



Health, Safety, Environmental and Social Management System (HSES-MS)

HSES policies

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Glossary of terms

Term	Definition
GIIP	Good International Industry Practice is defined as 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.
HSES	Health and Safety, Environment and Social
IFC	International Finance Corporation
MS	Management System
PIDG	The Private Infrastructure Development Group
PIDG Ltd	The Private Infrastructure Development Group Limited
PIDG Companies	PIDG Ltd, The Emerging Africa Infrastructure Fund Limited , GuarantCo Ltd, InfraCo Africa Limited, InfraCo Africa Investment Limited, InfraCo Asia Development Pte. Limited, InfraCo Asia Investments Pte. Limited
PIDG People	PIDG Company employees, directors, committee members, agency workers, volunteers and interns
Projects	The projects in which the PIDG Companies invest into and finance
SDG	United Nations’ Sustainability Development Goals

Introduction

1.1 General overview

PIDG's purpose is to combat poverty in the poorest and most fragile countries through pioneering infrastructure – helping economies grow and changing people's lives. We provide leadership, development capability, funding and finance solutions across the project cycle to support infrastructure provision. This delivers high development impact and develops local capacity and capability and the financing potential of local credit and capital markets.

Responsible investment requires strong Health, Safety, Environmental and Social (HSES) governance. At PIDG, we recognise that to meet our values and be able to deliver the responsible investment that we believe in, we must ensure that there is strong HSES governance across the PIDG Companies.

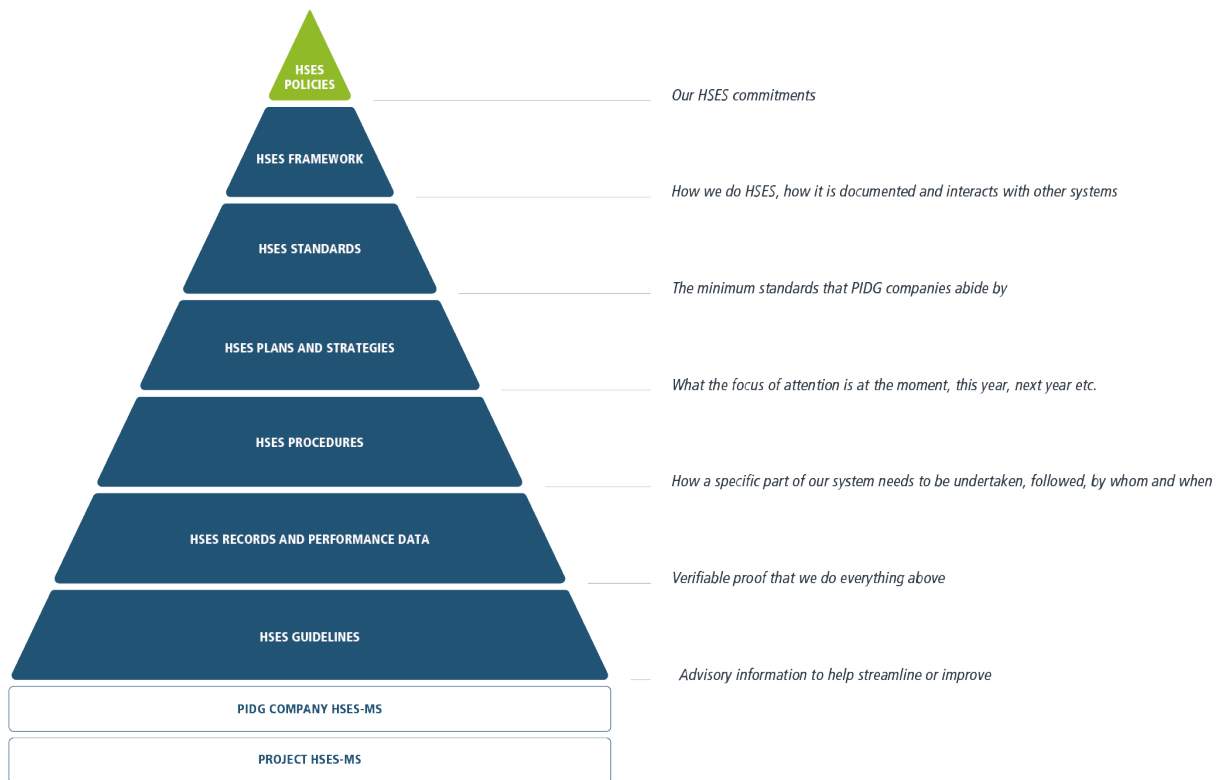
Effective management of HSES reduces risk to people, reduces risk to the environment and builds climate resilience. The implementation of good HSES practices is increasingly associated with a wide range of business benefits including access to markets, increased investment opportunities, reduced employee turnover, cost efficiencies, enhanced reputation, and provides a social license to operate.

The PIDG HSES policies set out our overarching commitments to HSES and apply to PIDG People across all the PIDG Companies. The PIDG HSES policies are implemented through the PIDG HSES management system. By providing this overarching HSES framework across the PIDG Companies we are able to use reasonable endeavours to seek to ensure our values are implemented in all our Projects. Through sharing our strengths and learning outcomes, we are able to demonstrate our continual improvement in HSES performance.

1.2 Structure of the PIDG HSES policies

The PIDG HSES policies drive HSES governance across the PIDG Companies. Their purpose is to define PIDG's intent with respect to all aspects of HSES management.

Developed by PIDG Ltd, they are approved by the HSES committee on behalf of the Board of Directors and cascaded to the other PIDG Companies for implementation. They are then cascaded to the Projects through contractual arrangements between the relevant PIDG Company and the project company. Sitting at the highest level of the PIDG HSES management system the PIDG HSES policies define how our values shall be realised.



The PIDG HSES policies are implemented through the PIDG HSES management system. HSES standards are set by PIDG Ltd, defining the minimum standards that are required to meet the PIDG HSES policy objectives. The PIDG HSES policies and standards are then implemented through the PIDG Companies' HSES management systems established at the PIDG Company level to be appropriate and specific to each PIDG Company's requirements. The PIDG Companies shall use their reasonable endeavours to seek to ensure that the PIDG HSES policies and standards are implemented at the project level through management systems appropriate and specific to each Project.

The PIDG HSES policies are presented in four distinct documents, summarised below and presented in the following sections, covering the governance and management of health and safety, environment, social and security issues.

Fundamental to each is the commitment to:

- Use reasonable endeavours to eliminate or reduce the risks to health, safety, the environment and social from its activities, to levels which are considered tolerable and where required As Low As Reasonably Practical (ALARP)
- Meet or exceed all relevant regulatory and legislative requirements and to meet GIIP
- Make continuous efforts to achieve HSES objectives and improve HSES performance.

PIDG health and safety policy

The PIDG Companies shall use reasonable endeavours to ensure the health and safety of PIDG People, and each PIDG Company shall use reasonable endeavours to procure PIDG's health and safety standards are applied across its Projects. It seeks to prevent and reduce accidents by enabling a culture where everyone takes responsibility for safety, and accidents, incidents and high potential near-misses are promptly reported and investigated and the lessons learnt are shared and acted upon throughout the PIDG Companies.

PIDG environment policy

This policy ensures we strive to avoid or minimise potential adverse environmental impacts and conserve biodiversity wherever we operate. It ensures that all PIDG Companies monitor and demonstrate the climate change impact of PIDG Projects and support climate change mitigation and adaptation. The PIDG Companies shall use reasonable endeavours to ensure the consideration of water use efficiency and water conservation measures in their Projects.

PIDG social policy

This policy seeks to ensure that we use reasonable endeavours to provide sustainable social benefit to the communities which host us, and use reasonable endeavours to avoid creating adverse social impacts from any of our activities. It provides the mandate for our efforts to address gender inequality and to safeguard vulnerable groups, including women and girls. It ensures the reasonable consideration of displacement and project induced influx. The policy ensures that good communication and stakeholder consultation underpins our business decisions where reasonable and practicable.

PIDG security policy

This policy seeks to ensure the security of PIDG People, and the PIDG Companies. It seeks to ensure that PIDG Companies use reasonable endeavours to avoid any adverse impact on the security and human rights of the communities in which Projects operate. It provides the means to ensure the principles of proportionality are applied through all our security provisions and provides for a structured interface with our host country security forces.

1.3 Legislation and GIIP

PIDG is committed to ensuring that all its activities operate to the national legal requirements of the host country law and compliance with international standards, if higher and practicable. PIDG is committed to ensuring that all its activities align with GIIP. This includes the following GIIP:

- IFC Environmental and Social Performance Standards
- the Principles of the UN Global Compact
- the Voluntary Principles on Security and Human Rights.

This commitment is reflected in the PIDG HSES policies. We map our portfolio against the SDGs which aim to promote prosperity whilst protecting the environment. It is at the core of our business model that we shall endeavour to ensure that our Projects shall align with these goals and this is supported through the implementation of our HSES policies.

1.4 Scope and applicability

The PIDG HSES policies are applicable to PIDG People and the PIDG Companies. The PIDG Companies shall use reasonable endeavours to ensure they are applied to their Projects. This shall include ensuring that the requirement to align with the PIDG HSES policies is included in the contractual arrangements entered into between a PIDG Company and project company in relation to a Project.

1.5 Continual improvement

The PIDG HSES policies are reviewed periodically by PIDG Ltd such that they are kept relevant to PIDG activities and they keep up with changes in GIIP and international standards.

HSES policies

2.1 Health and safety policy

It is the policy of PIDG to use reasonable efforts to ensure the implementation of industry leading standards of health and safety across the PIDG Companies, protecting the health and safety of PIDG People; and to use reasonable endeavours to ensure they are applied to the Projects.

Helping the PIDG Companies, and the Projects to seek to prevent and reduce accident rates is a priority for us. Everyone has a responsibility to help create a healthy and safe working environment by taking ownership of their own safety and through reporting any concerns. PIDG shall support and empower all PIDG People to realise this responsibility and shall use reasonable endeavours to support and empower the people working on Projects to realise this responsibility

To meet our policy objectives we at PIDG shall:

- Mandate health and safety considerations into the decision-making process across all our activities.
- Continually improve health and safety performance, supported by appropriate resources and strong visible health and safety governance.
- Comply with all relevant host country health and safety legislation and align with Good International Industry Practices, including the IFC Environmental and Social Performance Standards.
- Set health and safety performance objectives and targets and regularly monitor and report our performance across the PIDG Companies, and to the PIDG Ltd Board and owners.
- Seek to ensure systems are in place to help us identify, assess, and, to the extent reasonably possible, manage and control all project related health and safety risks.
- Seek to ensure that occupational health and safety rules and programmes are in place to protect PIDG People and, to the extent reasonably possible, the people on our projects from hazards that may arise in the working environment.
- Turn down opportunities for investment where we have a material concern that appropriate health and safety rules and programmes will not be put in place.
- Seek to ensure that our activities, and use reasonable endeavours to ensure those of our project contractors, avoid or minimise any adverse impact on the health and safety of the communities in which we operate.
- Foster a culture where accidents, incidents and high potential near misses are promptly reported and investigated and the lessons learnt shared and acted upon throughout the PIDG Companies.
- Maintain and regularly test contingency and emergency plans.
- Undertake periodic audits, reviews and evaluations for measuring compliance with this policy.

2.2 Environmental policy

Our concern for the environment is central to our business. We strive to avoid or minimise potential adverse environmental impacts and conserve biodiversity wherever we operate. We map our portfolio against the SDGs which aims to promote prosperity whilst protecting the environment. We recognise that building climate resilience is key to delivering on our values and we shall track climate change mitigation and adaptation through all our projects.

To meet our policy objectives, we at PIDG shall:

- Mandate environmental considerations into the decision-making processes across all our activities.
- Continually improve environmental performance, supported by appropriate resources and strong visible environmental governance.
- Comply with all relevant host country environmental legislation and align with GIIP, including the IFC Environmental and Social Performance Standards.

- Communicate environmental responsibilities to all PIDG People and PIDG Companies, providing appropriate support and training to enable them to meet these responsibilities and fulfil their roles.
- Set environmental performance objectives and targets and regularly monitor and report our environmental performance across the PIDG Companies, and to the PIDG Ltd Board and owners.
- Seek to ensure systems are in place to help us identify, assess, and, to the extent reasonably possible, manage and control all Project related environmental impacts, providing appropriate offsets where required.
- Turn down opportunities for investment where we have a material concern about the systems being put in place to manage and control all Project related environmental impacts.
- Monitor and report the climate change impact of PIDG Companies, and, to the extent reasonably possible, our Projects and support climate change mitigation and adaptation through the prioritisation of renewable energy efficiency, and reduction in deforestation in our Projects and environmental programmes.
- Seek to ensure water use efficiency and water conservation measures are considered on all Projects.
- Assess our impact on ecosystem services and, to the extent reasonably possible, maintain community benefits derived from these ecosystem services.
- Foster a culture where environmental incidents and near misses are promptly reported and investigated and the 'lessons learnt' shared and acted upon throughout the PIDG Companies.
- Undertake periodic audits, reviews and evaluations for measuring compliance with this policy.

2.3 Social policy

The PIDG social policy is to enhance the welfare of our PIDG People across all the PIDG Companies, to use reasonable endeavours to provide sustainable social benefit to the communities which host the Projects and to use reasonable endeavours to avoid creating adverse social impacts from any of our Project activities. We map our portfolio against the SDGs which aims to promote prosperity in a sustainable way. It is at the core of our business model that we shall endeavour to ensure that our Projects shall align with these goals.

To meet our policy objectives, we at PIDG shall:

- Mandate social and sustainable considerations into the decision-making processes across all our activities.
- Continually improve social performance, supported by appropriate resources and strong visible social governance.
- Comply with all relevant host country social legislation and align with GIIP, including the IFC Environmental and social performance standards.
- Communicate social responsibilities to all PIDG Companies, providing appropriate support and training to enable them to meet these responsibilities and fulfil their roles.
- Set social objectives and targets and regularly monitor and report our social performance across the group, and to the PIDG Ltd Board and owners.
- Seek to ensure systems are in place to identify, assess, and, to the extent reasonably possible, manage and control all Project related social impacts, including the preservation of cultural heritage and providing compensation mechanisms where appropriate and practicable in the circumstances.
- Seek to promote gender equality, safeguard women and girls, and use reasonable endeavours to prevent any form of workplace discrimination, sexual harassment or physical assault.
- Seek to ensure processes are in place for payment of at least the minimum wage to PIDG People, and, to the extent reasonably possible, the people on our Projects.
- Seek to ensure processes are in place for preventing forced labour in the PIDG workplace, and use reasonable endeavours to seek to ensure processes are in place to manage this risk on our Projects, their contractors and suppliers.
- Ensure processes are in place to verify that all PIDG People are above the age of 16 (and 15 with exception), and that no PIDG People under the age of 18 are involved in hazardous work and use reasonable endeavours to seek to ensure such processes are in place on our Projects.
- Undertake engagement and consultation with our stakeholders, including disclosure of information to affected communities in which our Projects operate, and use reasonable endeavours to ensure that vulnerable stakeholders (such as women and people with disabilities) are properly represented.

- Use reasonable endeavours to ensure an appropriate grievance mechanism is in place across all of our Projects and within the communities in which our Projects operate.
- Avoid or minimise Project induced influx, physical resettlement or economic displacement where possible and provide processes to minimise adverse impacts including the provision of compensation and livelihood restoration programmes where appropriate and practicable in the circumstances.
- Use reasonable endeavours to support and respect the rights of indigenous communities and vulnerable groups.
- Undertake periodic audits, reviews and evaluations for measuring compliance with this social policy.

2.4 Security policy

The PIDG security policy seeks to ensure the security of PIDG People and the PIDG Companies, and to use reasonable endeavours to seek to ensure the security of the people and assets on the Projects. In addition the policy seeks to ensure that the activities of the security provision on the Projects avoid any adverse impact on the security and fundamental human rights of the communities which host them.

To meet our policy objectives, we at PIDG shall:

- Use reasonable endeavours to seek to ensure a level of security provision appropriate to the perceived threat, supported by appropriate resources and strong visible security governance is delivered at PIDG Group offices and at the Projects.
- Comply with all relevant host country security legislation, and align with GIIP, including the IFC Environmental and Social Performance Standards, the Principles of the UN Global Compact and the Voluntary Principles on Security and Human Rights, and will be guided by the principles of proportionality in all aspects of security provision.
- Communicate security responsibilities and guidance to all PIDG Companies, providing appropriate support and training to enable them to meet these responsibilities and fulfil their roles.
- Set security performance objectives and targets and regularly monitor and report our security performance across the group, and to the PIDG Ltd Board and owners.
- Ensure systems are in place to identify, assess, and, to the extent reasonably possible, manage and control all Project related security risks.
- Use reasonable endeavours to seek to ensure peaceful resolution is prioritised at all times and that the use of firearms is controlled, and only used when necessary with restraint and caution.
- Use reasonable endeavours to seek to ensure that the Projects do not sanction any use of force except where it is for preventive and defensive purposes proportionate to the nature and extent of the threat.
- Use reasonable endeavours to seek to ensure that the Projects agree the scope and standards of provision when working with public security forces.
- Use reasonable endeavours to seek to ensure that the Projects communicate security arrangements to the communities that host them and provide an effective grievance mechanism for feedback on these arrangements.
- Foster a culture where security incidents and near misses are promptly reported and investigated, and the lessons learnt shared and acted upon.
- Maintain and regularly test contingency and emergency procedures.
- Undertake periodic audits, reviews and evaluations for measuring compliance with this policy.

2.5 PIDG safeguarding policy

The PIDG safeguarding policy seeks to ensure that the rights, dignity and wellbeing of PIDG People are protected and that we shall use our reasonable endeavours to procure the protection of those directly involved in or directly impacted by our activities. We map our portfolio against the SDGs which aim to promote prosperity whilst seeking to ensure people's fundamental human rights are protected. We are committed to gender equality and non-discrimination in the PIDG workplace and to using reasonable endeavours to seek to ensure this is a commitment of the Projects. We will not tolerate Gender Based Violence and Harassment (GBVH), including any form of sexual harassment, exploitation or other form of abuse perpetrated towards PIDG People and we will use reasonable endeavours to seek to ensure our Projects minimise this risk. We are committed to reducing the risk of modern slavery (inclusive of indebted or bonded labour and trafficking) and child labour in the PIDG workplace and to using reasonable endeavours to seek to ensure it is a commitment of the Projects to reduce this risk in their workplace and supply chains.

To meet our policy objectives, we at PIDG shall:

- Continually improve our internal and external safeguarding systems supported by appropriate resources and strong visible safeguarding governance including providing a focal point at PIDG Ltd Board level and in the top tier of management across the PIDG Companies, and using reasonable endeavours to procure it on the Projects.
- Demonstrate a positive and inclusive organisational structure striving to ensure that there is diversity of representation at our senior management and board level and where leaders set clear expectations and model respectful behaviour in their interactions at work.
- Comply with all relevant national and international legislation and align with GIIP including the IFC Environmental and Social Performance Standards.
- Communicate our safeguarding responsibilities to all PIDG Companies and use reasonable endeavours to communicate to the Projects, providing appropriate support to enable their staff to meet these responsibilities and fulfil their roles.
- Set safeguarding objectives and targets for the PIDG Companies and regularly monitor and report our safeguarding performance across the group and to the PIDG Ltd Board and owners.
- Ensure systems are in place throughout the PIDG Companies and use reasonable endeavours to seek to ensure systems are in place at the project level, to identify and assess all Project related safeguarding risks and where reasonably possible to implement appropriate management and controls commensurate with the level of risk.
- Ensure adequate and robust policies are in place across PIDG and use reasonable endeavours to ensure they are in place at the project level, which define our commitment to good labour management practices, to gender equality and non-discrimination and to the prevention of GBVH, modern slavery and child labour.
- Ensure every PIDG Company, and use reasonable endeavours to ensure every project company, requires their employees, contractors, subcontractors and primary suppliers to agree to and sign a code of conduct detailing our expectations regarding safeguarding and the sanctions for breaching the code.
- Ensure recruitment processes are in place across PIDG and use reasonable endeavours to ensure they are in place at the project level, which are fair, transparent, documented and free of any charge. Ensure, and in the case of the project companies, use reasonable endeavours to ensure, they include accompanied interviews, appropriate background checks and child age verification where it is required.
- Ensure all employees across PIDG, and use reasonable endeavours to ensure employees at the project level, including temporary workers, have documented employment terms and conditions which explain their rights including payment of at least the minimum wage and not excessive working hours.
- Provide training to all employees across PIDG, and use reasonable endeavours to procure that all project companies provide training to all employees, such that they understand what constitutes GBVH and how they can contribute to making the workplace a better place for all; such that they understand their employment rights, what behaviours are acceptable to PIDG, and how to report any concerns.
- Ensure the PIDG workplace, and use reasonable endeavours to ensure the places of work and accommodation at the project level, are safe, hygienic and considerate of the employee's wellbeing.

- Ensure PIDG People, and use reasonable endeavours to ensure workers at the project level, are, subject to the national law, free to form workers associations and to bargain collectively, without retribution. Use reasonable endeavours to procure that women and vulnerable groups are allowed to form committees in working hours and to socialise.
- Ensure a security management plan is prepared across PIDG, and use reasonable endeavours to procure that it is prepared at the project level, for any security provision, which will include the risk of GBVH to the workforce and host communities.
- Seek to ensure all community engagement is controlled through a transparent stakeholder engagement plan defining the conduct and processes, including accompanied meetings, of engagement and the reporting of all engagement activities.
- Use reasonable endeavours to ensure an appropriate grievance mechanism is in place across all our Projects and host communities and all employees have access to a whistle blowing procedure, which provide for anonymity and confidentiality and provide appropriate survivor led support mechanisms
- Undertake periodic audits, reviews and evaluations for measuring compliance with this safeguarding policy.

The PIDG HSES policies apply to all PIDG People and PIDG Companies and shall be implemented through the PIDG HSES management system. Alignment to this set of policies is a contractual requirement for all Projects.

We shall communicate this policy to all PIDG People, PIDG Companies, and to the Projects. All PIDG People and PIDG Companies and Projects have a responsibility to understand, promote and actively assist in the implementation of this set of HSES policies.

Dated: October 2022
