

ANNEX I RESPONSIBLE INVESTMENT CODE

1. Definitions

Unless otherwise defined in this Agreement, capitalized terms used in the Responsible Investment Code shall have the meaning ascribed to them below:

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

Core Labor Standards means the requirements as applicable to the Project 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 (ESAP) means the environmental and social action plan agreed upon between the Fund and any Project 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 Project Company with the E&S Requirements and for any other measure agreed upon, as amended from time to time.

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

- (a) ensuring compliance with the Exclusion List contained in Schedule B;
- (b) assessing and categorizing (as low, medium or high) the environmental, social, labor, occupational health and safety risks associated with each Project Company;
- (c) verifying that each Project Company complies with the E&S Requirements;
- (d) contractually agreeing with each Project Company that it will comply with the E&S Requirements;
- (e) agreeing upon an E&S Action Plan between the Fund and each Project 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 Project 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 Manager	means the suitably trained officer of the Fund or Manager, responsible for the practical and day-to-day development, implementation and operation of the Environmental and Social Management System.
E&S Executive	means the member of the executive management of the Fund or Manager having management responsibility, among other things, for ensuring proper operation and maintenance of the ESMS.
E&S Performance Report	means the annual environmental and social monitoring report providing information set out in Schedule A hereto.
E&S Permit	means any environmental and/or social permit, license, consent, approval or other Authorization required by the Fund or a Project Company to conduct its business.
E&S Principles	means the guiding principles set out in Paragraph 2 of this Investment Code.
E&S Requirements	means the stricter of (i) Environmental Law, (ii) Social Law, (iii) E&S Permits, (iv) Basic Terms and Conditions of Employment, (v) Core Labor Standards, (vi) other requirements set by the E&S Management System, (vi) with respect to High Risk Clients, all applicable IFC Performance Standards and (vii) with respect to the Fund, IFC Performance Standard 2 (“Labor and Working Conditions”).
Environmental Law	means any law, rule or regulation (including international treaty obligations) concerning environmental matters and natural resource management applicable to any Project Company in any country in which it carries out business activities financed by the Fund.
Exclusion List	means the list of prohibited activities set forth in Schedule B hereto.
Good International Industry Practice (GIIP)	Means the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of such exercise should be that the project employs the most appropriate technologies in the project-specific circumstances (source: IFC).
IFC	means the International Finance Corporation, an international organization established in Washington, DC, USA, by articles of agreement among its member countries.
IFC Performance Standards	means the IFC’s Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety Guidelines), in as reflected on the IFC website.

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ILO	means the International Labor Organization, the tripartite United Nations agency which brings together governments, employers and workers of its member states in common action to promote decent work throughout the world.
Remediation Measures	means with respect to any existing Investment in a Project Company, such measures as are necessary or appropriate to remedy the applicable breach, including an appropriate timeframe for implementation of such measures.
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
Child Labour	A 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.
Destruction of High Conservation Value (HCV)	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, in natural habitats where these values are considered to be of outstanding significance or critical importance (see http://www.hcvnetwork.org).

2. Environmental And Social ("E&S") Principles

Climate Investor One, the Fund and the Project Companies will commit to continuous improvements with respect to the governance and management of environmental, social matters (including health and safety) (hereafter referred to as 'E&S') and work over time to apply relevant good international industry practices (hereafter referred to as 'GIIP') with appropriate targets and timetables for achieving them. Therefore Climate Investor One, the Fund, and the Project Companies, will implement management systems which effectively address E&S risks and realize E&S opportunities as a fundamental part of a Project Company's value and in accordance with the following principles:

- Achieve compliance with all relevant legal requirements, regulations, and industry-specific codes of practice relating to E&S governance and management.
- Minimize adverse impacts and enhance positive effects on the environment and all stakeholders (including employees and the affected communities) as relevant and appropriate, of the Project Companies.
- Encourage the Project Companies to make efficient use of natural resources and to protect the environment wherever possible.
- Encourage the Project 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 Rights (which 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) in line with the UN Guiding Principles on Business and Human Rights as reflected on www.business-humanrights.org.
- Encourage the operation of the Project Companies to be carried out in accordance with GIIP such as in the IFC Performance Standards, the World Bank Group Environmental, Health and Safety Guidelines or other internationally recognized sources.
- Recognize and, as appropriate, promote the social development impact from the Investments.

- Consider the potential for positive impacts and opportunities from business activities.
- Provide relevant E&S training and support employees involved in the investment process enabling them to work in accordance with the above principles.

3. Environmental And Social (E&S) Undertakings

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

- a) Climate Investor One, the Fund, and the Manager 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; and,
 - (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 Project Companies.
- b) The Manager shall appoint and train an E&S Manager and nominate a member of the executive management team as E&S Executive. Any successor or replacement E&S Manager and/or E&S Executive shall be notified to the Donors and Member's Meeting as appropriate.

3.2 Investments

- a) Prior to the Fund investing in a Project Company (including in respect of a new Investment or a follow-on Investment in an existing Project Company), the Manager will:
 - (i) 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 Project Company.
 - (ii) Assess (using the FMO Toolkit for Private Equity Funds or an equivalent tool or consultant report) the environmental, health and safety, social and community risks and impacts of the proposed Project Company's operations and categorizes the operations accordingly into high, medium and low risk activities.
 - (iii) In respect of high risk activities, involve adequately qualified experts to evaluate compliance with E&S Requirements and carry out an assessment by applying the relevant IFC Performance Standards and EHS guidelines as amended from time to time. An adequate evaluation shall comprise:
 - for greenfield operations and major expansions of existing facilities: evaluation of the adequacy of the risks, impacts and mitigation measures as described in an environmental and social impact assessment (ESIA) in accordance with the IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex A);
 - for existing operations: evaluation of the risks, impacts and mitigations measures through an adequate environmental and social audit in accordance with the IFC Performance Standard 1, Assessment and Management Systems, Guidance Notes (Annex B).
 - (iv) Ten (10) business days prior to the issuance of the first drawdown notice in respect of a Project Company the Manager will inform the Donors and Investors that the

Manager have applied the E&S Management System in accordance with the E&S Requirements with respect to the proposed Investment.

- (v) Upon request by any Investor, the Manager shall promptly (but in any event within five (5) 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 (hereafter referred to as 'ESAP'), prepared in connection with the proposed Investment.
 - (vi) The Fund will only make an Investment including in respect of a new Investment or a follow-on Investment) 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, by way of implementation of any Remediation Measures approved in accordance with paragraph 4(b) below); or (ii) in respect of any new Investment, the proposed Project 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 Project Company fails to implement the E&S Action Plan.
- b) The Fund shall not in any event invest in a Project Company engaged in any of the activities on the Exclusion List contained in Schedule B.

3.3 Monitoring and Reporting

- a) The Fund shall:
- (i) Within ninety (90) days after the end of each financial year of the Fund but no later than fifteen (15) days prior to the annual Investors Meeting, deliver a E&S Performance Report to the Investors, containing at minimum the information outlined in Schedule A;
 - (ii) Within five (5) days after becoming aware of an occurrence, notify the Donors and Investors of any environmental, social, labor or health and safety incident, accident or circumstance with respect to any existing Project Company that has, or could reasonably be expected to have, a material adverse effect or impact on the Fund, the Project Company, the environment, communities or the workforce, and within thirty (30) days of the first notification to the Investors, send a follow-on notification on the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep the Donors and Investors informed on a quarterly basis of the on-going implementation of those measures;
- b) The Fund will ensure that Donors and Investors and any E&S consultants appointed by such Donors and Investors have the right to visit, upon reasonable notice, any of the premises where the business of a Project Company is conducted, to have access to Project Company management, and to have access to the Project 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 the Donors and Investors by any incident, accident or circumstance described in paragraph a) sub (ii) above.

4. Supervision; Exercise of Remedies

- a) At the request of any Donors and/or Investor and in accordance with constituent documents of the respective funds, the Fund will call a meeting to review and discuss the Fund's compliance

with the E&S Requirements or the operation of the E&S Management System, or the compliance of any Project Company with the E&S Requirements which have been agreed pursuant to paragraph 2 sub a) above (as applicable).

- b) If the Manager becomes aware of additional E&S risks of an existing Project Company, the Manager will investigate if the E&S Management System has sufficient capacity, including quality of staffing and expertise, to assess and manage the environmental and social risks of Project Company operations, as contemplated by the E&S Requirements.
- c) If any Donor or Investor reasonably determines that a Project Company is in material breach of any of the E&S Requirements and notifies the Fund and the other Investors of such determination the Manager shall promptly: (i) require the relevant Project Company to undertake, within a specified timeframe, Remediation Measures and keep the Fund informed on a quarterly basis of the on-going implementation of those measures; and (ii) if the relevant Project Company fails to implement such Remediation Measures within the agreed timeframes, use all reasonable efforts to assert and enforce any right of the Fund to require the Project Company to comply with such undertakings.