



Health, Safety, Environmental and Social (HSES) Policy InfraZamin Pakistan Limited (“InfraZamin”)

Table of Contents

1. Definitions.....	3
2. Corporate Mission Statement.....	3
3. Purpose and Scope.....	3
4. Policy Statement.....	3
5. Compliance with Laws.....	4
6. Policy Governance.....	4
7. Health and Safety	5
8. Environment Policy.....	5
9. Social Policy.....	6
10. Security Policy.....	6

1. Definitions

- 1.1. *Biodiversity* means the variety of life that can be found on Earth as well as to the communities that they form and the habitats in which they live
- 1.2. *Hazards* means an agent which has the potential to cause harm to a vulnerable target environmentally and/or socially.
- 1.3. *Legislation* means rules or laws relating to a particular activity that are made by a government
- 1.4. *Security* means the protection of people, organizations, countries, etc. against a possible attack or other crime.

2. Corporate Mission Statement

- 2.1 InfraZamin, a for-profit credit enhancement facility, was established to enhance financial inclusion by being the catalyst in developing the financial markets in Pakistan, for long-term local currency financings of infrastructure.

3. Purpose and Scope

- 3.1 The HSES Policy (the “Policy”) defines InfraZamin Pakistan Limited’s (“InfraZamin”, the “Company”) intent with respect to all aspects of Health, Safety, Environment and Social management and provides structured guidelines that all people at InfraZamin shall follow when employed in the organization and when dealing with clients. The Policy ensures that strong HSES governance is in place at InfraZamin and across all its operations in order to meet Company’s values. Meeting with highest HSES standards will remain core to the operations of InfraZamin both within the Company and with its clients, vendors, or any party that comes into business with it.
- 3.2 The Policy will be in all material respects consistent with the PIDG HSES policies, standards and guidelines.
- 3.3 InfraZamin HSES Policy shall be made publicly available and must be communicated to all employees, clients and external stakeholders as appropriate.
- 3.4 The Policy is endorsed by the Governance and Risk Committee (GRC), in consultation with the Appointments and Remuneration Committee (“ARC”) and the New Business and Credit committee (“NBCC”) and approved by the Board of Directors (“BoD”, the “Board”). Ongoing monitoring shall be undertaken by the GRC with the input of ARC insofar as matters are in relation to human resources.
- 3.5 The policy shall be applicable to all the people employed at InfraZamin and to all clients that InfraZamin works with.

4. Policy Statement

- 4.1 InfraZamin is committed to:
 - 4.1.1. 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;

- 4.1.2 Meet or exceed all relevant regulatory and legislative requirements and to meet Good International Industry Practice (GIIP);
- 4.1.3 Make continuous efforts to achieve HSES objectives and improve HSES performance; and
- 4.1.4 Continuously monitor and update the policy document to accommodate the growing/evolving nature of its operations.

5. Compliance with Laws, Regulations and Professional Standards

- 5.1 Applicable HSES requirements shall include (i) applicable laws, statutes, ordinances, rules, regulations, orders, directions, permits, licenses, approvals and policies issued there under relating to health, safety, environmental and social issues (including the National Environmental Quality Standards); (ii) the International Finance Corporation's Performance Standards on Social and Environmental Sustainability; (iii) the Principles of the UN Global Compact; (iv) the Voluntary Principles on Security and Human Rights; and (v) PIDG Standards relating to health, safety, environmental and social issues and/or standards
- 5.2 InfraZamin and its employees are to comply fully with all applicable laws, regulations and professional standards. No employee shall undertake any activities considered inappropriate to the business and reputation of InfraZamin and violating Health and Safety standards set forth by the Government of Pakistan.
- 5.3 Should any provision of this policy, or any other InfraZamin policy, procedure or guidance is or becomes contradictory with any applicable HSES requirements as defined in Section 5.1 above, national law, regulation or those of the PIDG, the Chief Risk Officer ("CRO") identifying the conflict shall promptly notify the GRC in writing of the details of the conflict. In the event of any such conflict, InfraZamin shall comply with applicable national law, regulation or professional standard and applicable PIDG Standards till the time this policy is appropriately amended as required.
- 5.4 InfraZamin will ensure that all its activities align with Good International Industry Practices (GIIP), including in relation to the applicable HSES requirements referenced at the beginning of this clause.

6. Policy Governance

- 6.1. This Policy shall come into force upon the approval by the Company's Board of Directors.
- 6.2. The Chief Risk Officer shall be the custodian of this policy and any procedures prescribed under this policy (if necessary). He/she shall be responsible for the review, recommendation, updating and distribution of this policy including answering any queries related to the policy.
- 6.3. The Chief Risk Officer shall keep this policy updated at all times for any regulatory, business or other changes. Policy changes may be notified through office circulars when necessary. This policy document shall be revised and updated for all changes no later than 2 years from the date of last approval.

- 6.4. Changes proposed to the policy shall be recommended by the Chief Risk Officer in consultation with the CEO and reviewed/endorsed by the GRC with input from ARC insofar as matters relate to human resources and approved by the Board.
- 6.5. Where necessary, operating procedures (Operating Manuals/SOPs) to implement this policy shall be developed by the Chief Risk Officer in consultation with CEO and endorsed by the NBCC and GRC prior to submission to the Board of Directors for approval. Subsequent amendments to the operating procedures (Operating Manuals/SOPs) will be approved in line with Delegation of Authorities approved by the BoD.

7. Health and Safety Policy

- 7.1 InfraZamin will adhere to the highest standards of health and safety across the Company and when dealing with employees and Clients, protecting the health and safety of the people, clients, visitors and any other external stakeholders. InfraZamin will be required to enable a culture that takes adequate precautionary measures to prevent and reduce accidents and serious incidents. Accidents, serious incidents and high potential near misses including those in relation to Clients, will be promptly reported within twenty-four (24) hours. Subsequently, all reported accidents/incidents/near-misses will be investigated, acted upon and the lessons learned will be shared throughout InfraZamin.
- 7.2 The Company shall be consistent with PIDG requirements:
 - 7.2.1 Mandate Health and Safety considerations into the decision-making process across all activities;
 - 7.2.2 Continually improve Health and Safety performance, supported by appropriate resources and strong visible health and safety governance;
 - 7.2.3 Comply with all relevant Health and Safety legislation and align with Good International Industry Practices;
 - 7.2.4 Ensure that occupational Health and Safety rules and programmes are in place to protect people and workforce from hazards that may arise in our working environment;
 - 7.2.5 Foster a culture where accidents, incidents and high potential near misses are promptly reported and investigated and the lessons learned shared and acted upon throughout the Company;
 - 7.2.6 Develop and maintain Health and safety contingency and emergency plans; and
 - 7.2.7 Continuously train its employees to achieve the highest level of health and safety at workplace.
 - 7.2.8 Assess the health and safety risks of new transactions as part of the HSES due diligence process and conduct ongoing monitoring of the portfolio on health and safety risks.
 - 7.2.9 Assess the suitability of safety measures in place for employees during business travel.

8. Environment Policy

- 8.1 InfraZamin will strive to avoid or minimize potential adverse environmental impacts and conserve biodiversity wherever they operate. They will monitor and demonstrate the climate change impact of their activities and support climate change mitigation and adaptation. Infra Zamin will ensure the consideration of water use efficiency and water conservation measures.

8.2 The Company shall be consistent with PIDG requirements:

- 8.2.1 Mandate Environmental considerations into the decision-making processes across all activities;
- 8.2.2 Continually improve Environmental performance, supported by appropriate resources and strong visible environmental governance;
- 8.2.3 Communicate Environmental responsibilities to all employees in the Company and make it available for customer and other stakeholders on company's website;
- 8.2.4 Provide appropriate support and training to enable employees meet Environment responsibilities and fulfill their roles; and
- 8.2.5 Set Environmental performance objectives and targets and regularly monitor and report Environmental performance across InfraZamin and its Shareholders, including in accordance with the reporting requirements set forth under the Shareholders Agreement.
- 8.2.6 Assess the environmental risks of new transactions as part of the HSES due diligence process and conduct ongoing monitoring of the portfolio on environmental risks.

9. Social Policy

9.1 InfraZamin will ensure to enhance the welfare of their employee and avoid creating adverse social impacts from any of their activities. InfraZamin will address any gender disparities taking into account the PIDG Gender Equality Criteria and will ensure that good communication and stakeholder consultation underpins all InfraZamin business decisions.

9.2 The Company shall be consistent with PIDG requirements, including applicable PIDG Safeguarding Rules:

- 9.2.1 Mandate Social and Sustainable considerations into the decision-making processes across all activities;
- 9.2.2 Continually improve Social performance, supported by appropriate resources and strong visible Social governance;
- 9.2.3 Provide employees appropriate support and training to enable them to meet social responsibilities and fulfill their roles;
- 9.2.4 Ensure processes are in place to promote gender equality, safeguard women and girls, and prevent any form of workplace discrimination, sexual harassment or physical assault;
- 9.2.5 Support and respect the rights of indigenous communities and vulnerable groups;
- 9.2.6 Undertake periodic audits, reviews and evaluations for measuring compliance with this Social Policy; and
- 9.2.7 Strive to be an Equal opportunity employer.
- 9.2.8 Assess the social risks of new transactions as part of the HSES due diligence process and conduct ongoing monitoring of the portfolio on social risks.

10. Security Policy

10.1 InfraZamin will ensure the security of its people, clients and assets, avoid any adverse impact on the security and human rights of the communities in which they operate. The Policy provides means to ensure the principles of proportionality are applied through all InfraZamin security provisions and provides for a structured interface with the security forces and law enforcement agencies.

- 10.2 The Company shall be consistent with PIDG requirements, including applicable PIDG Safeguarding Rules:
- 10.2.1 Deliver a level of Security provision appropriate to the perceived threat, supported by appropriate resources and strong visible Security governance;
 - 10.3 Communicate Security responsibilities and guidance and provide appropriate support and training to enable employees to meet responsibilities and fulfill their roles;
 - 10.4 Set Security performance objectives and targets and regularly monitor and report our Security performance across the Company and its Shareholders, including in accordance with the reporting requirements set forth under the Shareholders Agreement;
 - 10.5 Communicate Security arrangements to people and clients and provide an effective grievance mechanism for feedback on these arrangements;
 - 10.6 Foster a culture where Security incidents and near misses are promptly reported and investigated, and the lessons learned shared and acted upon; and
 - 10.7 Maintain and regularly test security contingency and emergency procedures.

<End of Document>