

PART 1**ENVIRONMENTAL AND SOCIAL (E&S) PRINCIPLES**

The Fund will, and will ensure that the businesses in which its capital is invested (“Portfolio Companies”), commit to continuous improvements with respect to management of the environment and 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.
- consider the potential for positive impacts and opportunities from business activities (e.g. certifications to enter new markets, strengthening of supply chain structures/management).

¹ Drafting Note: the Investment Code should form part of the LPA (or similar fund document) and the following language inserted into the LPA: The Partnership shall comply with the Investment Code [attached as Schedule [x] hereto. The General Partner shall implement and maintain the Investment Code with respect to the Partnership’s activities and shall institute and maintain control procedures consistent therewith.

As an alternative the Investment Code may be included as a Schedule to the Side Letter.

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.

PART 2

ENVIRONMENTAL & SOCIAL UNDERTAKINGS

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

a) The Fund will:

- (i) 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 Part 1 in all its business activities;
- (ii) 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;
- (iii) [constitute a Special Subcommittee of the Advisory Board (the "Special Subcommittee") to advise the Fund on social and environmental matters in accordance with these provisions and/or as reasonably requested by the Fund Parties from time to time. For clarity, neither the members of the Special Subcommittee nor the [Limited Partners] entitled to appoint such members shall have any fiduciary or similar obligation to the [Limited Partners], the members of the Advisory Board, or the Fund. The [Limited Partners] entitled to appoint members of the Special Subcommittee shall be _____;]⁵;
- (iv) advise and consult with the [Advisory Board] [Special Subcommittee] 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 Board] [Special Subcommittee], 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 Board] [Special Subcommittee].

b) The Fund shall appoint and train an E&S Officer [and nominate a member of the management as E&S Manager⁶]. Any successor or replacement E&S Officer and/or E&S Manager shall be notified and reasonably acceptable to the [Advisory Board] [Special Subcommittee].

⁵ Drafting Note: To be considered on a case by case basis by the E&S specialists in the case of Funds which have been classified as High Risk (FI-A) by the DFIs involved; the relevant body dealing with E&S issues should also be considered, i.e. whether most appropriately dealt with by Advisory Board, Special Sub-Committee, other LP body or whether FMO should be sole recipient of rights.

⁶ Drafting note: To be considered for Fund Managers with larger teams (>10) and/or managing more than one fund at the same time.

2. Investments

- a) In connection with any proposed investment in a Portfolio Company:
- (i) 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.
 - (ii) 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 risk⁷, document the rationale for such categorization and inform the [Advisory Committee] [Special Subcommittee] at the start of due diligence.
 - (iii) 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 guidelines⁸. 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);⁹
 - for existing operations: Evaluate risks and impacts through an adequate environmental and social audit¹⁰.
 - (iv) Upon request by any member of the [Advisory Board] [Special Subcommittee], the Fund shall promptly (but in any event within two business days of such request, and prior to making the relevant Investment), provide copies of the environmental and social due diligence report, and/or any proposed E&S Action Plan, prepared in connection with the proposed Investment.
 - (v) 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: (i) 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 4(c)

⁷ 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). In Schedule C examples of high risk investments are included.

⁸ 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

⁹ Requirements for an adequate impact assessment can be found in IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex A)

¹⁰ Requirements for an adequate audit can be found in IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex B)

below); or (ii) 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.

- b) Without limiting paragraph 2 a) the E&S Officer and the Fund will for the first three proposed Investments (in separate Portfolio Companies) and any proposed Investment in a High Risk Client consult with the [Advisory Committee] [Special Subcommittee] to discuss the rationale for categorization, scope and focus areas of the environmental & social due diligence, need for involvement of external consultants and other relevant matters. Furthermore the Fund will share the environmental & social due diligence report as well as any proposed corrective action plan for the potential Investment promptly after completion thereof, but no later than fifteen (15) Business Days before presentation of the proposed Investment to the Fund's Investment Committee.
- (i) No later than ten (10) Business Days after the receipt of the E&S due diligence report from the Fund, any member of the [Advisory Committee] [Special Subcommittee] may, if it considers appropriate, provide the Fund its E&S Recommendations;
 - (ii) 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] [Special Subcommittee] 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;
 - (iii) Members of the [Advisory Committee] [Special Subcommittee] 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.
- c) The Fund shall not in any event invest in a Portfolio Company engaged in any of the activities on the Exclusion List.
- d) Any material amendment to the E&S Action Plan agreed with a Portfolio Company pursuant to paragraph 2(a) shall be notified to the [Advisory Board] [Special Subcommittee].
- e) The Fund shall, on a best efforts basis, encourage the Portfolio Companies to implement policies and commit to continuous improvements on E&S matters.
- f) In case a Portfolio Company anticipates collective dismissals of more than 10% 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 practice¹¹ and based on the principles of non-discrimination and consultation to be reflected in the final retrenchment plan.

3. Monitoring and Reporting

a) The Fund will:

- (i) within ninety (90) days after the end of each Financial Year [but no later than fifteen (15) days prior to the first Advisory Board Meeting in any given year], deliver copies of the E&S Performance Report to members of the [Advisory Board] [Special Subcommittee];
- (ii) within three (3) days after becoming aware of the occurrence, notify the [Advisory Board][Special Subcommittee][all Investors] 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 Board] [Special Subcommittee] informed of the on-going implementation of those measures; and
- (iii) within ten (10) days of a request by any member of the [Advisory Board] [Special Subcommittee], provide such information as is reasonably requested by that party to confirm that the Fund is in compliance with the E&S Requirements.

b) The Fund will ensure that members of the [Limited Partners] [Advisory Board] [Special Subcommittee] [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(a)(ii).

4. Supervision; Exercise of Remedies

a) At the request of any member of the [Advisory Board] [Special Subcommittee], the Fund will promptly call a special meeting of the [Advisory Board] [Special Subcommittee] 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

¹¹ For reference see IFC Good Practice Note on Managing Retrenchment or EBRD Retrenchment Guidance.

Plan or Remediation Measures which have been agreed pursuant to paragraph 2(a) above or paragraph 4(b) below (as applicable).

- b) If the Fund becomes aware of additional environmental and social risks of an existing Portfolio Company, the Fund will confirm to the [Advisory Board] [Special Subcommittee] 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 Board] [Special Subcommittee].
- c) If (A) any member of the [Advisory Board] [Special Subcommittee] 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 Board] [Special Subcommittee] 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 Board] [Special Subcommittee], (ii) in consultation with the [Advisory Board] [Special Subcommittee], 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 Board] [Special Subcommittee], acting unanimously, and, in the case of a Non High Risk Client, a majority of the [Advisory Board] [Special Subcommittee] and keep the [Advisory Board] [Special Subcommittee] regularly informed of the on-going 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.

5. Certain Undertakings of the Fund

- a) 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.
- b) 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.

6. Definitions

Except as expressly provided in this Annex, capitalized terms shall have the respective meanings given them in the Partnership Agreement, any obligations and undertakings of

the Fund shall be deemed to be made and undertaken by the General Partner on behalf of the Fund, and the following terms shall have the following meanings:

“Authority” any national, supranational, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity.

“Authorization” 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" 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" 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" 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" 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:

(a) ensuring compliance with the Exclusion List;

(b) assessing and categorizing (as low, medium or high) the environmental, social, labor, occupational health and safety risks associated with each Portfolio Company;

(c) verifying that each Portfolio Company complies with the E&S Requirements;

(d) contractually agreeing with each Portfolio Company that it will comply with the E&S Requirements;

(e) agreeing upon an E&S Action Plan between the Fund and each Portfolio Company that does not comply with the E&S Requirements, and

(f) 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"

the suitably trained officer 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 ESMS¹²]

¹² Drafting Note: Refer Part 2 Paragraph 1 b)

"E&S Performance Report"	the annual environmental and social monitoring report providing information set out in Schedule A.
"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"	the guiding principles set out in Part 1 of this Investment Code.
"E&S Recommendations"	the recommendations on the E&S due diligence report relating to an anticipated Investment provided by members of the [Advisory Board] [Special Subcommittee] in accordance with the Investment Code, the E&S Principles and the E&S Requirements
"E&S Requirements"	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, (vii) with respect to High Risk Clients, all applicable IFC Performance Standards and (viii) with respect to the Fund, IFC Performance Standard 2 ("Labor and Working Conditions).
"Environmental Law"	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"	the list of prohibited activities set forth in Schedule B hereto.
"Fund"	the Fund, the General Partner and the Manager, collectively.
"High Risk Activity"	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 Schedule C.
"High Risk Client"	a Portfolio Company that carries or intends to carry out a High Risk Activity.
"IFC"	the International Finance Corporation, an international organization established in

Washington, DC, USA, by articles of agreement among its member countries.

"IFC Performance Standards"

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)¹³.

"ILO"

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"

All businesses in which the Fund's capital is invested.

"Remediation Measures"

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.

"Social Law"

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 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.

¹³ 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

SCHEDULE A - E&S PERFORMANCE REPORT

Format: The Fund can report in its own format, provided that such format has been approved by [FMO/the Advisory Board/Special Subcommittee] or alternatively provided that the format complies with an agreed format of another EDFI or IFC.

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, submit 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: Total (), 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)

SCHEDULE B - EXCLUSION LIST

The Fund and any parallel Fund will not finance any activity, production, use of, trade in, distribution of or involving:

1. Forced labor¹⁴ or child labor¹⁵
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a) Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - c) Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
3. Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
4. Destruction¹⁶ of High Conservation Value areas¹⁷
5. Radioactive materials¹⁸ and unbounded asbestos fibres
6. Construction of new and extension of any existing coal fired thermal power plants
7. Pornography and/or prostitution.
8. Racist and/or anti-democratic media
9. In the event that any of these following products form a substantial part of a project's primary financed business activities:¹⁹
 - a) Alcohol beverages (except beer and wine)
 - b) Tobacco
 - c) Weapons and munitions; or
 - d) Gambling, casinos and equivalent enterprises

¹⁴ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

¹⁵ Persons may only be employed if they are at least 15 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art.2), unless local legislation specifies compulsory school attendances or the minimum age for working. In such cases the higher age shall apply.

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

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

¹⁸ This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

¹⁹ For portfolio companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions (banks), "substantial" means more than 10% of their underlying portfolio.

SCHEDULE C - 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/

