

**DIF - ESG screening checklist**

Is the business located in a non-designated country? <i>(Designated countries as per Equator Principles <a href="http://equator-principles.com/designated-countries/">http://equator-principles.com/designated-countries/</a>)</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business located in Latin America or the Middle East? If Yes, please ensure the additional questions (Annex 1 to this ESG screening) related to human rights / child labour are being addressed during due diligence.	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Are there any material environmental, social or governance issues raised in the media related to the business or its contractors and their major suppliers? <i>(Based on a Websearch associated location and name of the asset/company its contractors and major subcontractors with key words such as scandal, protest, contamination, social, environment, safety, incident, bribery and corruption, community protests etc.)</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
If it concerns a business with construction, is there a significant risk that the construction/operating permit will not be obtained due to ESG reasons or are there significant ESG conditions associated with the permit that need to be factored into the investment decision making process?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
If it concerns a business with construction, has an Environmental and Social impact assessment (ESIA) been omitted / or is not planned/ or in non-designated countries not completed to international standards. Or if an ESIA has been completed, does it have significant follow-up requirements that need to be factored into the investment decision making process?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business (or business' sector) known for having notable environmental impacts? <i>(such as, mining, oil and gas, storage and/or transport of hazardous materials/waste, large volumes of wastewater/ water use, air pollution, significant emissions of Greenhouse Gases, climate change related risks etc).</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business (or business's sector/geography/ contractors) known for issues around health and safety within direct operations or its supply chain? <i>(such as poor health and safety records or accidents or incidents etc)</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business (or business's sector/geography/ contractors) known for issues around labour rights especially within its direct operations or supply chain?  <i>(such as use of child labour, relationships with unions etc)</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business likely to have a significant negative impact on local communities or the development is likely to be sensitive to local stakeholders? <i>(i.e. communities living near the asset, polluting/dangerous/noisy activities in residential areas, displacement of people, economic displacement)</i>	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business (or businesses' sector/geography) known for governance issues (such as corruption, cyber security, tax avoidance, code of conduct issues, conflict of interest etc)?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Are any of the business' clients or supply chain known for governance issues (such as corruption, cyber security, tax avoidance, code of conduct issues, conflict of interest etc)?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business located in an area owned or occupied by indigenous people?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business located in an area where there is significant cultural heritage assets?	Yes <input type="checkbox"/> / No <input type="checkbox"/>
Is the business located in an area with high biodiversity value (such as but not limited to rare species)?	Yes <input type="checkbox"/> / No <input type="checkbox"/>

## **Annex 1 : Additional Due Diligence Questions for Latin America and Middle Eastern countries**

### **Elements for human rights / child labour for ESG Due Diligence**

As there is a relatively high risk of human rights issues/ child labour, particularly in rural areas and the construction industry, we have developed the following list of questions which need to be addressed during due diligence.

Human rights / child labour elements relate to the following aspects of a project:

- Acquisition of land that the project is built upon
- Supply chain of the construction works
- Construction works
- Operational and maintenance phase of project

#### **Land**

- Prior to the acquisition of the land was there any due diligence undertaken to confirm land title and/or to understand any potential issues/concerns related to land use rights including formal or informal rights of access to land and resources thereon (including claims of indigenous peoples)? If so please confirm details and any findings.
- Did the acquisition of the land involve any form of expropriation or other forms of compulsory procedures or the threat of same?

#### **Supply chain**

- What systems/processes did contractor have in place to ensure that labour and human rights were respected on all of its sites and offices located around the world?
- What systems/processes did contractor/subcontractor have in place to identify and mitigate potential labour and human rights issues in its global supply chain?

#### **Construction including all related activities**

- How did contractor (as well as the financing institutions) identify and mitigate potential labour rights issues during the construction phase?
- During the construction phase, were there inspections and/or audits conducted to ensure that labour rights were being respected (eg. state labour inspections, internal compliance audits, lenders' monitoring)?

#### **Operational and maintenance phase, including any subcontractors.**

- How does contractor/subcontractor identify and mitigate potential human rights and labour rights risks related to the operation and maintenance?
- How does contractor ensure that its (sub) contractors are compliant with relevant human and labour rights legislation, including health & safety?
- What extra monitoring and mitigation strategies is contractor/subcontractor implementing to ensure that child labour is not (inadvertently) being made use of in the operation and maintenance?
- Is there a grievance mechanism in place to register any local community and worker grievances? If yes, can a summary be provided of any grievances received from the local community and/or workers during construction or operation?