

Procedures

FI ESMS

Note: This table has been developed to guide FIs. The table is an example and is not comprehensive.

POINTS TYPICALLY COVERED BY PROCEDURES (various points would be typically covered under one procedure)

FI's REFERENCES AND TOOLS

KEY REFERENCES AND TOOLS PROVIDED BY CDC E&S TOOLKIT (See also Reference materials)

TRANSACTION STAGE	POINTS TYPICALLY COVERED BY PROCEDURES (various points would be typically covered under one procedure)	FI's REFERENCES AND TOOLS	KEY REFERENCES AND TOOLS PROVIDED BY CDC E&S TOOLKIT (See also Reference materials)
	SCREENING	<ul style="list-style-type: none"> • Identification of material breaches of the FI's E&S policy, including the exclusion list. • Identification of key E&S risks, impacts and opportunities. • E&S inherent risk/impact categorisation. • Preparation of CC documentation (if appropriate). 	<ul style="list-style-type: none"> • FI's E&S policy/exclusion list. • Categorisation guidance. • Screening/high-level checklists.
DUE DILIGENCE	<ul style="list-style-type: none"> • DD process – assessment of E&S matters: desktop review, meetings and site visits (where relevant) • Assessment of the CCTR and guidance on ensuring leverage and oversight during monitoring. • Engagement of external advisors (if appropriate). 	<ul style="list-style-type: none"> • Site visit and DD checklists/questionnaires. • Terms of reference for consultants. • E&S Action plan template. 	<ul style="list-style-type: none"> • E&S in the transaction cycle: Due diligence. • E&S checklists • G&BI checklist. • E&S topics. • Sector profiles. • CDC guidance: Site visits, Working with consultants, E&S action plans, Assessing CCTR, and Working with management.
APPLICATION AND STRUCTURING	<ul style="list-style-type: none"> • Preparation of CC papers. 	<ul style="list-style-type: none"> • Credit Committee E&S template. 	<ul style="list-style-type: none"> • E&S in the transaction cycle: Application and Approval. • CDC guidance: Working with management.
TRANSACTION APPROVAL AND EXECUTION	<ul style="list-style-type: none"> • Incorporation of E&S terms in the transaction agreement(s) (or equivalent document). 	<ul style="list-style-type: none"> • Transaction agreement template/drafting guide 	<ul style="list-style-type: none"> • E&S in the transaction cycle: Legal Agreement Execution. • CDC guidance: Working with management and E&S action plans.
MONITORING AND REPORTING	<ul style="list-style-type: none"> • Monitoring of E&S action plan and client's compliance with applicable standards and E&S performance. • Engagement with the client. • Management of unforeseen events. • Engagement with/reporting to investors. 	<ul style="list-style-type: none"> • Client' E&S reporting template/questionnaire. • Site visits templates. • Internal portfolio-level reporting templates. • E&S reporting templates to investors and other stakeholders (including serious incidents). 	<ul style="list-style-type: none"> • E&S in the transaction cycle: Monitoring and Reporting. • E&S checklists. • G&BI checklists. • Client E&S Site Visit Report Template • Internal Portfolio E&S Monitoring and Reporting Template. • E&S topics. • Sector profiles. • CDC guidance: Working with management • CDC Good Practice: Preventing fatalities and serious accidents
PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> • Evaluation of the adequacy of the FI's ESMS as a whole. • Approval and implementation of changes to the ESMS. 	<ul style="list-style-type: none"> • ESMS evaluation guidance. • Questionnaires for FI staff to get feedback. 	<ul style="list-style-type: none"> • Management Systems: FI Environmental and Social Management System.
EXTERNAL STAKEHOLDER ENGAGEMENT	<ul style="list-style-type: none"> • Report on implementation and progress of FI ESMS and the E&S performance of the FI and its clients to investors. 	<ul style="list-style-type: none"> • Reporting frameworks and templates. • Stakeholder engagement guidance. 	<ul style="list-style-type: none"> • Internal Portfolio E&S Monitoring and Reporting Template. • E&S in the transaction cycle: Monitoring and Reporting.

DEFINE ROLES AND RESPONSIBILITIES