effluent discharge and confirm the relevant permits are in place. |
| Does the company generate any solid waste? |  |  |  | If yes, please provide details of the type of waste produced and disposal methods |
| Does the company generate any hazardous waste? |  |  |  | If yes, please provide details of the type of waste produced and disposal methods |
| Does the company have mechanisms to monitor the use and improve the efficiency of energy, water, raw materials and other inputs? |  |  |  | If yes, please provide details. |
| Are diesel storage tanks fitted with secondary containment bunds? |  |  |  |  |
| Is there a process in place to manage spills or accidental discharges? |  |  |  | Please provide details |
| **Community Health Safety and Security** | **Y** | **N** | **NA** |  |
| Are there any communities located near the company’s facilities? |  |  |  | If yes, please provide details on how the Company identifies and manages community health, safety and security risks. |
| Are there security personnel in the company’s premises? |  |  |  | If yes, please provide details including whether the security staff is armed and the code of conduct expectations. How are these enforced? |
| In case of transportation of materials or outputs, does the company have a traffic management plan? |  |  |  | If yes, please provide details. |
| **Other E&S Risks** | **Y** | **N** | **NA** |  |
| Is there any land acquisition required for the proposed transaction? |  |  |  | If yes, please provide details |
| Will there be physical and/or economic displacement as a result of the land acquisition? |  |  |  | If yes, please comment on how the company will manage this process including but not limited to consultation and compensation |
| Are the company facilities/operations close to an environmentally sensitive or protected area? |  |  |  | If yes, please provide details and how the company minimizes its impacts on biodiversity |
| Are there any indigenous peoples who are in close proximity or impacted by the project? |  |  |  | If yes, please provide details on how the company engages with indigenous people. |
| Are the company facilities/operations close to an area where there is existing or potential areas of cultural heritage? |  |  |  | If yes, please provide details including how the company protects cultural heritage sites or objects |

**Summary of E&S Issues and Final E&S Categorization**

**Action Plan**

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| --- | --- | --- | --- | --- | --- | --- |
| **[Reference standard]** | **Finding** | **Actions**  ***(examples)*** | **[Priority]** | **Responsibility** | **Deadline** | **Completion indicator** |
| IFC Performance Standard 2 | *No occupational health and safety (OHS) management plan I place.* | *Implement an OHS management plan to guide all activities on Project site during site preparation, construction and operation. This includes at a minimum:*   * *job and task-specific hazard analysis and controls for all activities;* * *use and provision of personal protection equipment (PPE);* * *appropriate safety training for all personnel;* * *review and approval of contractors’ OHS plans;* * *oversight of contractor OHS performance; and* * *recording incident statistics.* |  | *Head of EHS Unit* | *Prior to construction. Maintain throughout construction and operations.* | *OHS plan.*  *OHS statistics and training records.* |
| IFC Performance Standard 3 |  | *Develop and implement emissions control plan for the concrete batch plant (air and water),* |  | *Head of EHS unit* | *Prior to plant operations.*  *Maintain throughout operation of the plant.* | *Emissions control plan* |
| [STANDARD] |  | [ACTION 3] |  |  |  |  |
| [STANDARD] |  | [ACTION 4] |  |  |  |  |
| [STANDARD] |  | [ACTION 5] |  |  |  |  |
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