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Of ARMECONOMBANK OJSC's Executive Board
Chairman of the Executive Board



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**ARMENIAN ECONOMY DEVELOPMENT BANK Open
Joint-Stock Company**

**GUIDELINES
for
Social & Environmental Management System**

YEREVAN 2020

POLICY

ARMECONOMBANK OJSC's policy in the environmental and social sector is to continually improve its performance in the mentioned sector by promoting projects that are socially and environmentally sustainable. We are committed to work in compliance with the social, environmental and other respective legislation of the Republic of Armenia (hereinafter referred to as "the RA").

We have taken up an environmental responsibility through:

- promoting good environmental practice and awareness raising of environmental requirements both among our employees and our clients;
- integrating the consideration of environmental concerns and impacts into our decision making;
- striving to continually improve our environmental performance and minimise the social impact and damage of activities by periodically reviewing our environmental policy in light of our current and planned future activities.

1. GENERAL PROVISIONS

- 1.1. Hereby is outlined the process through which the staff of ARMECONOMBANK OJSC (hereinafter referred to as "the Bank") implement the Bank's commitment to promoting projects that are socially and environmentally sustainable.
- 1.2. These guidelines apply to the full range of the Bank's investment activities: direct lending to private enterprises (including both corporate and project finance), and other entities; structured finance products (guarantees, letters of credit, securitizations).
- 1.3. These guidelines describe the application methodology that the Bank's staff must follow in order to implement the Bank's corporate disclosure requirements. This methodology varies according to the nature of the Bank's intervention with the client and the nature of the client's business. These guidelines cover the Bank's review and supervision responsibilities for social and environmental (hereinafter referred to as "the S&E") performance throughout the project life cycle.
- 1.4. Ensure that investments comply with applicable national and international environmental and social laws and regulations including the Asian Development Bank (ADB) Safeguard Policy Statement (SPS) (2009).

2. DETERMINING THE SCOPE OF THE S&E REVIEW PROCESS

- 2.1. This procedure describes the following steps for determining the scope of the S&E review that the Bank shall conduct for all investments, financial services, and technical assistance and advisory activities that have been proposed for the Bank's consideration: The following staff of the bank is involved with implementing different aspects of the ESMS:
 - 2.1.1. *Commercial loan specialists of branches, credit specialists of Corporate Lending Division, Medium and Small Lending Division and Agricultural Loans Division (hereinafter referred to as «Credit Specialist») are responsible for identifying E&S risks in a client's operation by talking to the client/ relevant officials, site visits, collecting documents, permits relevant for the proposed transaction. Credit Specialists are responsible for awarding a preliminary categorization from the List of Environmental and Social Risk Categorization (Annex 4). The Credit Specialists are responsible for filling in the **Involuntary Resettlement Impact Checklist** (hereinafter referred to as **IR Checklist**)(Annex 5) and **Indigenous Peoples Impact Screening Checklist** (hereinafter referred to as **IP Checklist**) (Annex6) awarding the preliminary class of IP and IR risks.*
 - 2.1.2. **Based upon the preliminary categorization of project by credit specialist the S&E Specialist, appointed by the Executive Board, does a double check of filled in checklists and escalates the gathered information to Senior S&E Officer appointed by the Executive Board (hereinafter referred to as "the S&E Management Leader")**
 - 2.1.3. The senior officer responsible for administration and oversight of the S&E Management system being appointed by the Executive Board (hereinafter referred to as "the S&E Management Leader") arranges for an early concept review meeting with S&E participation.
 - 2.1.4. The S&E Specialist appointed by the Executive Board and responsible on a day-to-day basis for implementation and oversight of the S&E Management System participates in the early concept meeting, where a project shall be categorized, and this shall determine the further steps in and the intensity of the appraisal.
 - 2.1.5. Once it is determined that a project will move forward, the S&E Specialist starts the project review and appraisal.
 - 2.1.6. The credit officer and the S&E specialist ensure that the investment or service is not in contravention of the Bank's "Exclusion List" (as listed in Annex 1).
- 2.2. The S&E Management Leader is responsible for:
 - 2.2.1. Calling for an early concept review meeting;

- 2.2.2. Providing the S&E Specialist with the information necessary to determine the scope of the project's S&E Review in accordance with this policy;
- 2.2.3. Either attending or assigning staff to participate in early concept review meeting.
- 2.3. The S&E Specialist is responsible for:
 - 2.3.1. Classifying the project;
 - 2.3.2. Determining the requirement for further review, and its scope, in accordance with these guidelines; and
 - 2.3.3. Obtaining clearance from the S&E Management Leader for projects where no further review is required;
 - 2.3.4. Furnishing an annual report on the E&S performance in accordance with Annex 7 to be submitted to Lenders if such are required by them. Annual report should be furnished each year but not later than 90 days after the end of Financial Year.
- 2.4. Credit officers involved in the S&E risk management process are trained on regular basis by the S&E Management Leader and the Specialist to ensure effective implementation of the Social and Environmental Management System.

3. RISK CATEGORIZATION

3.1. Proposed projects are categorized by risk as follows:

- 3.1.1. **Category A:** The project is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented. A potential impact is considered "sensitive" if it may be irreversible (e.g., lead to loss of a major natural habitat), affect vulnerable groups or ethnic minorities, involve involuntary displacement and resettlement, or affect significant cultural heritage sites. A full Environmental Impact Assessment (hereinafter referred to as EIA) is required.

A proposed project is classified as category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including assessment of social impacts, is required. A project's involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating).

A proposed project is classified as category A if it is likely to have significant impacts on Indigenous Peoples. An Indigenous Peoples plan (IPP), including assessment of social impacts, is required. The significance of impacts of an ADB supported project on Indigenous Peoples is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected Indigenous Peoples community

- 3.1.2. **Category B:** The project may result in specific environmental impacts, but these impacts are site specific and few if any of them are irreversible. Potential adverse environmental impacts on population or environmentally important areas are less adverse than those of Category A projects. In this case only the environmental assessment focusing on the main impacts is required.

A project is classified as category B if less than 200 persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating) and likely to have impacts on Indigenous Peoples.

- 3.1.3. **Category C:** The project is likely to have minimal or no adverse environmental impacts *and no impacts on involuntary resettlement and Indigenous Peoples*. No further environmental assessment is required.

3.2. Investigations by credit officers.

For Category C businesses it will normally be possible for credit officers to make their own assessment of environmental and social performance of the business without needing to call in environmental and social experts. This will normally add to the Bank's understanding of the business issues facing the company as well as providing an understanding of relevant environmental and social issues. For example, issues such as raw material procurement and sustainability, waste, water and energy management, occupational health & safety, accident rate, and labour relations all have a direct impact on costs, production and profits. Credit officers use the social and environmental due diligence document (hereinafter referred to as "the SEDDD") attached in Annex 2 as a prompt in discussions with customer staff. Credit staff should raise these issues with relevant customer staff, to satisfy themselves that they and the customer staff understand:

- the significance (or not) of these issues for the business
- the actions taken or required by the customer to maintain cost-effective control in these areas.

Credit staff will also need to satisfy themselves that the customer's management has an adequate understanding of, and capacity to manage environmental and social risk.

For Category A and B project, a more detailed assessment is applied. The credit officer, in addition to the Due Diligence, completes the Initial Environmental and Social Risk Rating table, included in Annex 2, to understand the risk rate of the specific project. Category C project do not require calculation of risk rate. After completing the Due Diligence and Risk Rating by the loan officers, these forms are provided to the S&E Specialist, who presents them to the S&E Management Leader to take into account during the loan investment decision-making process.

AEB will not use ADB's funds to sub-project/business activities that are classified as Category A for environment and/or Category A or B for Involuntary Resettlement and Indigenous Peoples."

4. DIRECT LENDING: EARLY REVIEW AND PROJECT SCREENING

- 4.1. Here is described the S&E Review process during the first stage of the Bank's project cycle for Direct Lending projects through its approval (by management), and covers the following steps:
 - 4.1.1. Establishment of the preliminary S&E performance requirements that apply to a Direct Lending project, based on an initial identification of potential S&E issues of concern;
 - 4.1.2. Communication of these requirements to the S&E Management Leader to facilitate mandate discussion with the client.
- 4.2. During the credit appraisal stage, projects are screened against existing environmental legislation of the RA. *Projects should be checked against relevant land laws or other applicable laws to asset acquisition or expropriation.* If necessary, clients are required to submit permissions and certificates in accordance with the following laws and regulations, based on the sphere of their activity:
 - 4.2.1. RA Water Legislation
 - 4.2.2. RA Law on "Protection of the Atmospheric Air"
 - 4.2.3. RA Law on "Food Safety"
 - 4.2.4. RA Law on "Sanitary and Epidemiological Safety of the RA Population"
 - 4.2.5. RA Law on Wastes
 - 4.2.6. RA Law on "Environmental Impact Assessment".
- 4.3. The S&E specialist reviews the submitted documents required by the credit application (certificates, permissions, licenses, relevant agreements with other service companies, as required by the regulating legislation of the current sector) with the credit officer and records the findings in the part of Annex 2, named "Environmental State Regulatory Compliance and Liability Due Diligence" which is then taken into account during the investment decision-making processes.
- 4.4. Depending on the information available, other specialists may be needed to meet the Bank's review requirements. Where possible at this stage, identify other potential support team members (for example, staff from regional offices, from the Lending Department) in coordination with the S&E Specialist. Where there are multiple support team members, develop, in coordination with the S&E Management Leader, a phased timetable for interaction between the client and the various support team members to meet the client's needs.
- 4.5. Follow the appropriate steps as outlined below:

- 4.5.1. For projects in which the Bank has an existing investment, and all the following conditions are met, no further review is required:
- 4.5.2. The Bank has previously conducted an S&E review that is consistent with the Bank's guidelines for S&E Management System;
- 4.5.3. The existing investment has been supervised within the previous 12 months and its performance has been determined to be in compliance with the Bank's guidelines for S&E Management System;
- 4.5.4. The new investment will not result in any material change in the S&E impacts associated with the project. However, the covenants and reporting requirements will be extended to cover the proposed investment.
- 4.6. Obtain and review the available Initial Project Assessment Information and determine, to the extent possible:
 - 4.6.1. The potential social and environmental issues of concern; *Potential social issues of concern should cover labor and compliance with internationally recognized core labor standards; and good international practice related to anti-sexual exploitation, assault and harassment.*
 - 4.6.2. A preliminary indication of the client's S&E management capacity; and
 - 4.6.3. Whether the nature and magnitude of the potential impacts are considered to be significant and adverse, site-specific and limited, or minimal.
- 4.7. In coordination with the S&E Management Leader, conduct a pre-appraisal site visit in cases where:
 - 4.7.1. The information provided is insufficient to prepare S&E Management System report; and
 - 4.7.2. It is considered necessary by the S&E Specialist given the nature and complexity of the project or specific issues associated with it.
 - 4.7.3. Possible prior to appraisal, determine whether the Bank will want to retain an External Expert to support the Bank's S&E review or whether the Bank will expect the client may be required to engage one or more External Expert(s) for the clients assessment work, and notify the client accordingly.
 - 4.7.4. Advise the S&E Management Leader on key anticipated development impact of the project from S&E standpoint.
- 4.8. The S&E Management Leader is responsible for:
 - 4.8.1. Providing the S&E Specialist with information to determine the applicability of social and environmental review for the project in accordance with this policy;
 - 4.8.2. Providing the Bank's indicative requirements to the client;
 - 4.8.3. Determining, in conjunction with the S&E Specialist, the need for a pre-appraisal trip.
- 4.9. The S&E Specialist is responsible for:
 - 4.9.1. Determining the applicable performance requirements;
 - 4.9.2. Determining, in conjunction with the S&E Management Leader, the need for a pre-appraisal trip and conducting it if required;
 - 4.9.3. Advising the S&E Management Leader on key anticipated development impact(s) of the project from an S&E standpoint.

5. DIRECT LENDING: APPRAISAL

- 5.1. Here is described the S&E Review process for Direct Lending projects during the appraisal stage of the Bank's project cycle through the Lending Review Meeting, and includes the following steps:
 - 5.1.1. Review of the Project Assessment Information and Action Plan and identification of gaps, if any;
 - 5.1.2. Review of client's S&E Management System and identification of gaps, if any;
 - 5.1.3. Identification of any Supplemental Actions to be incorporated in the client's Action Plan to address any gaps identified above;
 - 5.1.4. Conducting a site visit as required;
 - 5.1.5. Identification of potential value-added opportunities for the client and mobilization of resources to assist in their implementation;
 - 5.1.6. Categorization of the project; and
 - 5.1.7. Entering project information in the SEDDD.
- 5.2. The below-mentioned steps are followed:
 - 5.2.1. Request and obtain Project Assessment Information. Ensure that the scope of the environmental assessment is consistent with the area of influence of the project.
 - 5.2.2. Request and review the information documenting the nature and extent of any disclosure or consultation undertaken by the client for the project.
 - 5.2.3. Request information on the client's S&E Management System; review information, focusing on:

- 5.2.3.1. The client's S&E policy and procedures;
 - 5.2.3.2. The current organization structure and staffing;
 - 5.2.3.3. Performance monitoring procedures;
 - 5.2.3.4. Reporting of results to management;
 - 5.2.3.5. The client's track record in S&E management to date; and
 - 5.2.3.6. The client's Environment Management Program including an Action Plan for addressing gaps and issues.
- 5.2.4. After the requirements of point 3.2 are satisfied, confirm the complement of specialists needed to meet the Bank's review requirements and, in coordination with the S&E Specialist, the S&E Management Leader, identify other support team members including External Experts, industry department specialists, or staff from the Bank's regional offices, the Lending Department. Where there are multiple support team members develop, in coordination with the S&E Management Leader, a timetable for interaction between the client and the various support team members to meet the client's needs.
- 5.2.5. If required, conduct an appraisal mission. This may include a visit to the client's headquarters, to one or more operating facilities, to associated facilities, and/or supply-chain operations. In certain situations, multiple appraisal missions may be required. Record findings in the SEDDD and distribute to the S&E Management Leader.
- 5.2.6. The Bank's review for companies that can be indirectly exposed to significant social and environment risk through their contracting activity, e.g., construction companies, oil field service companies, should also take account of this third party risk.

6. RISK APPRAISAL AND MONITORING MECHANISMS

6.1. Environmental and social monitoring and client reporting.

Environmental and Social Monitoring is the process of regularly gathering and maintaining information relating to environmental and social risks during the lifetime of the transaction, implemented through regular site visits of credit officers. Such site visits shall be based on the Environmental and Social Performance Monitoring Form in Annex 3. Monitoring is needed because environmental and social risk may change during the term of a transaction. Monitoring should focus on the following main aspects:

- The borrower's ongoing compliance with environmental, health and safety, and labour legislation;
- The borrower's ongoing compliance with any environmental and/or social conditions included in the loan agreement;
- Regulatory trends: changing environmental/health and safety/labour laws and regulations may introduce new standards which cannot easily be met by the borrower, thus exposing both parties to new sources of risk and liability;
- Changes in the business activities or processes carried out by the borrower.

Certain events should prompt credit officers to investigate any changes in the activities of the borrower, regulatory framework or other influences that may have an impact on the level of environment and social risk associated with a transaction. These events include:

- change in business activities;
- amendments to relevant environmental/health and safety/labour legislation;
- expiry of operating permits;
- regulatory investigations, fines, penalties applied to the borrower;
- public complaints or adverse media reports;
- company investments or improvements; and
- accidents / incidents (eg. major spillages).

If borrowers are continuing to pay significant fines for on-going environmental violations and non-compliance, the Bank should encourage and work with these enterprises to achieve compliance. Although these fines may only appear as minor operating costs, they may be signals of major potential future costs or liabilities.

The bulk of the monitoring effort should lie with the borrowers: they should commit themselves in the transaction agreement to submitting:

- brief annual environmental performance reports (based on self-monitoring or monitoring by regulatory authorities) to the Bank, informing the Bank of any failure to comply with environmental and social regulations, and progress with the Environmental Corrective Actions Plan (hereinafter referred to as "the ECAP"), if any; and
- immediate notification of accidents and incidents that have or are likely to have a material adverse effect on the environment, or public or worker health and safety. If the incident/accident

involves major pollution, fatality or multiple serious injuries requiring hospitalization or if it has become public knowledge whether through media coverage or otherwise.

- 6.2. The above-mentioned information received from the clients is analyzed by the S&E Specialist. The S&E Management Leader is informed of the results on ongoing processes by preparing external annual environmental performance reports for international financial institutions internal annual E&S performance reports. Internally, during regular monitoring processes, environmental issues are considered and recorded in the monitoring reports if issues arise.
- 6.3. The current Guidelines for Social and Environmental Management System will be periodically reviewed for continuous improvement based on changes made in the legislation of the RA *issues on environmental and social (land and labor laws)*

Annex 1: EXCLUSION LIST

1. Production or activities involving harmful or exploitative forms of forced labor (Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.) or child labor (Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention")
2. Production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals (A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int> and the IFC Environment Division), pesticides, and herbicides (A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int> and IFC Environment Division), (b) ozone-depleting substances (hereinafter referred to as ODSs) (A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.) (c) polychlorinated biphenyls (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) and other hazardous chemicals (A list of hazardous chemicals is available at <http://www.pic.int>), (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (A list is available at <http://www.cites.org> and IFC Environment Division), and (e) transboundary trade in waste or waste products (As defined by the Basel Convention; see <http://www.basel.int>);
3. Production or trade in weapons and munitions including paramilitary materials ¹
4. Production or trade in radioactive materials; (This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded).
5. Production or trade in or use of unbonded asbestos fibers (this does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%);
6. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest (prohibited by the forestry policy) (See IFC OP 4.36, Forestry);
7. marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats. (for projects to be financed under international financial institutions' loan facilities)
8. Production or trade in alcoholic beverages excluding beer and wine ¹ (for projects to be financed under international financial institutions' loan facilities)
9. Production or trade in tobacco¹ (for projects to be financed under international financial institutions' loan facilities);
10. Gambling, casinos and equivalent enterprises ¹ (for projects to be financed under international financial institutions' loan facilities);
11. Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage (for projects to be financed under international financial institutions' loan facilities);
12. Production of or trade in wood or other forestry products other than from sustainably managed forests (for projects to be financed under international financial institutions' loan facilities);
13. Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit (for projects to be financed under international financial institutions' loan facilities);
14. Shipment of oil or other hazardous substances in tankers which do not comply with International Maritime Organization (IMO) requirements (for projects to be financed under international financial institutions' loan facilities).

¹ This does not apply to subproject sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a subproject sponsor's primary operations.

Annex 2: CLIENT'S ACTIVITIES ENVIRONMENTAL IMPACT AND TRANSACTION RISK ASSESSMENT – INITIAL ENVIRONMENTAL AND SOCIAL RISK RATING (USED FOR CATEGORY A AND B LOANS).

Nature of the Client's business:					
Name:					
Location:					
Industry sector, no. of employees, project's category:		, employees, category:			
Main difficulties faced during the manufacturing and production:					
<input type="checkbox"/>	Evidence of liquid and solid wastes in the workplace	<input type="checkbox"/>	High levels of noise (intermittent or continuous)		
<input type="checkbox"/>	Strong smells/irritants	<input type="checkbox"/>	Fire risk, hygiene of environment		
<input type="checkbox"/>	Handling of wastes	<input type="checkbox"/>	Water usage in production processes		
<input type="checkbox"/>	Air emission protection	<input type="checkbox"/>	Personnel treatment and safety		
Environmental State Regulatory Compliance and Liability:					
<input type="checkbox"/>		all required S&E permits and approvals (attach copies)			
<input type="checkbox"/>		excess charges or fines/penalties for non-compliance with State S&E regulations and standards in the last two years (attach copies of most recent inspection report)			
<input type="checkbox"/>		any significant accidents or incidents in the last two years (e.g. oil spills, fires) involving deaths or multiple serious injuries and/or significant environmental damage			
<input type="checkbox"/>		Compliance with the Exclusion List: Yes <input type="checkbox"/> / No <input type="checkbox"/>			
Initial Environmental and Social Risk Rating:					
Business activity	<input type="checkbox"/>	1	2	3	(2) x (3)
	<input type="checkbox"/>	low	1	40	<input type="checkbox"/> 40 points
	<input type="checkbox"/>	medium	2		<input type="checkbox"/> 80 points
	<input type="checkbox"/>	high	3		<input type="checkbox"/> 120 points
Amount of the loan (US dollars)	<input type="checkbox"/>	1	2	3	(2) x (3)
	<input type="checkbox"/>	(< \$200,000)	1	20	<input type="checkbox"/> 20 points
	<input type="checkbox"/>	(\$200,000 - \$1,000,000)	2		<input type="checkbox"/> 40 points
	<input type="checkbox"/>	(> \$1,000,000)	3		<input type="checkbox"/> 60 points
Term of the loan	<input type="checkbox"/>	1	2	3	(2) x (3)
	<input type="checkbox"/>	(< 6 months)	1	20	<input type="checkbox"/> 20 points
	<input type="checkbox"/>	(6 months – 2 years)	2		<input type="checkbox"/> 40 points
	<input type="checkbox"/>	(> 2 years)	3		<input type="checkbox"/> 60 points
Nature of the collateral or leased asset	<input type="checkbox"/>	1	2	3	(2) x (3)
	<input type="checkbox"/>	Liquid investments, such as cash guarantees	1	20	<input type="checkbox"/> 20 points
	<input type="checkbox"/>	Land with no industrial history or adjacent industry, fixed assets, non-liquid current assets, such as stocks	2		<input type="checkbox"/> 40 points
	<input type="checkbox"/>	Land with industrial history, contamination or adjoining site	3		<input type="checkbox"/> 60 points
Total: points					
Initial Environmental and Social Risk Rating	<input type="checkbox"/>	High	High range	250-300 points	
	<input type="checkbox"/>	Medium	Medium range	150-249 points	
	<input type="checkbox"/>	Low	Low range	100-149 points	
Name and surname of the credit specialist:					
Date of completion: " " " 201					

Annex 3: CLIENT’S ENVIRONMENTAL AND SOCIAL PERFORMANCE MONITORING FORM (USED FOR CATEGORY A AND B LOANS).

Nature of the Client’s business:	
Name:	
Location:	
Industry sector, no. of employees, project’s category:	, employees, category:
Environmental and Social Performance Monitoring Issues:	
<input type="checkbox"/> The client’s ongoing compliance with environmental, health and safety, and labor legislation	
<input type="checkbox"/> Change in the client’s business activities	
<input type="checkbox"/> Amendments to relevant environmental/health and safety/labour legislation	
<input type="checkbox"/> Expiry of required S&E operating permits and approvals	
<input type="checkbox"/> Regulatory investigations, fines, penalties applied to the client	
<input type="checkbox"/> Affect on involuntary physical relocation of people or negative impact on livelihoods caused by the client’s activities	
<input type="checkbox"/> Affect on the rights of indigenous people or other vulnerable groups	
<input type="checkbox"/> Creation or aggravation of inequalities between men and women or adversely impacts the situation or livelihood conditions of women or girls during the project.	
<input type="checkbox"/> Risks regarding the Health, Safety and Security of workers (workers accommodation, hazard risk, etc.)	
<input type="checkbox"/> Risks regarding Health, Safety and Security of the general public (e.g. high hazards, traffic safety, influx management, HIV/AIDS, risk of accidents)	
<input type="checkbox"/> Impact on working conditions and terms of employment	
<input type="checkbox"/> Risk of non-compliance with the ILO’s Core Labor Standards (no child/forced labor; equal treatment;)	
<input type="checkbox"/> Public complaints or adverse media reports (attach copies)	
<input type="checkbox"/> Client’s company investments or improvements	
<input type="checkbox"/> Accidents / incidents happened during the client’s activities	
Name and surname of the credit specialist:	
Date of completion: " " " 201	

Annex 4: Environmental and Social Risk Categorisation List – Revised 2014

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
Section A	Agriculture, forestry and fishing			
1	Crop and animal production, hunting and related service activities			
1.1	Growing of non-perennial crops			
1.11	Growing of cereals (except rice), leguminous crops and oil seeds	Medium	High	Medium
1.12	Growing of rice	Medium	High	High
1.13	Growing of vegetables and melons, roots and tubers	Medium	High	High
1.14	Growing of sugar cane	Medium	High	High
1.15	Growing of tobacco Note: This activity is typically excluded from financing using EBRD funds – check your agreement with EBRD for details.	Excluded	Excluded	Excluded
1.16	Growing of fibre crops (e.g. jute, flax, hemp, cotton)	Medium	High	High
1.19	Growing of other non-perennial crops, e.g. growing of flowers, flower seeds, production of cut flowers and flower buds, etc.	Medium	High	High
1.2	Growing of perennial crops (i.e. plants that last for more than two growing seasons, e.g. grapes, tropical and subtropical fruits, citrus fruits, bush fruits and nuts, apples, cherries, etc.)	Medium	High	High
1.3	Plant propagation (e.g. growing of plants for planting, ornamental purposes, including turf for transplanting, etc.)	Low	Low	Low
1.4	Animal products			
1.41	Raising of dairy cattle	Medium	Medium	Medium
1.42	Raising of other cattle and buffaloes	Medium	Medium	Medium
1.43	<u>Raising of horses and other equines</u>	Medium	Medium	Medium
1.44	Raising of camels and camelids	Medium	Medium	Medium
1.45	Raising of sheep and goats	Medium	Medium	Medium
1.46	Raising of swine/pigs	Medium	Medium	Medium
1.47	Raising of poultry	Medium	Medium	Medium
1.49	Raising of other animals (example dogs & cats)	Medium	Low	Medium
1.5	<u>Mixed farming</u>	Medium	High	High
1.6	Support activities to agriculture and post-harvest crop activities			
1.61	<u>Support activities for crop production</u>	Medium	Medium	Medium
1.62	<u>Support activities for animal production</u>	Medium	Medium	Medium
1.63	Post-harvest crop activities	Medium	Medium	Medium
1.64	Seed process and propagation	Medium	Medium	Medium
1.7	Hunting, trapping and related service activities	High	Medium	High

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
2	Forestry and logging			
2.1	Silviculture and other forestry activities	High	High	High
2.2	Logging	High	High	High
2.3	Gathering of wild growing non-wood products	Medium	Medium	Medium
2.4	Support services to forestry	Medium	Medium	Medium
3	Fishing and aquaculture			
3.11	Marine Fishing	High	High	High
3.12	Freshwater Fishing	High	Medium	High
3.21	Marine Aquaculture	High	Medium	High
3.22	Freshwater aquaculture	High	Medium	High
Section B	Mining and quarrying			
5	Mining of coal and lignite			
5.1	Mining of hard coal	High	High	High
5.2	Mining of lignite	High	High	High
6	Extraction of crude petroleum and natural gas			
6.1	Extraction of crude petroleum	High	High	High
6.2	Extraction of natural gas	High	High	High
7	Mining of metal ores			
7.1	Mining of iron ores	High	High	High
7.21	Mining of uranium and thorium ores	High	High	High
7.29	Mining of other non-ferrous metal ores	High	High	High
8	Other mining and quarrying			
8.1	Quarrying of stone, sand and clay	High	High	High
8.11	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	High	High	High
8.12	Operation of gravel and sand pits; mining of clays and kaolin	High	High	High
8.91	Mining of chemical and fertiliser minerals	High	High	High
8.92	Extraction of peat	High	High	High
8.93	Extraction of salt	High	High	High
8.99	Other mining and quarrying not else classified. (abrasive materials, asbestos, siliceous fossil meals, natural graphite, natural asphalt, natural solid bitumen)	High	High	High
9	Mining support service activities			
9.1	Support activities for petroleum and natural gas extraction	High	High	High
9.9	Support for other mining and quarrying, e.g. exploration service, geological observations, draining and pumping services	High	High	High
Section C	Manufacturing			
10	Manufacture of food products			
10.1	Processing preserving of meat and production of meat products			
10.11	Processing and preserving of meat	Medium	High	Medium
10.12	Processing and preserving of poultry meat	Medium	High	Medium
10.13	Production of meat and poultry meat products	Medium	High	Medium
10.2	Processing and preserving of fish, crustaceans and molluscs	Medium	Medium	Medium

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
10.3	Processing and preserving of fruit and vegetables			
10.31	<u>Processing and preserving of potatoes</u>	Medium	Medium	Medium
10.32	Manufacture of fruit and vegetable juice	Medium	Medium	Medium
10.39	Other processing and preserving of fruit and vegetables	Medium	Medium	Medium
10.4	Manufacture of vegetable and animal oils and fats			
10.41	Manufacture of oils and fats	Medium	Medium	Medium
10.42	Manufacture of margarine and similar edible fats	Medium	Medium	Medium
10.5	Manufacture of dairy products			
10.51	Operation of dairies and cheese making	Medium	Medium	Medium
10.52	Manufacture of ice cream	Medium	Medium	Medium
10.6	Manufacture of grain mill products, starches and starch products	Medium	Medium	Medium
10.7	Manufacture of bakery and farinaceous products			
10.71	Manufacture of bread, manufacture of fresh pastry goods and cakes	Medium	Medium	Medium
10.72	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	Medium	Medium	Medium
10.73	Manufacture of macaroni, noodles, couscous and similar farinaceous products	Medium	Medium	Medium
10.8	Manufacture of other food products (sugar, cocoa, chocolate and sugar confectionery, tea and coffee, condiments and seasoning, prepared meals and dishes, homogenised food preparations and dietetic food, and other food products)	Medium	Medium	Medium
10.9	Manufacture of prepared animal feeds			
10.91	Manufacture of prepared feeds for farm animals	Medium	Medium	Medium
10.92	Manufacture of prepared pet foods	Medium	Medium	Medium
11	Manufacture of beverages (distilled alcoholic beverages, wines, cider and other fruit wines, beer malt, mineral waters and soft drinks) Note: Projects involving distilled alcoholic beverages are typically excluded from financing under EBRD funds – check your agreement with EBRD for details			
11.1	Distilling, rectifying and blending of spirits	Excluded	Excluded	Excluded
11.2	Manufacture of wine from grape	Medium	Medium	Medium
11.3	Manufacture of cider and other fruit wines	Medium	Medium	Medium
12	Manufacture of tobacco products Note: This activity is typically excluded from financing using EBRD funds – check your agreement with EBRD for details.	Excluded	Excluded	Excluded
13	Manufacture of textiles			
13.1	Preparation of spinning of textile fibres	Medium	High	High
13.2	Weaving of textiles	Medium	High	High
13.3	Finishing of textiles	High	High	High

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
13.9	Manufacture of other textiles (e.g. knitted and crocheted fabrics, made-up textile articles, except apparel, carpets and rugs, cordage, rope, twine and netting, non-wovens and articles made from non-wovens, except apparel, other textiles and industrial textiles)	Medium	High	High
14	Manufacturing of wearing apparel			
14.1	Manufacture of wearing apparel, except fur apparel (e.g. leather clothes, workwear, outerwear, underwear, other wearing apparel and accessories)	Medium	High	High
14.2	Manufacture of articles of fur	Medium	High	High
14.3	Manufacture of knotted and crocheted apparel (knitted and crocheted hosiery, other knitted and crocheted apparel)	Medium	High	High
15	Manufacture of leather and related products			
15.1	Tanning and dressing for leather, manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	High	High	High
15.11	Tanning and dressing of leather; dressing and dyeing of fur	High	High	High
15.12	Manufacture of luggage, handbags and the like, saddlery and harness	Medium	High	High
15.2	Manufacture of footwear	Medium	High	High
16	Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials			
16.1	Sawmilling and planing of wood	Medium	Medium	Medium
16.2	Manufacture of products of wood, cork, straw and plaiting materials (veneer sheets and wood-based panels, assembled parquet floors, other builders' carpentry and joinery, wood containers, other products of wood; manufacture of articles of cork, straw and plaiting materials)	Medium	Medium	Medium
17	Manufacture of paper and paper products			
17.11	Manufacture of pulp	High	High	High
17.12	Manufacture of paper and paperboard	Medium	Medium	Medium
17.2	Manufacture of articles of paperboard	Medium	Medium	Medium
18	Printing and reproduction of recorded media			
18.1	Printing and service activities related to printing	Medium	Low	Medium
18.2	Reproduction of recorded media	Low	Low	Low
19	Manufacture of coke and refined petroleum products			
19.1	Manufacture of coke oven products	High	High	High
19.2	Manufacture of refined petroleum products	High	High	High
20	Manufacture of chemicals and chemical products			
20.1	Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms (industrial gases, dyes and pigments, other inorganic and organic basic chemicals, fertilisers and nitrogen compounds, plastics in primary forms, synthetic rubber in primary forms)	High	High	High

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
20.2	Manufacture of pesticides and other agrochemical products Note: Some types excluded from assistance using EBRD funds: See EBRD's Environmental and Social Exclusion List.	High	High	High
20.3	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	High	High	High
20.4	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	High	High	High
20.5	Manufacture of other chemical products (explosives, glues, essential oils, other chemical products)	High	High	High
20.6	Manufacture of man-made fibres	High	High	High
21	<u>Manufacture of basic pharmaceutical products and pharmaceutical preparations</u>	High	High	High
22	Manufacture of rubber and plastic products			
22.1	Manufacture of rubber products			
22.11	Manufacture of rubber tyres and tubes; re-treading and rebuilding of rubber tyres	High	High	High
22.19	Manufacture of other rubber products (plastic plates, sheets, tubes and profiles, plastic packing goods, etc.)	Medium	High	High
22.2	Manufacture of plastic products	High	High	High
23	Manufacture of other non-metallic mineral products			
23.1	Manufacture of glass and glass products (flat glass, shaping and processing of flat glass, manufacture of hollow glass, glass fibres, processing of other glass, including technical glassware)	Medium	Medium	Medium
23.2	Manufacture of refractory products	Medium	Medium	Medium
23.3	Manufacture of clay building materials (ceramic tiles, and flags, bricks, tiles and construction products, in baked clay)	Medium	Medium	Medium
23.4	Manufacture of porcelain and ceramic products (ceramic household and ornamental articles, sanitary fixtures; insulators and insulating fittings, other technical ceramic products and other ceramic products)	Medium	Medium	Medium
23.5	Manufacture of cement, lime and plaster	High	Medium	High
23.6	Manufacture of articles of concrete, cement and plaster	Medium	Medium	Medium
23.7	Cutting, shaping and finishing of stone	Medium	Medium	Medium
23.9	Manufacture of abrasive products and non-metallic mineral products not elsewhere classified	Medium	Medium	Medium
24	Manufacture of basic metals			
24.1	Manufacture of basic iron and steel and of ferro-alloys	High	High	High
24.2	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	High	High	High
24.3	Manufacture of other products and first processing of steel	High	High	High
24.4	Manufacture of basic precious and other non-ferrous metals (e.g. aluminium, lead, zinc and tin, copper etc.	High	High	High
24.46	Processing of nuclear fuel Note: Contact EBRD Sustainability team to check for Exclusions when lending to the processing of nuclear fuel	High	High	High

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
24.5	Casting of metals (iron, steel, light metals, non-ferrous metals)	High	High	High
25	Manufacture of fabricated metal products, except machinery and equipment			
25.1	Manufacture of structural metal products	Low	Medium	Medium
25.2	Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers; other tanks, reservoirs and containers of metal)	Low	Medium	Medium
25.3	Manufacture of steam generators, except central heating hot water boilers	Low	Medium	Medium
25.4	Manufacture of weapons and ammunition Note: this activity is typically excluded from financing using EBRD's fund – check your agreement with EBRD for details.	Excluded	Excluded	Excluded
25.5	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	Medium	Medium	Medium
25.6	Treatment and coating of metals; machining			
25.61	Treatment and coating of metals	High	High	High
25.62	Machining, incl. boring, turning, milling, planing, broaching, levelling, sawing, grinding, sharpening, polishing, welding, splicing etc. of metalwork pieces	Low	Medium	Medium
25.7	Manufacture of cutlery, tools and general hardware			
25.71	Manufacture of cutlery	Medium	Medium	Medium
25.72	Manufacture of locks and hinges	Medium	Medium	Medium
25.73	<u>Manufacture of tools</u>	Medium	Medium	Medium
25.9	<u>Manufacture of other fabricated metal products</u>	Medium	Medium	Medium
26	Manufacture of computer, electronic and optical products			
26.1	Manufacture of electronic components and boards	Medium	Low	Medium
26.2	Manufacture of computers and peripheral equipment	Medium	Low	Medium
26.3	<u>Manufacture of communication equipment</u>	Medium	Low	Medium
26.4	Manufacture of consumer electronics	Medium	Low	Medium
26.5	Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	Medium	Low	Medium
26.6	Manufacture of irradiation, electromedical and electrotherapeutic equipment	Medium	Low	Medium
26.7	<u>Manufacture of optical instruments and photographic equipment</u>	Medium	Low	Medium
26.8	Manufacture of magnetic and optical media	Medium	Low	Medium
27	Manufacture of electrical equipment			
27.1	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus Note: Manufacture of transformers using PCBs is excluded from EBRD's assistance – see Environmental and Social Exclusion List	Medium	Medium	Medium
27.2	Manufacture of batteries and accumulators	High	Medium	High
27.3	Manufacture of wiring and wiring devices	Medium	Medium	Medium
27.4	Manufacture of electric lighting equipment	Medium	Medium	Medium
27.5	Manufacture of domestic appliances	Medium	Medium	Medium
27.9	Manufacture of other electrical equipment	Medium	Medium	Medium

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
28	Manufacture of machinery and equipment not elsewhere classified			
28.1	<u>Manufacture of general – purpose machinery</u>	Medium	Medium	Medium
28.2	Manufacture of other general purpose machinery			
28.21	Manufacture of ovens, furnaces and furnace burners	Medium	Medium	Medium
28.22	Manufacture of lifting and handling equipment	Medium	Medium	Medium
28.23	Manufacture of office machinery and equipment (except computers and peripheral equipment)	Medium	Medium	Medium
28.24	Manufacture of power-driven hand tools	Medium	Medium	Medium
28.25	Manufacture of non-domestic cooling and ventilation equipment Note: Manufacturing of cooling equipment using ozone depleting substances is EXCLUDED. Note: Some types using banned compounds (e.g. CFCs) are excluded from assistance using EBRD funds. See EBRD's Environmental and Social Exclusion List.	Medium	Medium	Medium
28.29	Manufacture of other general-purpose machinery not elsewhere classified	Medium	Medium	Medium
28.3	Manufacture of agricultural forestry machinery	Medium	Medium	Medium
28.4	<u>Manufacture of metal forming machinery and machine tools</u>	Medium	Medium	Medium
28.9	<u>Manufacture of other special purpose machinery</u>	Medium	Medium	Medium
29	Manufacture of motor vehicles, trailers and semi-trailers			
29.1	Manufacture of motor vehicles	Medium	Medium	Medium
29.2	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	Medium	Medium	Medium
29.3	Manufacture of parts and accessories for motor vehicles	Medium	Medium	Medium
30	Manufacture of other transport equipment			
30.1	Building of ships and boats			
30.11	<u>Building of ships and floating structures</u> Note: <u>The building of warships is typically excluded from financing using EBRD funds – check your agreement with EBRD for details</u>	Medium	High	High
30.12	Building of pleasure and sporting boats	Medium	Medium	Medium
30.2	Manufacture of railway locomotives and rolling stock	Medium	Medium	Medium
30.3	<u>Manufacture of air and spacecraft and related machinery</u>	Medium	Medium	Medium
30.4	Manufacture of military fighting vehicles, Intercontinental ballistic missiles (ICBM) Note: This activity is typically excluded from financing using EBRD funds – check your agreement with EBRD for details.	Excluded	Excluded	Excluded
30.9	Manufacture of transport equipment not else classified. (e.g. motorcycles, bicycles and invalid carriages)	Medium	Medium	Medium
31	Manufacture of furniture	Medium	Medium	Medium
32	Other Manufacturing			
32.1	<u>Manufacturing of jewellery, bijouteries and related articles</u>	Medium	Medium	Medium
32.2	Manufacture of musical instruments	Medium	Medium	Medium
32.3	Manufacture of sports goods	Medium	Medium	Medium

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
32.4	Manufacture of games and toys	Medium	Medium	Medium
32.5	Manufacture of medical and dental instruments and supplies	Medium	Medium	Medium
32.9	Manufacturing not else classified. (brooms and brushes, protective safety equipment and clothing, pens and pencils, stamps, labels, buttons, articles of personal or household use, candles, artificial flowers, fruit and foliage, floral baskets, etc.)	Medium	Medium	Medium
33	Repair and installation of machinery and equipment			
33.1	Repair of fabricated metal products, machinery and equipment	Low	Medium	Medium
33.14	Repair of electrical equipment	Low	Medium	Medium
33.15	Repair and maintenance of ships and boats	Low	Medium	Medium
33.16	Repair and maintenance of aircraft and spacecraft	Low	Medium	Medium
33.17	Repair and maintenance of other transport equipment	Low	Medium	Medium
33.2	Installation of industrial machinery and equipment	Low	Medium	Medium
Section D	Electricity, gas steam and air conditioning supply			
35	Electricity, gas steam and air conditioning supply			
35.1	Electric power generations, transmission and distribution	High	High	High
35.11	Production of electricity	High	High	High
35.12	Transmission of electricity	Low	High	High
35.13	Distribution of electricity	Low	High	High
35.14	Trade of electricity	Low	Low	Low
35.2	Manufacture of gas; distribution of gaseous fuels through mains	High	High	High
35.21	Manufacture of gas	High	High	High
35.22	Distribution of gaseous fuels through mains	Medium	Medium	Medium
35.23	Trade of gas through mains	Low	Low	Low
35.3	Steam and air conditioning supply	Medium	Medium	Medium
Section E	Water supply (sewerage, waste management and remediation activities)			
36	Water collection, treatment and supply	Medium	Medium	Medium
37	Sewerage	High	High	High
38	Waste collection, treatment and disposal activities; materials recovery			
38.1	Waste collection			
38.11	Collection of non-hazardous waste	Medium	Medium	Medium
38.12	Collection of hazardous waste	High	High	High
38.2	Waste treatment and disposal			
38.21	Treatment and disposal of non-hazardous waste	High	High	High
38.22	Treatment and disposal of hazardous waste	High	High	High
38.31	Dismantling of wrecks	High	High	High
38.32	Recovery of sorted materials	High	High	High
39	Remediation activities and other waste management services	High	High	High
Section F	Construction			
41	Construction of buildings			
41.1	Development of building projects	Low	Low	Low
41.2	Construction of residential and non-residential buildings	High	High	High

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
42	Civil engineering			
42.1	Construction of roads and railways	High	High	High
42.2	Construction of utility projects (for fluids, electricity and telecommunications)	High	High	High
42.9	Construction of other civil engineering projects (water projects, industrial facilities)	High	High	High
43	Specialised construction activities			
43.1	Demolition and site preparation (demolition, site preparation, test drilling and boring)	High	High	High
43.2	Electrical, plumbing and other construction installation activities	Low	Medium	Medium
43.3	Building completion and finishing (plastering; joinery installation; floor and wall covering ; painting and glazing; other building completion and finishing)	Low	Medium	Medium
43.9	Other specialised construction activities	Low	High	Medium
Section G	Wholesale and retail trade			
45	Wholesale and retail trade and repair of motor vehicles and motorcycles			
45.1	Sale of motor vehicles	Low	Low	Low
45.2	Maintenance and repair of motor vehicles	Medium	Low	Medium
45.3	Sale of motor vehicle parts and accessories	Low	Low	Low
45.4	Sale, maintenance and repair of motorcycles and related parts and accessories	Medium	Low	Medium
46	Wholesale trade, except of motor vehicles and motorcycles			
46.1	Wholesale on a fee or contract basis	Low	Low	Low
46.2	Wholesale of agricultural raw materials and live animals			
46.21	Wholesale of grain, unmanufactured tobacco, seed and animal feeds Note: Tobacco is EXCLUDED activity	Low	Low	Low
46.22	Wholesale of flowers and plants	Low	Low	Low
46.23	Wholesale of live animals	Medium	Low	Medium
46.24	Wholesale of hides, skins and leather	Low	Low	Low
46.3	Wholesale of food, beverages and tobacco	Low	Low	Low
46.35	Wholesale of tobacco products	Low	Low	Low
46.4	Wholesale of household goods	Low	Low	Low
46.5	Wholesale of information and communication equipment	Low	Low	Low
46.6	Wholesale of other machinery, equipment and supplies	Low	Low	Low
46.71	Wholesale of solid, liquid and gaseous fuels and related products	High	High	High
46.72	Wholesale of metals and metal ores	High	High	High
46.73	Wholesale of wood, construction materials and sanitary equipment	Medium	Low	Medium
46.74	Wholesale of hardware, plumbing and heating equipment and supplies	Low	Low	Low
46.75	Wholesale of chemical products	High	High	High
46.76	Wholesale of other intermediate products	Low	Low	Low

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
46.77	Wholesale of waste and scrap	High	High	High
46.9	Non-specialised wholesale trade	Low	Low	Low
47	Retail trade, except of motor vehicles and motorcycles	Low	Low	Low
47.11	<u>Retail sale in non-specialised stores with food, beverages or tobacco predominating</u>	Low	Medium	Medium
47.19	<u>Other retail sale in non-specialised stores</u>	Low	Low	Low
47.2	Retail sale of food, beverages and tobacco in specialised stores	Low	Low	Low
47.26	Retail sale of tobacco products in specialised stores	Low	Low	Low
47.3	Retail sale of automotive fuel in specialised stores	High	Medium	High
47.4	Retail sale of information and communication equipment in specialised stores	Low	Low	Low
47.5	Retail sale of other household equipment in specialised stores	Low	Low	Low
47.6	Retail sale of cultural and recreation goods in specialised stores	Low	Low	Low
47.7	<u>Retail sale of other goods in specialised stores</u>	Low	Low	Low
47.73	Dispensing chemist in specialised stores	Low	Medium	Medium
47.74	Retail sale of medical and orthopaedic goods in specialised stores	Low	Medium	Medium
47.76	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	Low	Low	Medium
47.8	Retail sale via stalls and markets	Low	Low	Low
47.9	Retail trade not in stores, stalls or markets	Low	Low	Low
Section H	Transportation and Storage			
49	Land transport and transport via pipelines			
49.1	Passenger rail transport, interurban	Low	Low	Low
49.2	Freight rail transport	Low	Low	Low
49.3	Other passenger land transport	Low	Medium	Medium
49.4	Freight transport by road and removal services	Low	Medium	Medium
49.5	Transport via pipeline	High	Medium	High
50.1	Sea and coastal passenger water transport	Medium	Medium	Medium
50.2	Sea and coastal freight water transport	High	Medium	High
50.3	Inland passenger water transport	Medium	Low	Medium
50.4	Inland freight water transport	Medium	Medium	Medium
51	Air Transport			
51.1	Passenger air transport	Low	Low	Low
51.2	Freight air transport and space transport			
51.21	Freight air transport	Low	Low	Low
51.22	Space transport	Medium	High	High
52	Warehousing and support activities for transportation	Medium	Medium	Medium
53	Postal and courier activities	Low	Low	Low
Section I	Accommodation and food service activities			
55	Accommodation (Hotels, resort hotels, suite/apartment hotels, motels, holiday homes, youth hostels, cottages and cabins camping grounds, recreational vehicle parks, trailer parks)	Low	Medium	Medium

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
56	Food and beverage service activities (restaurants and bars)	Low	Medium	Medium
Section J	Information and communication			
58	Publishing activities	Low	Low	Low
59	Motion picture, video and television programme production, sound recording and music publishing activities	Low	Low	Low
60	Programming and broadcasting activities	Low	Low	Low
61	Telecommunications	Low	Medium	Medium
62	Computer programming, consultancy and related activities	Low	Low	Low
63	Information service activities	Low	Low	Low
Section K	Financial and insurance activities			
64	Financial service activities, except insurance and pension funding	Low	Low	Low
65	Insurance, reinsurance and pension funding, except compulsory social security	Low	Low	Low
66	Activities auxiliary to financial services and insurance activities	Low	Low	Low
Section L	Real estate activities			
68	<u>Real estate activities</u>	Low	Low	Low
68.2	Renting and operating of own or leased real estate	Medium	Medium	Medium
68.32	Management of real estate on a fee or contract basis	Low	Low	Medium
Section M	Professional scientific and technical activities			
69	Legal and accounting activities	Low	Low	Low
70	Activities of head offices; management consultancy activities	Low	Low	Low
71	Architectural and engineering activities; technical testing and analysis	Low	Low	Low
72	Scientific research and development	Low	Low	Low
73	Advertising and market research	Low	Low	Low
74	<u>Other professional, scientific and technical activities</u>	Low	Low	Low
75	Veterinary activities	Low	Low	Low
Section N	Administrative and support service activities			
77	Rental and leasing activities			
77.1	Renting and leasing of motor vehicles			
77.11	Renting and leasing of cars and light motor vehicles	Low	Low	Low
77.12	Renting and leasing of trucks	Low	Medium	Medium
77.2	Renting and leasing of personal and household goods			
77.21	Renting and leasing of recreational and sports goods	Low	Low	Low
77.22	Renting of video tapes and disks	Low	Low	Low
77.29	Renting and leasing of other personal and household goods	Low	Low	Low
77.3	Renting and leasing of other machinery, equipment and tangible goods			
77.31	Renting and leasing of agricultural machinery and equipment	Low	Medium	Medium

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
77.32	Renting and leasing of construction and civil engineering machinery and equipment	Low	Medium	Medium
77.33	Renting and leasing of office machinery and equipment (including computers)	Low	Low	Low
77.34	Renting and leasing of water transport equipment	Low	Medium	Medium
77.35	Renting and leasing of air transport equipment	Low	Medium	Medium
77.39	Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified	Low	Medium	Medium
77.4	Leasing of intellectual property and similar products, except copy-righted works	Low	Low	Low
78	Employment activities			
78.1	Activities of employment placement agencies	Low	Medium	Medium
78.2	Temporary employment agencies	Low	Medium	Medium
78.3	Other human resources provision	Low	Medium	Medium
79	Travel agency, tour operator reservation service and related activities			
79.1	Travel agency and tour operator activities	Low	Medium	Medium
79.9	<u>Other reservation service and related activities</u>	Low	Low	Low
80	Security and investigation activities			
80.1	Private security activities	Low	High	High
80.2	Security systems service activities	Low	Low	Low
80.3	Investigation activities	Low	Medium	Medium
81	Services to buildings and landscape activities			
81.1	Combined facilities support activities	Low	Medium	Medium
81.2	Cleaning activities			
81.21	General Cleaning of buildings	Low	Medium	Medium
81.22	Other buildings and industrial cleaning activities	Low	Medium	Medium
81.29	<u>Other cleaning activities</u>	Low	Medium	Medium
81.3	Landscape service activities	Low	Medium	Medium
82	Office administrative, office support and other business support activities			
82.1	Office administrative and support activities			
82.11	<u>Combined office administrative service activities</u>	Low	Low	Low
82.19	Photocopying, document preparation and other specialised office support activities	Low	Low	Low
82.2	Activities of call centres	Low	Low	Low
82.3	Organisation of conventions and trade shows	Low	Low	Low
82.9	Business support service activities not elsewhere classified			
82.91	Activities of collection agencies and credit bureaus	Low	High	Medium
82.92	Packaging activities	Low	Medium	Medium
82.99	<u>Other business support service activities not elsewhere classified</u>	Low	Low	Low
Section O	Public administration and defence compulsory social security			
84	Public administration and defence; compulsory and social security	Low	Low	Low

		Risk Level		
Code NACE Rev. 2	Category and Subcategory	Environmental	Social	Overall
Section P	Education			
85	Education	Low	Low	Low
Section Q	Human health and social work activities			
86	Human health activities	Medium	Medium	Medium
87	Residential care activities	Low	Medium	Medium
88	Social work activities without accommodation	Low	Medium	Medium
Section R	Arts, entertainment and recreation			
90	Creative, arts and entertainment activities	Low	Low	Low
91	Libraries, archives, museums and other cultural activities	Low	Low	Low
92	Gambling and betting activities Note: This activity is typically EXCLUDED from financing using EBRD funds – check your agreement with EBRD for details.	Excluded	Excluded	Excluded
93	Sports activities and amusement and recreation activities	Low	Low	Low
Section S	Other service activities			
94	Activities of membership organisations	Low	Low	Low
95	Repair of computers and personal and household goods	Low	Low	Low
96	Other personal service activities (excluding washing and dry-cleaning of textile and fur products)	Low	Low	Low
96.01	Washing and (dry-)cleaning of textile and fur products	Medium	Medium	Medium
Section T	Activities of households as employers; undifferentiated goods and services producing activities of households for own use			
97	Activities of households as employers of domestic personnel	Low	Medium	Medium
98	Undifferentiated goods – and services – producing activities of private households for own use	Low	Low	Low
Section U	Activities of extraterritorial organisations and bodies, e.g. diplomatic and consular missions, international organisations, etc.			
99	Activities of extraterritorial organisations and bodies	Low	Low	Low

Annex 5: Involuntary Resettlement Impact Checklist

Probable Involuntary Resettlement Effects (Please elaborate in the Remarks column)	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?	-	-	-	-
2. Is the site for land acquisition known?	-	-	-	-
3. Is the ownership status and current usage of land to be acquired known?	-	-	-	-
4. Will there be loss of shelter and residential land due to land acquisition?	-	-	-	-
5. Will there be loss of agricultural and other productive assets due to land acquisition?	-	-	-	-
6. Will there be losses of crops, trees, and fixed assets due to land acquisition?	-	-	-	-

7. Will there be loss of businesses or enterprises due to land acquisition?	-	-	-	-
8. Will there be loss of income sources and means of livelihoods due to land acquisition?	-	-	-	-
Involuntary Restrictions on Land Use or on Access to Legally Designated Parks and Protected				
9. Will people lose access to natural resources, communal facilities and services?	-	-	-	-
10. If land use is changed, will it have an adverse impact on social and economic activities?	-	-	-	-
11. Will access to land and resources owned communally or by the state be restricted?	-	-	-	-
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Subproject? <input type="checkbox"/> No <input type="checkbox"/> Yes				
If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Are any displaced persons from indigenous or ethnic minority groups? <input type="checkbox"/> No <input type="checkbox"/> Yes				

Annex 6: Indigenous Peoples Impact Screening Checklist

KEY CONCERNS (Please provide elaborations on the	YES	NO	NOT KNOWN	Remarks
A. Indigenous Peoples Identification	-	-	-	-
1. Are there socio-cultural groups present in or use the subproject area who may be considered as "tribes" (hill tribes, scheduled tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the subproject area?	-	-	-	-
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the subproject area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?	-	-	-	-
3. Do such groups self-identify as being part of a distinct social and cultural group?	-	-	-	-
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?	-	-	-	-
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?	-	-	-	-
6. Do such groups speak a distinct language or dialect?	-	-	-	-
7. Have such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?	-	-	-	-

8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?	-	-	-	-
B. Identification of Potential Impacts	-	-	-	-
9. Will the subproject directly or indirectly benefit or target Indigenous Peoples?	-	-	-	-
10. Will the subproject directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)?	-	-	-	-
11. Will the subproject affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)?	-	-	-	-

KEY CONCERNS (Please provide elaborations on the	YES	NO	NOT KNOWN	Remarks
12. Will the subproject be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?	-	-	-	-
C. Identification of Special Requirements <i>Will the subproject activities include:</i>	-	-	-	-
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?	-	-	-	-
14. Physical displacement from traditional or customary lands?	-	-	-	-
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?	-	-	-	-
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?	-	-	-	-
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?	-	-	-	-

Annex 7: Borrower's Annual Environmental and Social Monitoring Report

Part I. Form of Annual Environmental and Social Reporting by AEB to ADB

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes.

Bank Name:	
Completed/Prepared by	

(name):			
Position in organization:		Date:	
Reporting covering period	From:		To:

A. Information on the Portfolio using ADB Financing

1. Breakdown of portfolio by industry sector and environmental and social risk classification

Borrower	Loan Size	Loan amount	Loan Type	Environmental Risk*	IP Risk*	IR Risk*	Number of Employees	
							Male	Female

**Note: Environmental and social risk categorization is done separately for environment, involuntary resettlement and indigenous peoples. Classify each loan into safeguard categories (A,B,C) on either environment, indigenous peoples, involuntary resettlement following the criteria set in Section 3.1 of the ESMS. Please use Annex 4 for E&S Risk Categorization, Annex 5 and Annex 6 to determine the IP and IR risk, respectively..)*

2. Percentage of Loans in the Portfolio

Percentage of Loans in the Portfolio	Amount	Volume Disbursed	Volume Outstanding
A Class*			
B Class			
C Class			

**Define Class*

B. Information on AEB

Employment information

1. Please provide the latest sex disaggregated data (number of male-female) employed at AEB per position classification, headquarters and branch offices.

Headquarters/ Corporate

Level/Position	Female	Male	Total

Branch Offices

Level/Position	Female	Male	Total

Compliance with Labor and Social Protection Requirements

2. Please enumerate the current benefits provided to employees. Indicate if it is part of statutory benefits or exclusive benefits provided by AEB.

3. During the year, was there an organization or association of AEB employees established: date of establishment, the current number of members, qualification for membership, activities. Does the organization/association have an ongoing agreement on matters concerning employees? If yes, please provide information

4. Please confirm if AEB engages with contractors at Headquarters and branches for services such as accounting and auditing, housekeeping and janitorial, security, courier, etc. If yes, pls provide the following

(i) Number and of type of contractors; number of staff employed by contractors;

Contractor	Location	Type of Contractor	Number of Staff Employed	
			Male	Female

(ii) Benefits provided by contractors to its staff/workers working at AEB

(iii) Information how AEB ensure that contractors:

- a. do not employ child labor or forced labor
- b. have appropriate management systems that will allow them to operate in a manner which is consistent with the intent of (A) ensuring legally permissible equal opportunity and fair treatment and non discrimination for their workers, and (B) not restricting their workers from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment; and
- c. whose subcontracts contain provisions which are consistent with paragraphs (a) and (b) above.

C. Information on Concerns, Complaints, Grievances

5. Please provide information on any concerns raised by customers through AEB’s customer service hotline or through AEB’s customer service officers at headquarters or any of AEB’s branches

Year	Nature of Grievance/Concern	Number of Resolved Concerns/Grievances	Number of Outstanding Concerns/Grievances	Total

6. Please provide information on any concerns raised by AEB employees staff through relevant HR department or staff.

Year	Nature of Grievance/Concern	Number of Resolved Concerns/Grievances	Number of Outstanding Concerns/Grievances	Total

D. Environmental and Social Management System (ESMS) Implementation

Policies & Processes	<i>Yes/No</i>	
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Policies & Processes	Yes/No	
If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by AEB during the reporting period?		If yes, please provide a copy of the updates including dates and reasons for the same.
Has senior management signed off on the updated policy/procedure?		If yes, please provide the date and internal communication indicating the same.
Has AEB appointed staff tasked to implement the ESMS?		If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.
Please give details of any transactions rejected due to environmental and/or social concerns.		
Please state any difficulties and/or constraints related to the implementation of the ESMS.		
Please describe how AEB ensure that borrower/clients are in compliance with the national laws and regulations and applicable ADB's requirements.		
Please give details of any material social and environmental issues associated with AEB and its borrower/clients during the reporting period in particular.		
In case the existing ESMS is not fully functional, what is the action plan being implemented by AEB?		Please provide information or cite recommendation to improve the ESMS and its implementation.
Capacity	Yes/No	
Please provide the name and contact information of the Environmental/Social Officer or Manager who has the overall responsibility for the implementation of ESMS.		Please describe the training or learning activities the Environmental/Social Officer or Manager attended during the year.
Please provide current staffing of other core ESMS persons in [the Bank] involved with ESMS implementation.		Please describe the training provided to the ESMS persons and other team members during the year.
What was the budget allocated to the ESMS and its implementation during the year?		Please provide budget details including staff costs and training as well as any actual costs.
Monitoring	Yes/No	
Do you receive E&S monitoring reports from borrower/clients that you finance?		If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.
Do you check for ongoing compliance of your borrower/clients with national regulation and any other requirements?		If yes, please describe the process including any social and environmental considerations if applicable.

Policies & Processes	<i>Yes/No</i>	
Please describe how you monitor the borrower/clients' social and environmental performance.		Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.
Does AEB have a mechanism to monitor actions being taken by borrower/clients to resolve grievances from workers, employees or the community on its operations or business activities?		Please describe the mechanism and how it is being implemented.
Please provide details of any accidents/litigation/complaints/regulatory notices and fines: Any incidents of non-compliance with the applicable E&S Safeguard Requirements Covenants/conditionalities imposed by AEB to the borrower/clients as a result of any non-compliance		
Reporting	<i>Yes/No</i>	
Is there an internal process to report on social and environmental issues to senior management?		If yes, please explain the process, reporting format and frequency and actions taken if any.
Do you prepare any social and environmental reports: For other multilateral agencies Other stakeholders E&S reporting in the Annual Report Sustainability reports		If yes, please provide copies of these reports.

E. Sustainable Finance (subprojects with E&S benefits)

Sustainable finance		
Have you made any investments in borrower/client that have social and environmental benefits such as investing in management systems, energy efficiency, renewable energy, cleaner production, carbon finance, pollution abatement and control, sustainable supply chain, corporate social responsibility, community development, etc.? Please list these in the format provided below:		
Company/Project Name	Investment Exposure (US\$ million)	Type of social and Environmental Benefit