

Kathari Water Management Private Limited

Part I

Environmental, Social and Governance Policy

Issue Date:	04 October 2022
Document No:	KWMP-ESGMS-POL-01
Approved By:	 Prakash Seshadri Nathan Executive Director & CEO



Preamble

The system for integrating environmental, social and governance (ESG) aspects in Kathari Water Management Private Limited's (KWMPL) business operations has been developed in two parts:

- *Part I: Environmental, Social and Governance Policy*
- *Part II: Environmental, Social and Governance Management System*

The ESG Policy document as Part I of the documentation presents the ESG Policy Statement of KWMPL. The Policy states KWMPL's intentions on environmental and social aspects of the business.

The Environmental, Social and Governance Management System (ESGMS) presented in Part II of the documentation has been developed to enable implementation of the ESG Policy. The ESGMS Manual articulates the planning and the operational procedures to be adopted by KWMPL for each investment process. This includes the decision-making process starting from the due project diligence stage, investment, and operational stage.

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Abbreviations

DFID	Department of International Development
ESG	Environmental, Social and Governance
EHSS	Environmental, Health and Safety
ESAP	E&S Action Plan
ESDD	E&S Due Diligence
ESGMS	Environmental, Social & Governance Management System
ESF	Environmental and Social Framework
FCDO	Foreign, Commonwealth & Development Office
GGEF	Green Growth Equity Fund
GCF	Green Climate Fund
IWTP	Industrial Wastewater Treatment Plants
KWMPL	Kathari Water Management Private Limited
NIIF	National Investment and Infrastructure Fund
SDG	Sustainable Development Goals
STP	Sewage Treatment Plant

1 Introduction

1.1 About Kathari Water Management Pvt. Ltd.

Kathari Water Management Private Limited ("KWMPL"), is a wholly owned subsidiary of EverSource Capital ("EverSource"), fund manager for Green Growth Equity Fund ('GGEF'). GGEF was established with anchor investment from National Investment and Infrastructure Fund ('NIIF') anchored by Government of India and Foreign, Commonwealth & Development Office ('FCDO'), Govt of UK.

KWMPL intends to develop and operate various types of water and wastewater assets in Municipal, Industrial and Desalination sectors with a purpose to scale up investments (both greenfield and brownfield) that promote reduction in water pollution, minimize ground water abstraction, reduction in freshwater consumption, and rejuvenation of water bodies in India in alignment with applicable standards. The investment focus of KWMPL includes Municipal and domestic Sewage Treatment Plant (STP), Industrial Wastewater Treatment Plants (IWTP), Water Treatment Plants and Desalination Projects. KWMPL may take ownership (in full or in part) in assets for improving their financial performance and operational efficiencies. In addition, KWMPL may invest in companies that offer solutions for water conservation, water metering (intelligent monitoring and measurement), packaged (medium to large size) treatment plants (sewage, domestic water supply), automation/upgradation of the domestic and effluent treatment plants and operation and maintenance of the water/wastewater treatment plants.

In order to develop a sustainable water & wastewater infrastructure in the country, KWMPL plans to focus on water conservation and reuse, reduction in water pollution, optimization of energy and chemical consumption as well as reduction in GHG emissions and promotion of clean energy while ensuring compliance.

1.2 Background & Intent of ESG Policy

KWMPL acknowledges that its investments in the water sector although provide environmental and social benefits, some of these investments may lead to adverse environmental and social (E&S) impacts. These impacts may include issues related to ecological sensitive project location, land acquisition, resettlement and rehabilitation, sludge disposal, loss of biodiversity, odour nuisance, severances due to pipeline construction etc. If these impacts are not mitigated then there could be risks leading to irreversible environmental damages, penalties, stoppage of construction work as well as operations and result into economic loss as well as loss of reputation.

To address these adverse impacts, the ESG Policy states the aspirational goals as well as commitment of the organization to ensure that ESG considerations are embedded in KWMPL's business. Further, the Policy guides KWMPL to add value in its investments through Good International Industry Practices (GIIP) and align with the Sustainable Development Goals (SDGs).

1.3 Reference Framework

The ESG Policy for KWMPL has been developed with reference to the following frameworks:

- Applicable national and local environmental and social (including occupational health and safety) related laws and regulations
- The United Nations Sustainable Development Goals

- Good International Industry Practice (GIIP) requirements as applicable from the ESGMS requirements of GGEF (developed by EverSource)¹ that include:
 - IFC Performance Standards, 2012
 - The World Bank Group General Environmental, Health and Safety (EHS) Guidelines, (2007) and relevant World Bank Group Industry Sector EHS Guidelines
 - Department of International Development (DFID) Toolkit on ESG for Fund Managers (2010)
 - ESM Policy Framework of National Investment and Infrastructure Fund (NIIF) comprising of E&S Policy, E&S Exclusion List and E&S Management Principles (2018)
 - Green Climate Fund's (GCF) environmental and social framework including E&S Policy (2018), Indigenous Peoples Policy (2018), Gender Policy, Information Disclosure Policy (2016) and Interim E&S Safeguards ("ESS") (2014)
 - FMO Sustainability Policy (2016)
 - United Nations Guiding Principles on Business and Human Rights (2011)

Based on the consideration of all above frameworks, KWMPL has developed its ESG Management System (ESGMS) that is aligned to all above. The ESGMS will follow an exclusion list as described in **Appendix 1** that is in line with the above reference frameworks.

For all investments, the ESGMS will be implemented in compliance to Indian regulations. However, in cases where international E&S safeguards listed above are applicable and there is a difference between Indian regulations and international E&S safeguards, more stringent of the two requirements would be adhered to. The Governance related requirements will be aligned to those enshrined in the GGEF's ESGMS.

The E&S aspects applicable to KWMPL's focus areas are covered in the above listed reference framework and presented in **Figure 1-1**.



Figure 1-1: E&S Aspects of Reference Framework

¹ https://www.eversourcecapital.com/app/uploads/2020/11/201105-ESG-Policy-ESGMS_GGEF_FINAL.pdf

Figure 1-2 shows the policies related to Governance that will be adhered to. These are incorporated in the ESGMS through the ESG Policy and Procedures.



Figure 1-2: Governance Aspects of Reference Framework

2 ESG Policy Statement

2.1 ESG Policy

KWMPL endeavours to become a leading water platform of global standards and address the need for the investment opportunity through environmentally sound, socially acceptable, and innovative solutions. Through this ESG policy KWMPL will integrate environmental, social and governance aspects in its business processes and apply the policy goals and principles to its investee companies.



Kathari Water Management Private Limited's Environmental, Social and Governance Policy

Kathari Water Management Private Limited (KWMPL) aspires to promote and implement sustainable water infrastructure solutions by creating and managing assets for treatment of municipal wastewater, industrial effluents, drinking water, recovering water resource through desalination, water conservation, water metering (intelligent monitoring and measurement), water & wastewater treatment through digitalization.

KWMPL believes that these solutions will improve the national water security for a sustainable future aligning with the Sustainable Development Goals (SDGs) and those set by the National Water Policy. KWMPL will invest in assets and operations to treat, reuse, recycle and recover resources creating thereby circular water economy.

KWMPL is committed to conducting its business operations in compliance with national regulations and IFC Performance Standards as applicable on Environment, Social, Health and Safety and Biodiversity. KWMPL encourages its investee companies to follow good labour and work practices including a grievance redress mechanism.

KWMPL will proactively engage with its investee companies to implement this policy and guide them to implement solutions beyond compliance that are resource efficient, use clean energy and are net zero to the extent possible on GHG emissions. In addition, KWMPL will carry out climate proofing of its assets to address vulnerability in response to climate change.

KWMPL will adhere to the various policies and procedures enshrined in the ESGMS of EverSource Capital regarding governance and comply with the requirements.



Prakash Seshadri Nathan
Executive Director & CEO

Date: 04 October 2022

2.2 Other Policies and Processes

EverSource Capital has adopted several policies for its business operations with a commitment to social responsibility, and fair, responsible, transparent, and ethical governance practices.

KWMPL as a subsidiary of EverSource Capital, has adopted the policies set out as part of its social commitments and the Code of Business Conduct and as suitable to KWMPL's operations as well as the operations of its investee companies. The key policies developed by KWMPL include:

- CSR Policy
- Gender Action Plan
- Anti-Corruption Policy
- Anti-Money Laundering Policy
- Whistle Blowing Policy
- Conflicts of Interest Policy
- Code on Prevention of Insider Trading
- Employee Fair Play and Equal Opportunities Code
- Declaration of Fidelity and Secrecy
- Care and Dignity Policy

Appendix 2A includes the Gender Action Plan of KWMPL. All the above-mentioned policies along with their scope, objectives and implementation procedures are described in **Appendix 2B** of the ESG Policy.

In addition to these, EverSource Capital has formulated a Corporate Social Responsibility (CSR) Policy (in accordance with section 135 of the Companies Act, 2013) with an objective to enhance value creation and contribute to sustainable development. This Policy provides guidelines for monetary contributions and CSR activities of the Company. The CSR policies and its objectives are applicable to KWMPL operations.

3 ESG Policy Implementation

3.1 Approval

The ESG Policy is formally adopted by the Executive Director & CEO of KWMPL and will be applicable to all investments considered by the KWMPL, from the date of approval.

3.2 Communication & Disclosure

The ESG Policy will be communicated to all employees through outreach and training programs and external stakeholders, such as investors, investees, and communities as relevant. The ESG Policy will also be disclosed through the website.

3.3 ESG Policy Implementation

KWMPL has developed an ESGMS to support implementation of the ESG Policy. Under the ESGMS, procedures for E&S risk identification, management and monitoring will be developed and supported by annexes and tools. The procedures will be mapped with the investment cycle of the KWMPL. The institutional structure with roles and responsibilities of various departments towards implementation of the ESGMS will be outlined.

The ESG Policy will be reviewed and updated as required, at least once in three years, to ensure its adequacy, effectiveness, and suitability to the changing scenarios of environmental and social governance and the business canvas.

In case a need for revision in the ESG Policy is realized in the future, the revised policy document will be approved by the Executive Director & CEO of KWMPL after consultation with Head ESG at EverSource Capital before its implementation.

Appendix 1: KWMPL's E&S Exclusion List

Kathari Water Management Private Limited shall not finance the items listed below²:

1. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements subject to international phase outs or bans, such as:
 - Polychlorinated biphenyl (PCBs)³, pharmaceuticals⁴, pesticides, herbicides and wastes⁵
 - Ozone depleting substances⁶
 - Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)⁷.
 - Unsustainable fishing methods⁸
 - Transboundary trade in waste or waste products⁹
2. Production of, or trade in, arms (i.e., weapons, ammunitions, or nuclear products, primarily designated for military purposes, including paramilitary material) *
3. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old-growth forests.
4. Production or trade in wood or other forestry products other than from sustainably managed forests.
5. Destruction¹⁰ of High Conservation Value areas¹¹

² IFC project exclusion list available at http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/ifc+projects+database/projects/aips+added+value/ifc_project_exclusion_list

³ 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.

⁴ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

⁵ As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants ("POPs"), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and list of pesticides and herbicides subject to phaseouts or bans, see www.pic.int; and the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int; as may be amended from time to time

⁶ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, together with target reduction and phaseout dates see www.unep.org/ozone/montreal.shtml. as may be amended from time to time

⁷ As specified in the 1975 Convention on International Trade in Endangered Species of Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time

⁸ These will include 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; and blast fishing.

⁹ As defined by the Basel Convention; see <http://www.basel.int>

¹⁰ Destruction 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

¹¹ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

6. Production or activities involving harmful or exploitative forms of forced labour¹² or child labour¹³.
7. Production of, use of, or trade in, unbonded asbestos fibres¹⁴.
8. Production or trade in alcoholic beverages (excluding beer and wine) *
9. Production or trade in radioactive materials¹⁵
10. Racist and/or anti-democratic media
11. Any businesses if any of the following activities represents a substantial portion of such business¹⁶
 - Gambling, casinos, and equivalent enterprises*
 - Production of or trade in Tobacco or tobacco related products¹⁷
 - Pornography

**Implies that this does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.*

¹² Forced labor means any work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty (including any kind of forced or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements, or labor by trafficked persons).

¹³ 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" (www.ilo.org).

¹⁴ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.

¹⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any other equipment where EFP considers the radioactive source to be trivial and/or adequately shielded.

¹⁶ For companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions, "substantial" means more than 10% of their underlying portfolio volumes.

¹⁷ Except, in the case of tobacco production only, with an appropriate timeframe for phase out

Appendix 2A: KWMPL's Gender Policy and Gender Action Plan

Gender Policy

This gender policy defines KWMPL commitment towards gender equality through our work, as we believe that:

- the contributions of both women and men are visible and valued;
- both women and men are equally allowed to perform their roles and responsibilities; and
- women and men have equal opportunities to contribute to the organisation's development, access to all the benefits, and rights to the information, and opportunities.

Policy Implementation

KWMPL seek to achieve the policy's objectives through Gender Action Plan (GAP). We intend to integrate gender into our focus area by hiring and nurturing the human resources for equality.

Hiring for Equality

As KWMPL incorporated in January 2021, we are in the process of employee recruiting, identifying, and soliciting the right candidates (both the genders). Our ambition is to achieve gender equality over next few years (by 2023) of period. KWMPL believes that hiring through merit is critical to the organization's success. Women's ability to work with KWMPL will not be because of their gender but because of their talent, insight and experience necessary for the organization's development.

Initially, we would like to recruit minimum 10% of Women employees (by the FY 2021 – 2022) and gradually increase to 30% by the FY 2023 – 2024.

Gender equality means recognizing that men and women often have different needs and priorities, face different constraints, have different aspirations. Effective Gender equality will contribute to Kathari's development in many ways together and individually. To enable the understanding of gender equality, KWMPL will work with EverSource Capital and other Platforms to gain understanding of gender-based needs, opportunities, and constraints, and improving our approach to gender integration.

Gender Action Plan

This Gender Action Plan has been extracted from the Table 4.1 of the report “GENDER ASSESSMENT AND GENDER ACTION PLAN FOR GREEN GROWTH EQUITY FUND” prepared by ERM for EverSource Capital, September 2020. This GAP has been modified to the suit the applicability of KWMP.

The GAP identifies areas of intervention both for the GGEF/EverSource Capital and as well as high-level interventions that need to be driven by Kathari Water Management Private Limited (KWMPL). The Plan addresses key compliance requirements such as gender inclusive policies, gender-based issues to be considered for infrastructure projects, resourcing, capacity building and institutional capacity development.

S. No	Key Priority Areas/ Outputs	Activities	Indicators and Targets	Timeline	Responsibility
1	Resource allocation, accessibility and budgeting	Eversource to create Gender Specialist's Directory to KWMPL, to ensure access to qualified gender specialist on a need basis such as policy development, facilitation of developing project-level Gender Action Plan, conducting trainings/ capacity building, monitoring KWMPL.	Directory created and shared on a regular basis with KWMPL	Within six months (June 2022) from Gender Policy adoption.	Head – ESG & Impact, EverSource Capital
		Allocate budget to implement required institutional enhancements like Gender focussed competency trainings and workshops for ESG Specialist (from reputed organisations like UN Women, GIIN/ IRIS+ etc.), thought leadership events, etc	Budget allocated as documented in accounting system, towards GAP implementation related tasks, resources- assess adequacy annually.	Annually, during programme implementation period.	ED and CEO - KWMPL
2	Competencies and capacity development	Enhance competency of ESG specialist, responsible for implementation of Gender Policy.	Attendance of professional courses/workshops/trainings as needed	Within first year of appointment, on a need basis thereafter during programme implementation period.	Head ESG - KWMPL
		Identify key staff supporting Gender Focal point to monitor GGEF's gender policy implementation;	Capacity Building and Training plan” developed for key staff.	Within first 3 months of Gender Policy adoption.	Head ESG - KWMPL
		Perform periodic workshops, competency trainings for KWML employees on Gender Policy.	At least one “gender session” per year.	Annually.	Head ESG – KWMPL
3	Knowledge generation and communications	Explore preparing a case study of lessons learnt with support from Kathari (as applicable)	Target one case study annually to disseminate lessons learnt, relative success of strategies, initiatives for	On-going.	Head ESG – KWMPL

S. No	Key Priority Areas/ Outputs	Activities	Indicators and Targets	Timeline	Responsibility
			performance on gender aspects.		
4	Governance: Institutionalize Gender Equality in existing governance system of KWMPL	Develop Gender Policy Statement;	Gender Policy Statement to be developed by KWMPL;	Within 6 months of investment agreement signed.	Head ESG – KWMPL and ED and CEO – KWMPL
		Assign Responsible Person(s) for policy implementation, encourage capacity and knowledge building;	Respective responsible person(s) assigned within Kathari		
		Set targets for incremental improvement in the hiring of women in KWMPL, including in senior decision-making roles.	Targets established as actionable item in Gender Action Plan;		
		Report on progress on gender action plan implementation	Periodic reports/data shared with EverSource, once per year.		
5	Incorporate Gender Inclusion during stakeholder consultations at project locations and during project impact assessment	Require stakeholder engagement activities at project level through Project information meetings, ESIA consultations, etc., with records of attendees maintained by gender.	Report including records of attendees maintained by gender on Stakeholder Engagement activities by Kathari is submitted to EverSource	To be agreed in project specific Gender Action Plan, but at minimum annual reporting.	Head ESG – KWMPL
		Drive preparation of project level Stakeholder Engagement Plan (SEP) and Grievance Redressal Mechanism (GRM), with women as separate stakeholder category.	Evidence of inclusion of requirement to perform gender-responsive Stakeholder Engagement in Gender Action Plan to be developed for KWMPL.	Timeline to be determined in each project specific gender action plan.	
			Periodic Reporting by KWMPL on progress against implementation of Gender Action Plan, including that on stakeholders consulted, women’s participation in engagement activities and		

S. No	Key Priority Areas/ Outputs	Activities	Indicators and Targets	Timeline	Responsibility
			Grievances received by gender		
6	Community Based Initiatives by KWMPL.	- KWMPL to report developmental activities and outline: - Focus and intended benefits to community, women and men, with a timeline and monitoring indicators for outcomes - Require the programme to include wide stakeholder consultation and disclosure of intended benefits to the community, women and men - Explore the need for skill training programs in water/wastewater sector and provide support.	- Assess project related impacts and mitigations through Needs Assessment study and impact assessment of programmes; integrate gender inclusive planning where climate change can impact woman and men disproportionately. - Reports and case studies on targeted interventions in terms of challenges, successes, constraints in implementation, etc. - Target reporting on gender segregated data on skill-based training, or interventions	Complete within the first two years, with intermediate timelines determined in the project GAP	Head – ESG & Impact, EverSource Capital and Head ESG – KWMPL
7	Mainstreaming gender into occupational safety and health practice of contractors/vendors	In the projects being invested by KWMPL, shall undertake the assessment of vendors' and contractors' operations and supply chains in terms of sourcing, occupational health and safety and working conditions, labour practices, etc. as a criteria for selection.	Report instances where contract changes were concluded, implemented and report progress.	To be determined on an individual project level	Head ESG – KWMPL

Kathari Water Management Private Limited

Appendix 2B: Governance Related Policy

1. Anti-money laundering policy
2. Code of Conduct for Prevention of Insider Trading
3. Framework for Managing Conflicts of Interest
4. Declaration of Fidelity and Secrecy
5. Employee “Fair Play” and “Equal Opportunities” code
6. Care and Dignity policy
7. Anti-corruption policy
8. Whistleblowing policy



1. ANTI-MONEY LAUNDERING POLICY



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Anti-Money Laundering Policy

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Anti-Money Laundering Policy

1 INTRODUCTION

The Prevention of Money Laundering Act, 2002 (Act No. 15 of 2003) (PMLA or the Act) has been brought into force with effect from July 1, 2005. As per its provisions, among others, every intermediary associated with securities market and registered under section 12 of the Securities and Exchange Board of India Act, 1992 shall have to maintain a record of all the transactions; the nature and value of which has been prescribed in the Rules notified under the PMLA. Kathari Water Management Private Limited ("Company") is a portfolio company of the Green Growth Equity Fund, which is managed by Eversource Capital Private Limited ("Eversource") in its capacity as the Investment Manager.

2 BACKGROUND

SEBI has issued a Press Release, Circular and Guidelines dated January 18, 2006 in relation to Anti-Money Laundering (AML) measures required to be put in place by all SEBI registered intermediaries. Though not strictly applicable, the Company as a matter of good governance has adopted this Policy. The SEBI Guidelines provides a general background on the subjects of money laundering and terrorist financing summarizes the main provisions of the applicable anti-money laundering and anti-terrorist financing legislation in India and provides guidance on the practical implications of the Act. The Guidelines also sets out the steps that a registered intermediary and any of its representatives, should implement to discourage and identify any money laundering or terrorist financing activities.

International initiatives taken to combat drug trafficking, terrorism and other organized and serious crimes have concluded that financial institutions including securities market intermediaries must establish procedures of internal control aimed at preventing and impeding money laundering and terrorist financing. Money Laundering (ML) is the processing of criminal proceeds in order to disguise their illegal origin. Banking system worldwide is susceptible to channeling of funds for such activities. In response to the international community's growing concern about this problem, most global organizations and national governments who are members of the United Nations General Assembly have been actively pursuing programs to deter ML.

Anti-Money Laundering Policy

There is a need for financial intermediaries to have a system in place for identifying, monitoring and reporting suspected money laundering or terrorist financing transactions to the law enforcement authorities.

3 SCOPE AND OBJECTIVES

The AML Policy seeks to establish standards of compliance for the Company in respect of its activities and financial dealing handled by it. The Company is fully committed to establishing appropriate policies and procedures for the prevention of ML and terrorist financing and ensuring their effectiveness and compliance with all relevant legal and regulatory requirements. This AML Policy to combat money laundering covers:

- a) Communication of the AML Policy relating to prevention of money laundering and terrorist financing to all management and relevant staff that handle investor information, securities transactions, money and investor records etc.
- b) Framing Investor, co-investor, joint venture partners, target companies, potential sellers, channel partners and applicable long-term contracting parties due diligence measures, including requirements for proper identification and appropriate 'Know your Client' (KYC) documents;
- c) Maintenance of records;
- d) Compliance with relevant statutory and regulatory requirements;
- e) Co-operation with the relevant law enforcement authorities, including the timely disclosure of information; and
- f) Role of finance and compliance functions to ensure compliance with policies, procedures, and controls relating to prevention of money laundering and terrorist financing, including the testing of the system for detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on large and/or irregular transactions, the quality of reporting of suspicious transactions and the level of awareness of front line staff of their responsibilities in this regard.

Anti-Money Laundering Policy

With a view of the Company's operations, ML is likely to occur primarily in relation to the sourcing of investments in the company, or its subsidiaries/ affiliates or potential acquisitions/sale, joint ventures or where deemed relevant other arrangements such as with channel partners, land aggregators, and other similar long term contracting parties ("**Investors**"). However, there may be some selective transactions/ services provided which pose a risk of ML and hence these transactions / services have also to be viewed under the policy framework.

The key AML objectives of the Company are:

- a) To prevent the funds invested in or by the Company from being used as a channel for ML.
- b) To establish a framework for adopting appropriate AML procedures and controls in the operations/business processes of the Company.
- c) To ensure compliance with the laws and regulations in force from time to time.
- d) To protect the Company's reputation.
- e) To assist law enforcement agencies in their effort to investigate and track money launderers.
- f) To lay down AML compliance norms for the employees of the Company.

4 MONEY LAUNDERING RISKS

The Company is aware that it is exposed to several risks if an appropriate AML framework is not established, which are detailed as under:

- a) Reputation Risk- Risk of loss due to severe impact on Company's reputation. This requires maintaining the confidence of Company's investors, stakeholders, creditors and the general marketplace.
- b) Compliance Risk- Risk of loss by way of fines, criminal liability etc. due to failure of compliance with key regulations governing the Company's operations.

Anti-Money Laundering Policy

- c) Operations Risk- Risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.
- d) Financial Risk- Risk of loss due to any of the above risks or combination thereof resulting into the negative financial impact on the Company.

5 AML OPERATING STRUCTURE

The responsibility of complying with Policy, PMLA and related legislations, circulars and guidelines of SEBI/ RBI, is on all the employees of the Company. However, select departments such as the Finance and Compliance Departments of the Company have specific responsibilities as laid down in the AML Policy.

5.1 Supervision by the Board

The Board shall supervise the implementation of the AML Policy framework.

5.2 Money Laundering Reporting Officer (MLRO)

The PMLA requires that a principal officer is to be named who will be responsible for compliance with PMLA and the rules framed thereunder, monitoring of transactions and reporting of suspicious transactions. For the Company the principal officer designated as the MLRO will be the Finance Controller. The Company shall have a committee for monitoring the implementation of this Policy comprising of the MLRO and 1 person from legal team and 1 from the operations team (**Money Laundering Reporting Committee**).

The functions of the MLRO/MLRC shall include:

- a) Liaising with the regulatory/enforcement authorities on AML matters. MLRO/MLRC shall submit periodic reports to the Board including the adequacy of the systems and controls of the Company for managing ML risks and for recommending any changes or improvements, as necessary.
- b) Review and approve all funds raised/invested /services offered/services availed by the Company to ensure compliance

Anti-Money Laundering Policy

with AML policies and procedures. New fund raised/invested and services offered/ services availed of the Company shall be referred to the MLRO/MLRC in this regard.

- c) Ensure that AML controls are put in place before any new investor is brought on board, or new joint venture, or partnership is executed, or acquisition/sale is undertaken, or arrangements with channel partners, and similar long term contracting parties are executed. The controls shall include the ML risk rating of Investors, checklist on ML indicators, definition of suspicious behavior and compliance framework and systems for monitoring and mitigating the ML risks.
- d) Participate in strategic planning meetings or comment on proposed plans specifically if the new strategy increases the ML risk exposure of the Company e.g. receiving investments from international markets, introduction of products to facilitate cross border payments etc.
- e) Advise the detailed responsibilities of the respective AML Compliance functionaries.
- f) Escalation of unusual behavior and suspicious activity / investments /transactions to the Board of Directors of the Company.
- g) Monitoring of compliance and exception reporting.
- h) Review all reports required to be submitted to regulatory/law enforcement authorities and ensure that the reports are submitted on a timely basis.
- i) Communication of the Policy to all staff and arrangements for their training in respect of the AML Policy.

5.3 Exception Procedures

All the exceptions to AML policy and procedures must be recorded and reported to the MLRO/MLRC immediately. The MLRO/MLRC shall subsequently lay down appropriate exception procedures and reporting from time to time as may be necessary. Significant exceptions shall be reported to the Board on a quarterly basis.

5.4 Escalation Procedures

Any suspicious activity or transaction, which has been identified, shall be escalated to the MLRO/MLRC as soon as possible but not later

Anti-Money Laundering Policy

than one working day after establishing the reasonable grounds for suspicion. The suspicious activity or transaction in the prescribed format will be reported in accordance with the applicable laws.

6 AML STANDARDS

The Company adopts a risk-based approach in implementing its AML framework. The AML standards would be primarily based on two pillars, namely, KYC and Monitoring/Reporting of Suspicious Transactions (MSTR). The suspicious transactions shall include large as well as cash transactions above a threshold limit. Though, the provisions allow the Company to accept cash up to the specified threshold limit, the Company shall not accept any cash in respect of financial dealing handled by it.

6.1 Risk-based Approach in Implementing AML Framework

In order to ensure efficient implementation of the AML framework, it is necessary to establish a risk-based process on the basis of which, detailed AML procedures shall be evolved. It is recognized that a higher level of due diligence and monitoring would be specified for business areas prone to higher ML risks.

It is generally recognized that certain Investors may be of a higher or lower risk category depending on circumstances such as their background, type of business relationship or transaction etc. As such, the Company should apply each of the due diligence measures on a risk sensitive basis. The basic principle enshrined in this approach is that the Company should adopt an enhanced due diligence process for higher risk categories. Conversely, a simplified due diligence process may be adopted for lower risk categories of such Investors. In line with the risk-based approach, the type and amount of identification information and documents that Company should obtain necessarily depend on the risk category of a particular Investor.

6.2 Due Diligence Process

The AML Policy has three specific parameters, which are related to

the overall 'Due Diligence Process':

- a. Policy for acceptance of Investors
- b. Procedure for identifying the Investors
- c. Monitoring and reporting especially Suspicious Transactions Reporting (MSTR)

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6.2.1 The Investor Due Diligence ("IDD") measures comprise the following:

- a) Obtaining sufficient information in order to identify persons who beneficially own or control the investments made in the Funds managed by the Company. Whenever it is apparent that the investment made or maintained are beneficially owned by a party other than the investor, that party should be identified using investor identification and verification procedures. The beneficial owner is the natural person or persons who ultimately own, control or influence a investor and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement;
- b) Verifying the Investors' identity using reliable, independent source documents, data or information;
- c) Identifying beneficial ownership and control, i.e. determine which individual(s) ultimately own(s) or control(s) the Investor and/or the person on whose behalf a transaction is being conducted;
- d) Verifying the identity of the beneficial owner of the Investor and/or the person on whose behalf a transaction is being conducted, corroborating the information provided in relation to (c); and
- e) Conducting ongoing due diligence and scrutiny, i.e. perform ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Company's knowledge of the customer, its business and risk profile, taking into account, where necessary, the Investor's source of funds.

An illustrative checklist to be followed by the Finance Department before acceptance of contributions from investors is enclosed in Annexure II.

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6.3 Policy for Acceptance of Investors:

This Policy aims at identifying the types of Investors that are likely to pose a higher than the average risk of money laundering or terrorist financing. By following the AML Policy, the Company will be in a better position to apply Investor Due Diligence on a risk sensitive basis depending on the type of customer business relationship or transaction. In a nutshell, the following safeguards will be followed, while accepting Investors:

- a) No investment will be accepted in a fictitious / benami name or on an anonymous basis. No payments to or from any Investor, shall be made other than through bank transfer or Demand Draft.
- b) Documentation requirement and other information to be collected in respect of different classes of Investors depending on perceived risk and having regard to the requirement to PMLA, guidelines issued by RBI / SEBI from time to time.
- c) Ensure that an investment or payment is not accepted where the Company is unable to apply appropriate Investor Due Diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the Investor, information provided to the Company is suspected to be non-genuine, perceived non co-operation of the client in providing full and complete information. The Company will not continue to do business with such a person/ entity and file a suspicious activity report. It should also evaluate whether there is suspicious trading in determining in whether to suspend or return the investment or suspend or cancel the contract. The Company should be cautious to ensure that it does not return investments/ payments that may be from suspicious trades. However, in such a case the relevant authorities could be consulted in determining what action it should take when it is suspected that the transaction involves suspicious trading.
- d) Necessary checks and balance to be put into place before accepting an investment so as to ensure that the identity of the investor does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

Anti-Money Laundering Policy

6.4 Identification Procedure (IIP/ KYC):

The Company is aware that availability of sufficient Investor information underpins all other AML procedures and should be seen as a critical element in the effective management of ML risks. The 'Know your Client' (KYC) policy spells out the Investor identification procedure to be carried out at different stages i.e. while establishing the Company-Investor relationship, while carrying out transactions with the Investor or when the Company has doubts regarding the veracity or the adequacy of previously obtained Investor identification data.

The procedures to be followed for the KYC are as under:

- a) The Investor should be identified by the Company by using reliable sources including documents / information. The Company shall ensure that there is in place a process of Investor identification and verification depending on the nature/status of the investor and kind of transactions that are contemplated to take place. Appropriate Investor identification and verification procedures shall be conducted at different stages i.e. while establishing a investor relationship, carrying out a financial transaction or when the Company has doubt about the authenticity/veracity or the adequacy of the previously obtained investor identification data. The Finance Department and Compliance Team should obtain adequate information to satisfactorily establish the identity of each new Investor and the purpose of the intended nature of the relationship before contribution of the Investor is accepted. The checklist appended in Annexure II provides suggested documentation that is to be collected in this regard. The Company shall ensure that a business relationship is commenced only after establishing and verifying the identity of the Investor and understanding the nature of the business the Investor expects to conduct. Appropriate KYC procedures based on commercial judgment shall be adopted which will include systems relating to proper management oversight, controls, segregation of duties, training, due diligence, reporting, regulations and other related procedures.
- b) The risk based KYC procedures adopted herein shall be applicable to all the new Investor relationships. The KYC procedures shall become applicable to existing Investors only

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if the risk profile of the Investor or Investor segment changes to a higher risk category or based on materiality or pursuant to any applicable regulatory guidelines or when there is an unusual pattern in the operation of Investor's transactions. This shall be done by way of enhanced due diligence. Further, the Company should also maintain continuous familiarity and follow-up where it notices inconsistencies in the information provided. The underlying principle should be to follow the principles enshrined in the PMLA as well as the SEBI Act, 1992 so that the Company is aware of the Investor on whose behalf it is dealing.

- c) The information should be adequate enough to satisfy competent authorities (regulatory / enforcement authorities) in future that due diligence was observed by the Company in compliance with the Guidelines. Each original document should be seen prior to acceptance of a copy or the copy should be attested by Notary Public/ Gazetted Officer/ Manager of a Scheduled Commercial Bank.
- d) Failure by prospective investor to provide satisfactory evidence of identity should be noted and reported to the MLRO.

6.5 Monitoring/Reporting of Suspicious Transactions (MSTR)

A satisfactory KYC procedure provides the foundation for recognizing unusual or suspicious transactions. As a part of ongoing monitoring, transactions of individuals/entities shall be screened against negative list, including those notified by regulators/statutory authorities. For the purpose of reporting of suspicious transactions, apart from transactions integrally connected, transactions remotely connected or related will also be considered. A list of circumstances, which may be in the nature of suspicious transactions, is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

- a) Investors whose identity verification seems difficult or Investor appears not to cooperate;
- b) Investors where the source of the funds is not clear or not in keeping with investors apparent standing /business activity;

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- c) Investors in high-risk jurisdictions or Investor introduced by banks or affiliates or other clients based in high risk jurisdictions;
- d) Unusually large cash investments made by an individual or business.

Any suspicion transaction should be immediately notified to the MLRC/MLRO in the form of a detailed report with specific reference to the Investor, transactions undertaken and the nature / reason of suspicion. However, it should be ensured that there is continuity in dealing with the Investor as normal until told otherwise and the Investor should not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue the transaction, and transactions may be suspended or other action taken.

6.6 Audit / Monitoring of Transactions

The Finance Department should ensure a record of transaction is preserved as may be required statutorily under the Companies Act, 2013 and / or Income Tax Act, 1961 and maintained in terms of section 12 of the PMLA and that transaction of suspicious nature or any other transaction notified under section 12 of the PMLA Act is reported to the appropriate law authority. Suspicious transactions should also be regularly reported to the MLRC/MLRO. Further, the MLRC/MLRO shall randomly examine a selection of transaction undertaken by Investor to comment on their nature i.e. whether they are in the suspicious transactions or not.

The scope of internal audit of the Company will include testing of compliance with the AML Policy and KYC/AML procedures. The checklist of items reviewed, including a summary of deficiencies and actions taken must be documented and submitted to the Board of Directors the Company.

6.7 Training and Review

Adequate ongoing training programmes shall be conducted for all concerned employees on the requirements laid down in this AML Policy document. Training must relate to employees' daily work and comprise examples from business including continuous training needs.

The Company will:

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- a) ensure that the content of this AML Policy is understood by all staffmembers including training requirement envisaged;
- b) adopt procedures which are sensitive to the risk of money laundering and terrorist financing;
- c) undertake Investor Due diligence measures to an extent that is sensitive to the risk of money laundering and terrorist financing depending on the type of investor, business relationship or transaction; and
- d) Develop staff members' awareness and vigilance to guard against money laundering and terrorist financing.

7 MIS & REPORTING

7.1 Record Keeping

The Finance Department shall maintain appropriate records or documentation of investor relationships and transactions sufficient to permit or enable reconstruction of any transaction including the amounts and types of currencies involved, if any, so as to provide, if necessary, evidence for prosecution of criminal behavior. The Company should ensure compliance with the record keeping requirements contained in the SEBI Act, 1992, Rules and Regulations made there-under, PMLA as well as other relevant legislation, Rules, Regulations, Exchange Bye-laws and Circulars.

The Finance Department shall be required to maintain a record of all the transactions, which include:

- a) All cash transactions of the value of more than Rs.10 lakh or its equivalent in foreign currency.
- b) All series of cash transactions integrally connected to each other which have been valued below Rs.10 lakh or its equivalent in foreign currency where such series of transactions take place within one calendar month.
- c) All suspicious transactions whether or not made in cash.

Should there be any suspected drug related or other laundered money or terrorist property, the competent investigating authorities would need to trace through the audit trail for reconstructing a financial profile of the suspect account. To enable this reconstruction, the Finance Department shall retain the following information of

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transaction of the investors in order to maintain a satisfactory audit trail:

- a) the beneficial owner of the account;
- b) the volume of the funds flowing through the account; and
- c) for selected transactions:
 - d) the origin of the funds;
 - e) the form in which the funds were offered or withdrawn,
e.g. cash, cheques etc.;
 - f) the identity of the person undertaking the transaction;
 - g) the destination of the funds;
 - h) the form of instruction and authority.

The Finance Department should ensure that all investor and transaction records and information are available on a timely basis to the competent investigating authorities. Where appropriate, they should consider retaining certain records, e.g. investor identification, transaction files and business correspondence, for periods which may exceed that required under the SEBI Act, Rules and Regulations framed PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

7.2 Retention of Records

All records, both domestic and international shall be maintained for a period of ten years or such minimum period prescribed under the relevant legislations (including PMLA) from the date of cessation of the transaction. Records shall be maintained in a manner, which facilitates its easy retrieval as and when required. Records on investor identification (e.g. copies or records of identity residence like passports, identity cards, driving licenses or similar documents), transaction files and business correspondence should also be kept for the same period. In situations where the records relate to ongoing investigations or transactions which have been the subject of a suspicious transaction reporting, they should be retained until it is confirmed that the case has been closed.

7.3 Reporting to the Board

The Board shall review reports detailing the ML risk management actions of the Company. The adequacy of the ML risk measurement

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systems, including any findings of internal and external auditors and advisors shall be reported to the Board on a quarterly basis. The Board will review the quarterly exception reports submitted by the MLRO.

7.4 Regulatory Reporting

MLRC/MLRO must implement necessary procedures and controls to ensure that all regulatory reporting as laid down by the applicable regulations is completed properly and within the required reporting timelines. The MLRC/MLRO or his designated staff shall review all reports required to be submitted to regulatory/law enforcement authorities prior to submission from time to time. Specific forms/formats as approved by the MLRC/MLRO shall be used for reporting unusual transactions/suspicious transactions or in submitting any other information as may be prescribed.

8 Annexure I : Glossary Of

TermsInvestor

The term 'Investor' would refer to any person or entity whether a natural person, juristic entity, a firm, a trust, an unincorporated association of persons, acting for itself or in any fiduciary capacity, who (i) for itself or on behalf of another, invest in the Funds advised or managed by the Company or (ii) has a business relationship with the Company or (iii) is a beneficiary of the transactions conducted by Professional Intermediaries [Professional Intermediaries include Stockbrokers, Chartered Accountants, Solicitors etc. as permitted under law or customary practices] or (iv) is connected with a financial transaction which can pose significant reputational or other risks to the Company.

Records

The term 'Records' shall include the records maintained in the form of books or stored in a disk, floppy/micro film etc. and any other electronic storage device or such other form as may be prescribed.

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9 ANNEXURE II: CHECKLIST OF DOCUMENTS REQUIRED TO COMPLY WITH AML LEGISLATIONS

The Company shall verify the identity of all investors / beneficial owners and keep on record the following due diligence documents in addition to an explanation on source of funds by the investor:

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9.1 Individuals

1. Identity Proof - One copy of his/her recent photograph; and Adhaar Card/ Permanent Account Number (PAN) Card. In case of Non Photo PAN Card in addition to copy of PAN Card any one of the following: Driving License /Passport copy / Voter ID.
2. Address / Residence Proof (any one)
 - (i) Adhaar Card
 - (ii) Passport
 - (iii) Driving license
 - (iv) Latest Bank account statement
 - (v) Ration Card
 - (vi) Rent Agreement
 - (vii) Latest Telephone bill
3. Kindly Note
 - (i) **Joint Holders:** Joint holders (including first, second and third if any) are required to be individually KYC compliant. e.g. in case of three joint holders, all holders need to be KYC compliant.
 - (ii) **Minors:** In case of investments in respect of a Minor, the Guardian should be KYC compliant. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own capacity, in order to be able to transact further in his/her own capacity.
 - (iii) **Power of Attorney (PoA) Holder:** Investors desirous of investing through a PoA must note that the KYC compliance requirements are mandatory for both the PoA issuer (i.e. Investor) and the Attorney (i.e. the holder of PoA), both of whom should be KYC compliant in their independent capacity and attach their respective KYC Acknowledgements while investing.

9.2 Corporate Bodies

True copies of all of the below documents:

1. Certificate of incorporation and Memorandum & Articles of Association

Anti-Money Laundering Policy

2. Resolution of the Board of Directors:
 - a. to invest in the Company, mentioning amount to be invested or mentioning the word "upto any amount"
 - b. delegating power to its directors, officers etc to transact on its behalf; OR
 - c. Copy of Power of Attorney granted to its managers, officers or employees to transact business on its behalf (if applicable)
3. Declaration of Company's letterhead giving details of any two directors (Name, Address, PAN No., Passport No., Voter ID Card No.) & details including PAN No. and address of major shareholders holding more than 20% stake
4. PAN card
5. Address proof – Form 18 and Latest telephone bill or Rent bill or Electricity bill
6. If listed company then website address of the stock exchange where listed

9.3 Partnership Firms

True copies of all of the below documents:

1. Extract from the Registrar of Firms / Registration Certificate (certified)
2. Partnership deed (notarized)
3. Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses (if applicable)
4. Address proof of the Firm - Telephone bill, Rent bill or Electricity Bill in the name of firm/partners and bearing the address of the Firm
5. PAN Card of the Firm
6. Identity proof of the Partners - One copy of his/her recent photograph; and Permanent Account Number (PAN) Card. In case of Non Photo PAN Card in addition to copy of PAN Card any one of the following - Driving License /Passport / Voter ID.

9.4 Trusts

True copies of all of the below documents:

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1. Certificate of registration, if registered
2. Trust deed
3. Resolution of the managing body of the foundation / association for
 - a. the investment specifying the amount to be invested in the Company or overall limit.
 - b. delegating power to its Trustees, officers etc to transact on its behalf; OR
 - c. Power of Attorney granted to transact business on its behalf
4. Address proof - Telephone bill or Electricity Bill or Rent Bill
5. PAN No. of the Trust
6. Identity proof and address proof of the Trustees and the Beneficiaries - One copy of his/her recent photograph; and Permanent Account Number (PAN) Card. In case of Non Photo PAN Card in addition to copy of PAN Card any one of the following - Driving License /Passport copy / Voter ID.

9.5 Association of Persons (AOP) or Body of Individuals (BOI) e.g.HUF

True copies of all of the below documents:

1. Address Proof

One certified copy of an officially valid document containing details of his/her permanent address or addresses, current address or addresses; and any one of

- a) Passport
- b) Driving license
- c) Bank account statement
- d) Ration Card
- e) Rent Agreement
- f) Latest Telephone bill

2. Identity proof of Karta

His/her recent photograph and Adhaar Card/ Permanent Account Number (PAN) Card. In case of Non Photo PAN Card in addition to copy of PAN Card any one of the following: Driving License /Passport copy / Voter ID.

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- 3.** Resolution of the managing body of such association or body of individuals for
 - a. investing in the Fund and
 - b. delegating power to its Karta, officers etc to transact on its behalf; OR
 - c. Power of attorney granted to him to transact on its behalf.

Kathari Water Management Private Limited - Anti-Money Laundering Policy

Adopted on July [], 2021

2. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING



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Code of Conduct for Prevention of Insider Trading

2. **DEFINITIONS**

For the purpose of this Code the following terms shall have the meanings assigned to them as hereunder:

- (a) "**Act**" means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- (b) "**Board/Board of Directors**" shall mean the board of directors of the Company (as defined hereinafter).
- (c) "**Code**" shall mean this Code of Conduct for Prevention of Insider Trading, as amended from time to time.
- (d) "**Company**" or "**KATHARI**" means Kathari Water Management Private Limited and shall include its successors/ assigns.
- (e) "**Compliance Officer**" means the Compliance Officer appointed pursuant to Clause 4 of this Code.
- (f) "**Confidential Information**" shall mean such information which is directly or indirectly related to KATHARI and/or its group and/or associate companies or business associates or, companies under the Restricted List / Grey List (as defined hereinafter) and which is not available to the general public or which is proprietary in nature and also includes Price Sensitive Information (as defined hereinafter).

Code of Conduct for Prevention of Insider Trading

(g) **"Connected Person"** means:

- (i) any person who is or has during the 6 (six) months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - a) an Immediate Relative of Connected Persons specified in clause (i); or
 - b) a holding company or associate company or subsidiary company; or
 - c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - e) an official of a stock exchange or of clearing house or corporation; or
 - f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

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Code of Conduct for Prevention of Insider Trading

- g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognized or authorized by the Securities and Exchange Board of India ("**SEBI**"); or
- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than 10% (ten per cent) of the holding or interest.

Explanation: It is intended that a connected person is one who has a connection with the Company that is expected to put him in possession of Unpublished Price Sensitive Information. Immediate Relatives and other categories of persons specified above are also presumed to be Connected Persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in the Company but are in regular touch with the Company and its officers and are involved in the Company's operations. It is intended to bring within its ambit those who would have access to or could access Unpublished Price Sensitive Information about any company or class of companies by virtue of any connection that would put them in possession of Unpublished Price Sensitive Information.

- (h) "**Dealing in Securities**" means the act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of companies in the Restricted List / Grey List by any person to whom this Code applies, whether the deal is undertaken on his own or through an agent of such person.

Code of Conduct for Prevention of Insider Trading

- (i) "**Designated Person(s)**" shall include:
- i. Directors of KATHARI;
 - ii. The Chief Executive Officer (CEO), direct reportee(s) to the CEO and all the Business / Departmental Heads of the Company;
 - iii. Permanent invitee/invitees to the meetings of the Board or any committees thereof;
 - iv. Officers in grades of Manager and above of KATHARI;
 - v. All employees of investment, operations, research, acquisitions, business development, strategy, finance, accounts, treasury, legal & secretarial departments/teams of KATHARI;
 - vi. Secretaries of the directors and of the heads of the investments, operations, research, acquisitions, business development, finance, accounts, secretarial, legal and strategy departments/teams of KATHARI;
 - vii. Such other entities or persons as may be notified by the Compliance Officer from time to time.
- (j) "**Generally Available**" means information that is accessible to the public on a non- discriminatory basis.
- (k) "**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- (l) "**Insider**" means any person who is:
- i. a Connected Person; or
 - ii. in possession of or having access to Unpublished PriceSensitive Information (as defined hereinafter).

Code of Conduct for Prevention of Insider Trading

- (m) "**Insider Trading Regulations**" shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and any amendments thereto.
- (n) "**Managing Director**" means the Managing Director of the Company, as may be appointed by the Company from time to time.
- (o) "**Need to know basis**" means the disclosure of UPSI only to those within KATHARI who need the information for legitimate purposes, in performance of duties or discharge of their legal obligations.
- (p) "**Restricted List or Grey List**" shall mean the list of companies maintained by the Company whose dealings in Securities by an Insider (which includes Designated Persons, his Immediate Relative, any Connected Person or person in possession of or having access to Unpublished Price Sensitive Information) are regulated.
- (q) "**SEBI Takeover Regulations**" shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and any amendments thereto.
- (r) "**Securities**" shall mean and include shares, scripts, stocks, bonds, debentures, debenture stock, derivatives and other marketable securities, rights or interest in securities, units or any other instrument issued by any collective investment scheme to the investors in such schemes; except units of a mutual fund.
- (s) "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and "trade" shall be construed accordingly and shall include even dealing in any manner including pledge.

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Code of Conduct for Prevention of Insider Trading

- (t) **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, that relates directly or indirectly to the companies which are put on the Restricted List / Grey List pursuant to Clause 7 of this Code, that is not Generally Available which upon becoming Generally Available is likely to materially affect the price of their Securities and shall include the following:
- (i) periodical financial results;
 - (ii) intended declaration of dividend (both interim and final);
 - (iii) change in capital structure including buy-back of securities;
 - (iv) any major expansion plans or execution of new projects;
 - (v) amalgamations, mergers, takeovers, joint venture, acquisition, demerger, sale of stake and such other transactions including any consideration, proposal or recommendation thereof;
 - (vi) disposal of the whole or substantial part of the undertaking;
 - (vii) changes in key managerial personnel;
 - (viii) any significant changes in policies, plans or operations;
 - (ix) material events in accordance with the listing agreements that these companies may have with the stock exchange(s); and
 - (x) such other information as may be specified by the Compliance Officer for this purpose.
- (u) **“Working Days”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where Securities are listed.

Code of Conduct for Prevention of Insider Trading

3. PURPOSE OF THE CODE

This Code is designed to maintain the highest ethical standards whilst dealing with Securities added to the Restricted List / Grey List by persons to whom it is applicable. The Code also serves to implement the requirements of applicable regulations on such matters. The provisions of the Code are designed to prohibit an Insider from: (1) Trading either on his/her behalf or on behalf of any other person in Securities of companies added to the Restricted List / Grey List when in possession of UPSI; and (2) communicate or counsel or allow access or procure directly or indirectly, any Unpublished Price Sensitive Information to any person.

It is clarified that the above shall not be applicable to any communication required in the ordinary course of business or profession or employment or under any law for which the necessary process stated herein is followed. Thus, Unpublished Price Sensitive Information is required to be handled with care and to be dealt with strictly on a need to know basis. Further, inducement and procurement of any Unpublished Price Sensitive Information not in furtherance of any person's legitimate duties and discharge of obligations would be considered a violation of this Code.

4. COMPLIANCE OFFICER

"Compliance Officer" is the General Counsel of the Company or such other person as may be appointed by the Board in his/her place, from time to time, as Compliance Officer, and shall be assisted in the application and monitoring of this Code by other members of the legal and compliance team of the Company. The Board shall nominate any other person in the Company to act as Compliance Officer for the purpose of this Code during the absence of the General Counsel. For the purposes of this Code, the Compliance Officer shall report to the Board.

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Code of Conduct for Prevention of Insider Trading

The Compliance Officer shall be responsible for:

- (i) setting forth policies and procedures and monitoring adherence to the rules for the preservation of Price Sensitive Information;
- (ii) pre-clearing of trades by any Designated Person, his/her Immediate Relatives and by any other person for whom such Designated Person takes Trading decisions;
- (iii) monitoring Trades and the implementation of this Code under the overall supervision of the Board or any committee thereof.

The Compliance Officer shall maintain a record of Designated Person updated from time to time in consultation with the human resources department / functional heads of the Company.

The Compliance Officer shall assist all Designated Person in addressing any clarifications regarding the Insider Trading Regulations and the Code.

5. PRESERVATION OF UPSI:

Designated Persons shall maintain confidentiality of all UPSI. They shall not pass on such information to Immediate Relatives, other Designated Persons or to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities.

UPSI shall be handled on a “need to know basis” and with confidentiality.

All UPSI directly received by any Designated Person should immediately be reported to the Compliance Officer.

If, in the performance of duties, it becomes necessary for the Designated Person to disclose/receive any UPSI to/from any person outside the Company, e.g. third parties, advisors, auditors, consultants, etc., the Designated Person shall inform the Compliance Officer of the

Code of Conduct for Prevention of Insider Trading

UPSI proposed to be disclosed / received and obtain the prior written consent of the Compliance Officer. The Designated Person shall ensure that the concerned third party, advisor, auditor, consultant, etc., executes an appropriate agreement for confidentiality/non-disclosure and non-dealing in Securities with the Company (subject to clearance from the Compliance Officer) before any disclosure/receipt of UPSI.

However, UPSI may be communicated, provided, allowed access to or procured, in furtherance of a legitimate purpose, performance of duties or discharge of legal obligation (including potential investment, divestment, takeover, mergers, trading in securities, change of control, etc.) if:

- i. the Board is of an informed opinion that the proposed transaction is in the best interest of the Company; or
- ii. if the transaction entails open offer under the SEBI Takeover Regulations, not only would the same price be made available to all shareholders of the Company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations; or
- iii. if the transaction does not entail making an open offer under the SEBI Takeover Regulations, the Board would cause public disclosures of such UPSI at least 2 (two) trading days before the proposed transaction to rule out any information asymmetry in the market.

Code of Conduct for Prevention of Insider Trading

Limited access to UPSI

The Designated Person shall ensure that files, etc., containing UPSI are kept secure. Computer files, software, etc., shall be adequately secured with limited access password.

6. PREVENTION OF MISUSE OF UPSI

All Designated Persons/ their Immediate Relatives / Insider shall not:

- (i) use UPSI for Dealing in Securities;
- (ii) communicate or counsel or procure directly or indirectly, any Unpublished Price Sensitive Information to any person; and shall be subject to the Trading restrictions as enumerated in this Code.

7. SPECIAL PROVISIONS

1. CHINESE WALL

- 1.1. To prevent the misuse of UPSI, the Company shall adopt a "Chinese Wall" policy which separates those areas of the organization which routinely have access to UPSI, considered "inside areas" from those areas which deal with acquisition / sale / investment advise or other departments providing support services, considered "public areas".
- 1.2. The employees in the inside area shall not communicate any UPSI to any one in public area.
- 1.3. The employees in inside area may be physically segregated from employees in public area.
- 1.4. Demarcation of the various departments as inside area may be implemented by KATHARI.

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Code of Conduct for Prevention of Insider Trading

- 1.5. In exceptional circumstances Designated Persons from the public areas may be brought "over the wall" and given UPSI on a need to know basis, under intimation to the Compliance Officer.

2. RESTRICTED LIST/GREY LIST

- 2.1. In order to monitor Chinese Wall procedures and Trading in Securities based on UPSI, KATHARI shall restrict Trading in certain Securities and designate such list as a Restricted List / Grey List.
- 2.2. The Restricted List / Grey List shall comprise of Securities of an entity in which KATHARI or any of the entity in which it, is considering investing and/or sale and/or are engaging in long term relationship or is privy to any UPSI and which are added to the Restricted List / Grey List from time to time unless deleted from the Restricted List / Grey List.
- 2.3. Any security which is being purchased or sold or is being considered for purchase or sale by KATHARI on its own behalf, subsidiaries or on behalf of its clients, etc. shall be put on the Restricted List / Grey List.
- 2.4. The Departmental Heads of KATHARI shall immediately intimate the Compliance Officer of companies to be included / excluded from the Restricted List / Grey List. The Restricted List / Grey List shall be updated every time upon receipt of intimation by the Compliance Officer.
- 2.5. As the Restricted List / Grey List itself is highly confidential information it shall not be communicated directly or indirectly to anyone outside the organisation. The Restricted List / Grey List shall be maintained in confidence by the Compliance Officer or his team.

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Code of Conduct for Prevention of Insider Trading

- 2.6. When any securities are on the Restricted List / Grey List, trading in these securities by Designated Persons may be blocked or may be disallowed at the time of pre-clearance.

8. PRE-CLEARANCE OF TRADES

1. The Designated Persons shall undertake transactions in any Security(including derivative) only after prior approval of the Compliance Officer by writing to <____>. The approval for trading shall be given only for Securities which are not on the Restricted List / Grey List. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
2. The Compliance Officer shall either clear the requested trade or decline to clear the requested trade within three (3) Working Days of the receipt of the application. In case the Compliance Officer declines to clear the requested trade, he/she shall assign reasons in writing for doing so. If the Designated Person does not receive any response from the Compliance Officer within the aforesaid period of three (3) Working Days, the requested trade can be deemed to have been cleared by the Compliance Officer.
3. All Designated Persons or their Immediate Relatives shall execute their order of Securities within one week after the approval of pre- clearance is given. If the order is not executed within one week after the approval is given, the Designated Person must obtain pre- clearance of the trade again.

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Code of Conduct for Prevention of Insider Trading

4. Any Designated Person or Insider who is privy to any UPSI shall preserve its confidentiality, follow the Code and not deal in Securities of any such company.
5. An Insider, who may be perpetually in possession of UPSI, may formulate a trading plan for trades to be executed in future. The trading plan is to be presented to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
6. Such trading plan shall:–
 - (i) not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;
 - (ii) entail trading for a period of not less than twelve months;
 - (iii) not overlap an already existing trading plan;
 - (iv) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected;
 - (v) not entail trading in securities for market abuse; and
 - (vi) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results.
7. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
8. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to

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Code of Conduct for Prevention of Insider Trading

whether any such declaration is reasonably capable of being rendered inaccurate.

9. OTHER RESTRICTIONS

1. The Designated Person shall hold their investments for a minimum period of 7 (seven) days. The holding period would commence when the Securities are actually allotted/bought.
2. In case the sale of Securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard upon an application made in the prescribed form (**Form C**).
3. Designated Persons while preparing any research reports of a listed company shall disclose their shareholding / interest in such company to their Departmental Heads and the Compliance Officer and shall not Trade in Securities of such company for 30 days from the preparation of such report.

10. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

1. Reporting by Designated Person to the Company:

The Designated Persons will be required to make the below mentioned disclosures to the Compliance Officer. The disclosures to be made shall include those relating to Trading by such person's Immediate Relatives.

Code of Conduct for Prevention of Insider Trading

i. Initial Disclosure:

The Designated Person shall disclose to the Company in **Form A & B**, the number of Securities or voting rights held and /or positions taken in derivatives, if any, by such Designated Person, his/her Immediate Relatives and by any other person for whom such Designated Person takes trading decisions, together with a disclosure of the names of such persons, within seven (7) days from the date of joining the Company.

ii. Annual Disclosure:

The Designated Person shall make an Annual Disclosure in **Form D & E** about the number of Securities or voting rights held and / or positions taken in derivatives, if any, by such Designated Person Immediate Relatives and by any other person for whom such Designated Person takes trading decisions, as on 31st March each year by 10th April of that year.

The disclosures required under this clause may also be made through electronic filing by sending e-mails to <> or in accordance with such systems as devised by the stock exchange.

2. Reporting by the Compliance Officer:

- i. The Compliance Officer shall place before the Board, on a monthly basis, details of the dealings in Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged under this Code.
- ii. The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of 3 (three) years.

11. CONTRAVENTION OF THE CODE

Any Designated Person who contravenes any provision of this Code may be subject to appropriate sanctions and disciplinary actions by the Company, which would be determined by the CEO or Managing Director or the Board of Directors, based on the recommendations of the committee set up for this purpose. Such sanctions and disciplinary actions may include wage freeze, suspension, termination, deduction/non-payment of salary, demotion, etc.

The action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Insider Trading Regulations.

In case it is observed by the Company / Compliance Officer that there has been a violation of the Insider Trading Regulations, SEBI shall be informed by the Company of the same.

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. YOU ARE REQUESTED TO UNDERSTAND AND OBSERVE THE SPIRIT AND THE INTENT BEHIND THIS CODE. IT IS THE RESPONSIBILITY OF EACH AND EVERY INDIVIDUAL IN THE ORGANIZATION TO ENSURE FULL COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES IN RELATION TO INSIDER TRADING.

KATHARI – CODE OF CONDUCT FOR PREVENTION
OF INSIDER TRADING ADOPTED ON July [], 2021

Code of Conduct for Prevention of Insider Trading

Code of Conduct for Prevention of Insider Trading

Form A

(Initial Disclosure under Code for Prevention of Insider Trading from Designated Person of a Company and his Immediate Relatives / person for whom the Designated Person takes trading decisions)

Name of Designated Person _____

Designation _____

Date of Assuming Office _____

PAN NO [#] _____

DP Name & ID [#] _____

Client Id [#] _____

Address _____

Disclosure is for – Self / Immediate Relatives / person for whom I take trading decisions* (strike out which is not applicable).

If the declaration is for Immediate Relatives / other person - such person's name _____

Name of all companies whose Securities /Voting Rights / Derivatives are held	Type of, Number & % of securities / voting rights / open position of Future contract / option contract (lot size & notional value)	Mode of acquisition (market purchase / public rights)

Details of the Designated Person or Immediate Relatives / person for whom I take trading decisions for whom this disclosure is made, as the case may be.

Note: 1) For details of more than 1 company, the holding statement of Securities held in dematerialised / physical form may be enclosed

2) Declaration to be given within seven (7) days of being appointed as Designated Person.

Yours truly,

(SIGNATURE)

Date

Place:

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Code of Conduct for Prevention of Insider Trading

FORM B

(Declaration from Designated Person(s) under Code for Prevention of Insider Trading in respect of their Immediate Relative or person for whom I take trading decisions)

Name of Designated Person _____

Designation _____ Date of Assuming Office _____

The Compliance

Officer Dear Sir,

Sub: **Declaration of my Immediate Relative and person(s) for whom I take trading decisions**

In terms of the requirement of the KATHARI Code for Prevention of Insider Trading, the details of my Immediate Relative and person(s) for whom I take trading decisions are specified hereunder:

Sr. No	NAM E	PA N	DP ID & Client ID	RELATIONSHIP

I declare that, the above named Immediate Relative and person(s) for whom I take trading decisions do not hold any Securities / Voting Rights, etc., in any company and hence Declaration in Form A is not required to be provided for my Dependent Family Members.* **OR**

I declare that, the details of Securities / Voting Rights, etc., held by each of the above named Immediate Relative and person(s) for whom I take trading decisions is as disclosed in Form A enclosed.*

* (strike out which is not applicable)
Yours truly,

(SIGNATURE)

Date _____

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Enclosure: 'Form A' disclosing Securities/voting rights held by my Immediate Relatives.

**Code of Conduct for Prevention of Insider Trading
FORM C**

(Declaration by Designated Person(s) / Immediate Relatives / Other person(s)
for permission to sell Securities within 7 (seven) days of purchase) to be
discussed

The Compliance Officer
Mumbai

Date _____

Dear Sir,

Sub: **PERMISSION FOR SALE OF SHARES / SECURITIES WITHIN 7 DAYS OF PURCHASE**

In terms of the captioned subject the details of my/my Immediate Relatives / person
for whom I take trading decisions (s) Mr./ Mrs. _____, last purchase of Shares /
Securities are as specified hereunder:

Sr . No .	Name of companies whose Securities / Voting Rights / Derivatives are proposed to be sold	Date of Purch ase	Numbe r of Securit ies	DP ID & Client ID

Whereas in terms of the requirement of KATHARI Code for Prevention of Insider Trading,
Securities are required to be held for a period of at least 7 (seven) days of purchase,
however, on account of the exigent circumstances mentioned hereunder, I desire to
dispose the above Securities forthwith:

(Mention the reason for which exemption from holding period should be granted)

In view of the aforesaid I earnestly request that the Company accords its approval
to my request for sale.

Thanking you,

(SIGNATURE) (Name) (Designation)

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Code of Conduct for Prevention of Insider Trading

Form D

(Annual Disclosure under Code for Prevention of Insider Trading from Designated Person of a Company / his Immediate Relatives / person for whom the Designated Person takes trading decisions)

Name of Designated Person _____ Designation _____
_____ Disclosure

for – Self / Immediate Relatives/Others * (strike out which is not applicable). Disclosure as
st
on 31 March _____

If the declaration is of Immediate Relative / Others, his / her name _____

_____ # _____ # _____
His / her PAN NO DP Name & ID

Client Id

Name of all companies whose Securities / Voting Rights /	No. & % of Shares/ Securities /			
	Held at last disclosure	Bought during the year	Sold during the year	At the end of the year

Details of the Designated Person or Immediate Relative or Other Person for whom this disclosure is made, as the case may be.

Note: 1) For details of more than 1 company, the holding statement of Securities held in dematerialised / physical form may be enclosed st

2) This Annual Disclosure is as on 31 March should be made before 10 April. Confidential - For internal use only

I/We declare that, I/We have complied with the requirement of the minimum holding period of 7 (seven) days with respect to the Securities.

Yours truly

(SIGNATURE)

Date _____

Code of Conduct for Prevention of Insider Trading

FORM E

(Annual Disclosure from Designated Person(s) under Code for Prevention of Insider Trading in respect of their Immediate Relatives / person for whom the Designated Person takes trading decisions)

Name of Designated Person _____

Designation _____

Disclosure as on 31st March _____

The

Compliance

Officer

Dear Sir,

Sub: Declaration of my Immediate Relative / other person for whom I take trading decisions

In terms of the requirement of the KATHARI Code for Prevention of Insider Trading, the details of by my Immediate Relatives / person for whom I take trading decisions are specified hereunder:

Sr No.	NAME	PAN	DP ID & Client ID	RELATIONS HIP

I declare that, as on date or during the past year, the above persons did not hold any Securities / Voting Rights, etc., in any company and hence Annual Declaration in Form D is not required to be provided for them. ***OR**

I declare that, the details of Securities / Voting Rights, etc., held by each of the above named persons is as disclosed in Form D enclosed.*

* (strike out which is

not applicable) Yours

truly,

(SIGNATURE)

DATE _____

Enclosure: 'Form D' disclosing Securities/voting rights held by my Immediate Relatives / person for whom I take trading decisions)

Note - This Annual Disclosure is as on 31st March should be made before 10th April.

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3. DECLARATION OF FIDELITY AND SECRECY



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Declaration of Fidelity And Secrecy

Each and every employee of Kathari Water Management Private Limited upon joining has to make the below declaration and maintain high level of fidelity and secrecy.

I, Mr. / Ms. _____ residing at

and presently working as _____ do hereby declare and state as follows:

1. that I will faithfully, truly and to the best of my skills and ability, execute and perform the duties required of me as an employee of Kathari Water Management Private Limited ("the **Company**"), a company registered under the Companies Act, 2013 and having its office at One World Center, 16th Floor, Tower 2A, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013.
2. that in the course of my employment and performance of duties required of me, I will have access to documents, files, systems, records, plans, proposals, drawings, designs in connection with production, marketing, technology, and computer programming information relating to the business of the Company, its affiliates, subsidiaries and partners that is proprietary and a trade secret of the Company or confidential information of third parties dealing with the Company (hereinafter called "**Trade Secret Information**").
3. that I undertake to hold such Trade Secret Information strictly confidential by not, directly or indirectly, making known, or permitting such Trade Secret Information to be disclosed or made known, to any person or entity, either inside the Company or otherwise. I shall faithfully and diligently take all steps necessary to protect the Company's Trade Secret Information from being disclosed to unauthorized persons. Such persons include, but are not necessarily limited to, persons who are not Company employees, persons who are Company employees but who do not have a need to know the Trade Secret Information in order to perform their duties, persons not under a written confidentiality agreement with the Company in regard to the Trade Secret Information, and persons not directly aware of the proprietary and trade secret nature of the Trade Secret Information.
4. that all documents, files, systems, records, plans, proposals, drawings and designs and items of information, Trade Secret Information or equipment relating to the Company's business are and shall remain the property of the Company, including notes, drawings, documents, records, and files created in the performance of my duties of employment or intended to be created in

Declaration of Fidelity And Secrecy

the performance of my duties of employment ("**Company Property**"). I shall not under any circumstances remove such Company property from the Company's premises without the prior written consent of the Company. Furthermore, I shall not stake any proprietary claim or similar rights over such Company Property.

5. that I declare that notwithstanding the termination of my employment with the Company for any reason whatsoever I will not communicate or allow to be communicated to any person any information relating to the Trade Secret Information and affairs of the Company.
6. that I shall, from time to time, make a full and frank disclosure of any and all dealings I have or propose to enter directly or indirectly or through any of my relatives or family members with any of the Company's competitors, agents, dealers, vendors, suppliers, sub-contractors, contractors or the like by whatever name called.
7. that I shall, from time to time, also fully declare the details of my existing or ongoing relationship with any other company or firm in any capacity whatsoever including but not limited to an Officer, Director, Consultant or any other personal relationship and details of any commission, abnormal gifts, remuneration or profits from such relationship. Any new relationship as aforesaid shall be created only with the express knowledge and consent of the company.
8. that I shall disclose to the Company any and all information that comes to my knowledge during my course of employment that concerns me or my fellow colleagues that has or is likely to have an impact on the Company's affairs.
9. that I confirm that I will ensure adherence to the aforesaid requirements in relation to the Company in which I am employed as well as any of its associate/group companies in relation to which I may be deemed to be associated during the course of my employment.

Signature:

Name:

Date:

Place:

Declaration of Fidelity And Secrecy

KATHARI WATER MANAGEMENT PRIVATE LIMITED
DECLARATION OF FIDELITY AND SECRECY
ADOPTED ON [], 2021

4. EMPLOYEE "FAIR PLAY" AND "EQUAL OPPORTUNITIES" CODE



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Employee “Fair play” and “Equal Opportunities” Code

Introduction

The term ‘KATHARI’ or ‘Company’ used in this code means Kathari Water Management Private Limited.

KATHARI’s quest for competitive excellence consists of our commitment to lawful and ethical conduct and adhering to our core values. To respect every individual and be humble in our conduct remains one of our core values.

KATHARI is committed to provide a safe and conducive work environment to all its employees. Towards this it is essential that each employee deals with their colleagues and third parties with full fairness and respect and realizes that his/her behaviour will be attributed to the Company and can affect its inward and outward reputation. The environment shall be supportive of the dignity and self-esteem of individuals and free from harassment of any kind.

A discrimination-free workplace for employees provides the environment in which diverse talents can flourish and be nurtured. This is achieved by ensuring that a non-discrimination policy and practice is embedded across the Company in line with corporate principles and benchmarked business practices.

We at KATHARI do not believe nor encourage discrimination in employment which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation, and is made on the basis of " caste, disability, gender, race, colour, sexual orientation, age, ancestry, marital status, religion, political opinion, national extraction or social origin".

We do not engage in or support direct or indirect discrimination in recruitment, compensation, access to training, promotion, termination or retirement based on caste, religion, disability, gender, age, race, colour, ancestry, marital status, sexual orientation or affiliation with a political, religious, or union organization or minority group.

Employee “Fair play” and “Equal Opportunities” Code

As a good corporate citizen, the Company is committed to a friendly and a gender friendly workplace. There is no discrimination based on gender, race, colour, sexual orientation, religion, political opinion, national extraction or social origin of individuals, and equality of opportunity is provided to all employees to develop personally and professionally. Being a meritocratic environment, we honour and recognise ‘exhibited performance’ and ‘potential to deliver’ as the cornerstones for all reward and recognition opportunities.

Under this Code, harassment of any kind including sexual harassment is forbidden. Every employee has the right to be protected against harassment, regardless of whether the accused considers his or her own behaviour to be normal or acceptable and of whether the harassed person has the opportunity to avoid the harassment.

KATHARI is committed to create a work environment that is open, honest and free of sexual harassment. Sexual harassment is a form of workplace harassment of a sexual nature that affects the dignity of men and women at work.

Employees shall be treated with dignity and in accordance with the Company’s policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological.

KATHARI has adopted Care and Dignity Policy to prohibit, prevent or deter the commission of acts of sexual harassment at workplace. Please refer KATHARI Care and Dignity Policy for protection against sexual harassment at workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

Policy Statement of Equal Opportunities

The Company confirms its commitment to a complete policy of equal opportunities in employment, in which individuals are selected, trained, appraised, promoted and otherwise treated on the basis of their relevant merits and abilities and are given equal opportunities within the Company. In the area of people management, the organization is formally committed to ensuring that all employees regardless of their gender race, colour, sexual orientation, religion, political opinion, national extraction or social

Employee “Fair play” and “Equal Opportunities” Code

origin or age - receive equal treatment when it comes to opportunities for employment, advancement and training, as well as in terms of compensation. Continuing education and professional training programs are designed to enable all employees, regardless of gender, to expand their skills set and, in so doing, enhance their employability and contribute to the performance of the Company.

The Company has determined that all applicants for employment or for admission, and subsequently staff at work or on a course of training at the Company, should be made aware of the Company's commitment to equal opportunities and the removal of unlawful discrimination and other forms of discrimination which is good practice to prevent.

The Policy statement and all succeeding good practice will be equally applicable to all areas of the Company. Equal opportunities shall apply to all aspects of the Company's academic, environment and cultural activities and will apply to all persons irrespective of their contractual employment with the Company.

Applicability

This Policy applies to all the employees, workers and trainees (whether in the office premises or outside while on assignment) of the Company and where harassment occurs against an employee or worker or trainee of KATHARI as a result of an act by an employee, third party or outsider while on official duty, we will take all necessary and reasonable steps to assist the affected person in terms of support and preventive action.

What is Harassment?

Harassment includes such unwelcome behaviour, as physical contacts and advances, making derogatory remarks against basic human values, sexually or racially coloured remarks, showing pornography and sexual demands whether by words, gestures or actions. Such conduct can be humiliating and may constitute a health and safety problem. It is discriminatory when the complainant has reasonable grounds to believe that his or her objection would disadvantage them in connection with employment, including recruiting or promotion or when it creates a hostile working environment.

Employee “Fair play” and “Equal Opportunities” Code

Harassment includes such unwelcome behaviour (whether directly or by implication) such as:

- (a) Making any disparaging remarks against anyone’s religion, cast creed colour;
- (b) Remark against one nationality;
- (c) Remark against a person’s physical appearance;
- (d) physical contact and advances;
- (e) a demand or request for sexual favours;
- (f) sexually coloured remarks;
- (g) showing pornography;
- (h) any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

Harassment is emotionally abusive and creates an unhealthy, unproductive atmosphere at the workplace. Harassment cases can be classified into two categories - **quid pro quo** and creation of a **hostile working** environment.

- (a) Under the quid pro quo (meaning this for that) form of harassment, a person or authority, usually the superior of the victim, demands sexual or such other unfair favors for getting or keeping a job benefit and threatens to fire the employee if the conditions are not met.
- (b) A hostile work environment arises when a co-worker or supervisor creates a work environment through verbal or physical conduct that interferes with another co-worker’s job performance or creates the workplace atmosphere which is intimidating, hostile, offensive or humiliating and experienced as an attack on personal dignity. For example an employee tells offensive jokes or makes disparaging remarks on a person’s religion cast or colour. No person shall indulge or caused to be indulged under instructions from superior in harassment of co-workers.

However, an employee who is harassed can complain about the same even if there is no adverse job consequence.

Employee "Fair play" and "Equal Opportunities" Code

If you are being harassed / victimized:

- (a) Tell the accused that his / her behaviour is unwelcome and ask him/her to stop.
- (b) Keep a record of incidents (dates, times, locations, possible witness, what happened, your response). It is not mandatory to have a record of events to file a complaint, but a record can strengthen your case and help you remember the details over time, in case the complaint is not filed immediately.
- (c) File a complaint as soon as possible. If, after asking the accused to stop his / her behaviour, the harassment continues, report the abuse to the Complaints Committee formed for this purpose.
- (d) For complaint relating to sexual harassment please refer the provisions under Care and Dignity Policy.

The Complaints Committee

A Complaints Committee has been formed consisting of the following:

Sr. No.	Name	Designation
1.		
2.		

Dealing with the Complaint

- It is the obligation of all employees to report harassment experienced by them personally. A concerned co-worker may also inform the Complaints Committee of any instance or behaviour of harassment by a co-worker towards another employee.
- The concerned employee shall give his or her complaint in writing to the Chairperson of the Committee giving details of the incident within a week of its occurrence.
- Once the complaint is received, it will be kept strictly confidential.
- The person accused will be informed that a complaint has been filed against him/her and no unfair acts of retaliation or unethical action will be tolerated.
- The Committee shall ensure that a fair and just investigation is undertaken immediately.

Employee "Fair play" and "Equal Opportunities" Code

- Both the complainant and the alleged accused initially will be questioned separately with a view to ascertain the veracity of their contentions. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.
- The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been harassed as claimed, the accused will be disciplined accordingly.
- The victim of harassment has the option to seek transfer of the accused or his/her own transfer.

Disciplinary Action

Where any misconduct is found by the Compliant Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

Confidentiality

All information received shall be kept confidential. Any person (including witnesses) who breaches confidentiality shall be subject to disciplinary action.

Protection against retaliation

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of harassment, the Complaints Committee shall ensure that the Complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour from the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken

Employee “Fair play” and “Equal Opportunities” Code

by the Complaints Committee against any such complaints which are found genuine.

Documentation

The Complaint Committee shall keep complete and accurate documentation of the complaint, its investigation and the resolution thereof. The incident would be documented in both the complainant’s and the accused’s files with the full report of the Complaints Committee.

Dissemination of the Policy

A copy of this Policy shall be given to all employees and to all new recruits and they shall sign a statement acknowledging that they have received, read, understood and will abide by the Policy.

Complaints made with a malicious intent

This Policy has been evolved as a tool to ensure that in the interest of justice and fair play, our employees have a forum to approach in the event of instances of harassment. However, if on investigation it is revealed that the complaint was made with a malicious intent and with the motive of maligning the concerned individual / tarnishing his/her image in the Company and to settle personal/professional scores, strict action will be taken against the complainant. The employees who are victims of harassment may, in addition to the above, seek legal remedies as may be provided under the various laws for the time being in force.

5. CARE AND DIGNITY POLICY



Confidential: For Internal use only

Care and Dignity Policy

1. INTRODUCTION

The term 'KATHARI' or 'Company' used in this Policy means Kathari Water Management Private Limited.

Consistent with our core values, KATHARI is committed to create an environment in which all individuals are treated with respect and dignity and promote a gender sensitive safe work environment.

Under no circumstances, KATHARI will tolerate any form of sexual discrimination and / or harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of discrimination and / or sexual harassment.

KATHARI has a policy on prevention of discrimination / sexual harassment at the workplace since its early days and every employee has the right to be protected against discrimination / harassment. Under the aforesaid KATHARI Employee "Fair play" and "Equal Opportunities" Code, discrimination / harassment of any kind including sexual harassment is forbidden and constitutes ground for strict disciplinary action. This Policy has been carved out from the said Code and updated. The Policy incorporates the provision of recent legislation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

This specific policy combats discrimination / sexual harassment of men and women in the workplace and comes into force with immediate effect.

The provisions of this Policy are in addition to the provisions of any other law for the time being in force.

2. INDIVIDUALS AND CONDUCTS COVERED

This Policy shall be respected by all and will be binding upon all employees, whether men or women, including, regular, temporary or ad hoc basis, a contract worker, probationer, trainee, apprentice or called by any other such name, persons employed in our workplace directly or through an agent or contractor, whether the terms of employment are expressed or implied. Men and women can both experience sexual harassment. Women can be sexually harassed by men and men may be sexually harassed by women.

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Same gender harassment (male to male or female to female) can also occur.

Sexual harassment is unacceptable in workplace and in any work-related activities whether in or outside the workplace including any place visited by the employee arising out of or during the course of employment including transportation provided by the Company for undertaking journey such as during business trips, business meetings and business- related social events.

Where harassment occurs to KATHARI employee as a result of an act by a third party or outsider while on official duty, all necessary and reasonable steps to assist the affected person to initiate action under applicable laws will be taken.

What is "Sexual Harassment"?

For purposes of this Policy one or more of the following unwelcome acts and behavior (whether directly or by implication) shall constitute sexual harassment:

- (a) physical contact and advances; or
 - (b) a demand or request for sexual favours; or
 - (c) making sexually coloured remarks; or
 - (d) showing pornography; or
 - (e) any other unwelcome physical, verbal or non-verbal conduct of sexual nature such as loaded comments, remarks or jokes, letters, phone calls, sms, emails or stalking, sexual demands whether by words, gestures or actions.
-
- (a) Following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment may amount to sexual harassment: implied or explicit promise of preferential treatment in an individual's employment; or
 - (b) implied or explicit threat of detrimental treatment in an individual's employment; or
 - (c) implied or explicit threat about individual's present or future employment status; or
 - (d) interference with individual's work or creating an intimidating or offensive or hostile work environment; or
 - (e) humiliating treatment likely to affect individual's health or safety.

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It is discriminatory when the complainant has reasonable grounds to believe that his /her objection would disadvantage them in connection with employment, including recruiting or promotion or when it creates a hostile working environment.

The purpose of this Policy is not to outline every example of sexual harassment that is inconsistent with a work environment that promotes respect and dignity but to provide a broad guideline. Employees are expected to at all times to exercise sound judgment.

3. ESTABLISHMENT OF COMPLAINT REDRESSAL MECHANISM¹

An Internal Committee (IC) has been formed consisting of the following to which the complaints be filed by aggrieved employee no matter where such employee is located:

Sr. No.	Name	Designation
1.		
2.		
3.		
4.		

The following parameters shall be followed for composition of the Committee:

1. Presiding Officer: Woman employed at a senior level at the workplace from amongst the employees.
2. not less than 2 members from amongst employees. Preferably committed to the cause of women or who have had experience in social work or have legal knowledge
3. External member: One external member from an NGO or association committed to the cause of women or person familiar with issues relating to sexual harassment
4. Not less than half of the IC Members shall be women

¹ As per the criteria set out in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company shall institute an internal committee when the number of the employees of the Company exceeds 10. Details of the Internal Committee shall be intimated to the employees.

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The Presiding Officer and every member of the committee shall hold office for period not exceeding 12 months from the date of their nomination. The retiring members may be reappointed at the sole discrimination of the Company.

4. COMPLAINT PROCEDURE

4.1. Reporting of incident of sexual harassment

KATHARI strongly urges the reporting of all incidents of sexual harassment regardless of offenders identity or position. The aggrieved person shall follow the complaint procedure outlined below:

- (i) The complaint shall be made by email to[] or be sent in writing to the Presiding Officer, Internal Complaint Committee, Kathari Water Management Private Limited, 16th Floor, Tower 2A, One World Center, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai 400013.
- (ii) The complaint shall be made in writing, in six copies, to the IC, alongwith supporting documents and name and address of the witnesses.
- (iii) In case if the complaint cannot be made in writing, the Presiding officer or member of the IC shall render all reasonable assistance to the complainant for making the complaint in writing.
- (iv) The complaint shall be made within a period of three months from the date of the incident and in case of a series of incidents, within a period of three months from the date of last incident.
- (v) For reasons to be recorded in writing, the IC may extend the time limit not exceeding three months, if it is satisfied that the circumstances were such that prevented the employee from filing a complaint.

4.2. Who can make complaint?

- (i) Aggrieved employee;
- (ii) Where an aggrieved employee is unable to make the complaint on account of physical incapacity, complaint may be filed by:

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- (a) Aggrieved employee's relative or friend; or
 - (b) Aggrieved employee's co-worker; or
 - (c) An officer of the National Commission for Women or State Women's Commission; or
 - (d) Any person who has knowledge of the incident with the written consent of the aggrieved employee.
- (iii) Where an aggrieved employee is unable to make the complaint on account of mental incapacity, a complaint may be filed by:
- (a) Aggrieved employee's relative or friend; or
 - (b) A special educator, who is a person trained in communication with people with special needs in a way that addresses their individual differences and needs; or
 - (c) A qualified psychiatrist or psychologist; or
 - (d) The guardian or authority under whose care the aggrieved employee is receiving treatment or care; or
 - (e) Any person who has knowledge of the incident jointly with any one of the abovementioned person(s).
- (iv) Where an aggrieved employee for any other reason is unable to make the complaint, it may be filed by any person who has knowledge of the incident with the written consent of the aggrieved person.
- (v) Where an aggrieved employee is dead, a complaint may be filed by aggrieved employee's legal heir or any person who has knowledge of the incident with the written consent of aggrieved employee's legal heir.

4.3. What shall the IC do on receipt of complaint?

Within seven working days of the receipt of the complaint the IC shall send one copy to the respondent.

The respondent shall within the period not exceeding ten working days from the date of receipt of the copy of the complaint reply to the complaint along with the respondent's list of documents and name and address of the witnesses.

The parties shall not be allowed to bring any legal practitioner to represent them at any stage of the proceedings before the IC.

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5. INQUIRY INTO COMPLAINT

5.1. Conciliation:

- (i) The IC may before initiating an inquiry and at the request of the complainant take steps to settle the matter through conciliation. Provided that no monetary settlement shall be made a basis of conciliation.
- (ii) Where a settlement has been arrived, the IC shall record the settlement so arrived, provide the copies of the settlement to the complainant and the respondent and forward the same to management to take action as specified in the recommendation.
- (iii) Where a settlement is arrived, no further inquiry shall be conducted by the IC.
- (iv) If the complainant informs the IC that any term or condition of settlement arrived has not been complied with by the respondent, the IC shall proceed to make an inquiry into the complaint.

5.2. Inquiry:

- (i) If conciliation is not preferred by the complainant, the IC shall conduct inquiry if the respondent is an employee.
- (ii) In conducting the inquiry, a minimum of three members including the Presiding Officer shall be present.
- (iii) The IC shall make inquiry into the complaint in accordance with the principles of natural justice.
- (iv) Where both the parties are employees of KATHARI, both the parties shall be given an opportunity of being heard and a copy of the findings shall be made available to both the parties enabling them to make representations against the findings before the IC.
- (v) The IC shall have the right to terminate the inquiry proceedings or to give ex-parte decision on the complaint, if the complainant or the respondent fails without any sufficient cause to attend three consecutive hearings convened by the IC.

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- (vi) Such termination or ex-parte order may not be provided without giving a notice in writing, fifteen days in advance, to the party concerned.
- (vii) The inquiry shall be completed within the period of ninety days.

6. RELIEF TO THE COMPLAINANT DURING PENDENCY OF INQUIRY

At the written request of the complainant, the IC may recommend the management to:

- (i) Transfer the complainant or the respondent to any other workplace; or
- (ii) Grant leave to the complainant upto a period of three months. The leave granted to the complainant shall be in addition to the leave he/she would be otherwise entitled; or
- (iii) Restrain the respondent from reporting on the work performance of the complainant or writing the complainant's confidential report and assigning the same to another officer.

The management shall implement the recommendations so made by the IC and send the report of such implementation to the IC.

7. WHAT SHOULD THE IC DO ON COMPLETION OF INQUIRY?

On completion of the inquiry, the IC shall provide a report of its findings to the management within a period of ten days from the date of completion of inquiry and this report shall be made available to the concerned parties.

7.1. If allegations are not proved

Where the IC arrives at the conclusion that the allegation against the respondent has not been proved, it shall recommend to the management that no action is required to be taken in the matter.

7.2. If allegations are proved

Where the IC arrives at the conclusion that the allegation of sexual harassment against the respondent has been proved, it shall recommend to the management

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- (ii) to take such actions as the IC deems fit including written apology, warning, reprimand or censure, withholding of promotion, withholding of any pay rise or increments, terminating the respondent from the service or undergoing a counseling session or carrying out community service.
- (iii) to deduct, from the salary or wages of the respondent such sum as it may consider appropriate to be paid to the aggrieved employee or his/her legal heirs, as it may determine.

In case the management is unable to make such deduction from the salary of the respondent due to his/her being absent from duty or cessation of employment it may direct to the respondent to pay such sum to the aggrieved employee.

In case the respondent fails to pay such compensation sum the IC may forward the order for recovery of the sum as an arrear of land revenue to the concerned District Officer.

The management shall act upon the recommendation within sixty days of its receipt by him.

7.3. Complaints made with false or malicious intent:

If the IC comes to the conclusion after an inquiry that any allegation/complaint against the respondent is malicious or was made knowing to be false or forged or misleading documents were provided, the IC shall recommend action to the management, against the complainant and/or the witness as the case may be, as mentioned above in Clause 7.2.

A mere inability to substantiate a complaint or provide adequate proof need not attract action against the complainant under this Clause.

8. RETALIATION FOR SEXUAL HARASSMENT COMPLAINTS

The management shall safeguard the complainant and witnesses from any form of retaliatory measures.

Strict disciplinary action will be recommended by the Internal Complaints Committee if it is established that the complainant or the witnesses were subject to retaliation in any form.

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9. CONFIDENTIALITY

Subject to applicable laws, procedures and requirements, the contents of the complaint, the identity and addresses of the aggrieved employee, the respondent and the witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the IC and the action taken by the management shall not be published, communicated or made known to the public, press and media in any manner.

However, information may be disseminated regarding the justice secured to any victim of sexual harassment without disclosing the name, address, identity or any other particulars calculated to lead to the identification of the aggrieved employee and witnesses.

Any person who breaches confidentiality shall be liable for penalty as per applicable laws.

The IC shall in each calendar year prepare and submit with the management and the prescribed authority such annual report inter alia giving number of complaints filed before the IC, complaints disposed, complaints pending, action taken etc.

10. APPEAL

Any person aggrieved with any of the recommendation of the IC or non-implementation of such recommendation or breach of confidentiality may prefer an appeal, to the court or tribunal as per applicable laws, within 90 days from the date of receipt of the recommendation.

11. DISSEMINATION OF THE POLICY

A copy of this Policy shall be given to all employees and to all new recruits and they shall sign a statement acknowledging that they have received, read and understood the Policy.

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12. MISCELLANEOUS

The Company shall:

- (i) display at any conspicuous place in the workplace, the penal consequences of sexual harassments and the details of constitution of the IC.
- (ii) organise workshops and awareness programmes at regular intervals for employees and orientation programmes and seminars for members of the IC.
- (iii) provide necessary facilities and information to the IC for dealing with the complaint and conducting an inquiry.
- (iv) assist in securing the attendance of the respondent and the witnesses before the IC.
- (v) provide assistance to the aggrieved employee if he/ she so chooses to file a complaint in relation to the offence under the applicable law.
- (vi) cause to initiate action, under the applicable law, against the perpetrator, or if the aggrieved employee so desires, where the perpetrator is not an employee.
- (vii) monitor the timely submission of reports by the IC.

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ANNEXURE-SUMMARY OF TIMELINES

Sr. NO	ACTION POINT	AUTHORITY / CONCERNED PERSON	TIME LIMIT
1	Complaint	Complaint to be lodged before IC by the aggrieved person or such other person as detailed in Clause 4.2 of the Policy	1) Within a period of 3 months from the date of the incident, or 2) In case of series of incidents, within the period of 3 months from the date of last incident.
2	Initiation of inquiry proceedings	By the IC, by sending the copy of complaint to the Respondent	Within the period of 7 working days of receipt of the complaint.
3	Reply by the respondent along with his list of documents, names and addresses of witnesses	By the respondent to IC	Within 10 working days from the day of receipt of the copy of complaint forwarded by IC.
4	Completion of inquiry proceedings	By IC	Within 90 days from the date of receipt of complaint.
5	Submission of inquiry report and findings along with recommendations by IC	By IC to the Management	Within 10 days of completion of inquiry proceedings by IC.
6	Implementation of recommendations made in inquiry report of IC	By the Management	Within 60 days of the receipt of the recommendations made in the inquiry report by IC.
7	Appeal	By any person aggrieved with any of the recommendation of the IC or non-implementation of such recommendation or breach of confidentiality	Within a period of 90 days of recommendations by IC.

KATHARI – “CARE AND DIGNITY POLICY”

ADOPTED ON [], 2021

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Anti-Corruption Policy

ANTI-CORRUPTION POLICY ("POLICY")

1. INTRODUCTION

The term 'Kathari' or 'Company' used in this Policy means Kathari Water Management Private Limited.

Consistent with its core values, Kathari is committed to complying with applicable anti-corruption and sanction laws. Consequently, Kathari, prohibits its personnel, and any other entity or person acting for or on behalf of Kathari from offering, providing or receiving prohibited gratuities, bribes, gifts, entertainment, facilitating payments, or anything of value to or for the benefit of a government official or any other person contrary to anti-corruption laws or engaging in activities or transactions with sanctioned or blacklisted countries or individual parties contrary to applicable sanction laws or engaging in any corrupt, fraudulent, coercive or collusive practice.

Kathari takes zero tolerance approach to corruption and is committed to act professionally, fairly and with integrity in all our business dealings and relationships. It is the objective of Kathari that those it does business with take similar zero tolerance approach to corruption.

2. PURPOSE

This Policy is designed to enhance and provide further guidance to the standards of conduct regarding bribery and corruption. This Policy outlines acceptable and non-acceptable behaviours to ensure compliance with anti-corruption and sanction laws. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers.

3. SCOPE AND APPLICABILITY

This Policy is applicable to the Company and all personnel employed by the Company or acting for or on behalf of the Company wherever they are located, including agents, suppliers, consultants, intermediaries and service providers, directors etc. engaged in business on behalf of or in the name of the Company. Moreover, this Policy applies to all transactions and activities engaged in by or on behalf of the Company worldwide. All Kathari employees are required to act as

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necessary to safeguard and ensure compliance with this Policy at all times.

COMPLIANCE

For the purposes of this Policy, "Compliance Officer" will be such person as may be appointed by the Board of Directors, from time to time, as Compliance Officer, and shall be assisted in the application and monitoring of this Policy by other employees of the compliance team of the Company. The Board shall nominate any other person in the Company to act as the Compliance Officer for the purpose of this Policy during the absence of the Compliance Officer.

The Compliance Officer shall be vested with senior responsibility for oversight and implementation of this Policy, including the development and implementation of effective safeguards, practices and procedures to conform with this Policy. Such measures will include:

- The designation of Compliance Officer with relevant knowledge and authority, independent of business functions, responsibility and oversight of day-to-day matters.
- The development of anti-corruption and sanctions diligence procedures, where such procedures are "gate-checking" requirements for potential transactions and include restricted party screening, anti-corruption checklists, and mechanisms for heightened compliance review.
- The establishment of processes to obtain third-party compliance representations, warranties, and certifications in transactions.
- The creation and maintenance of written policies and procedures which memorialize at a minimum: corporate commitment to compliance; current organizational positions and responsibilities related to compliance; requirements for training; internal audit and risk assessment procedures to regularly monitor the compliance with applicable laws by all personnel employed by, or acting on behalf of, the Company; policies regarding disciplinary action; methodology for documenting the due diligence, compliance determinations, internal reporting, and company actions regarding anti-corruption and sanctions concerns consistent with record-keeping requirements under applicable law; and the development of other procedures necessary to ensure that this Policy is fully implemented and

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effective in assuring compliance with applicable anti-corruption and sanctions laws at all times.

- The ongoing provision of training and guidance to personnel and agents as necessary to ensure that they have an appropriate understanding and awareness of restrictions on sanctionable practice and related compliance mandates.

Other designated management officials of the Company are required to take actions necessary to distribute this Policy and inform personnel who report to them regarding sanctionable practice and their related compliance obligations.

It is the responsibility of each of Kathari employee, to at all times, abide by all applicable laws and regulations and this Policy. Lack of knowledge about applicable rules and regulations is never an excuse and each Kathari employee must keep themselves updated with and act according to:

- the requirements in this Policy
- all relevant local rules and legislation of the place where Kathari employee conducts business
- other business practices that may be applicable, such as trade associations' ethical codes and international conventions

All Kathari employees must comply with the overriding local law position and ensure that it is not violated.

4. PENALTIES FOR NON-COMPLIANCE

Violation of this Policy and/or violation of anti-corruption and sanctions laws can result in administrative, civil and criminal investigations and prosecution that could lead to the imposition of severe penalties (including imprisonment and fines) on the Company and any person involved in related activities. Violation of relevant sanctions laws could also result in severe and damaging limitations on the Company's ability to engage in international commerce, access to international capital markets, foreign commercial and qualification for government contracts. In addition, violation of anti-corruption or sanctions laws could significantly damage the Company's public image, reputation, business relationships and market position. Such actions can also impact Kathari employees as many of the laws include criminal sanctions which means imprisonment and fines are a real possibility, not only for the senior management team of Kathari but also for the individuals involved in or with knowledge of the

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corruption, no matter what level they are at.

Kathari employees must consequently always exercise good judgment and never put themselves or others into a position of being under undue influence or even the suspicion thereof.

All Kathari employees are individually expected and responsible to do their part to ensure that the Company complies with these laws at all times and to safeguard the Company against related risks. Failure to comply with applicable anti-corruption and sanctions laws or the specific requirements of this Policy constitutes potential grounds for disciplinary action by the Company up to and including possible termination of employment.

5. WHAT IS CORRUPTION?

For the purpose of this Policy, "corruption" means any act intended to result in the misuse of entrusted responsibility and/or authority for improper personal or corporate gain, including bribery, kickbacks, conflicts of interest and misuse of company assets.

For the purpose of this Policy, "bribery" means promising, offering or giving, receiving or soliciting an undue advantage to a person or entity, either directly or through an intermediary, by use of improper means, in order that the person or entity should perform, or refrain from performing, an act in breach of their business or public duties. This is regardless of whether the activity is linked to past, present or future business transactions.

Bribery includes the provision or receipt of:

- cash or other forms of payment to secure a contract or obtain a license;
- facilitation payments;
- gifts or entertainment intended to influence the recipient to undertake a particular course of action;
- donations with an ulterior motive; or
- payment of travel expenses or accommodation for a customer or official when there is no justifiable underlying business purpose for such travel or accommodation.

6. AREAS WITH EXPOSURE OF CORRUPTION

The following areas are identified as potential risk areas for corruption and include "**Standards of Conduct**" that are intended as principles and guidance to assist in identifying and dealing with situations of potential corruption:

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i. Business Representatives

Kathari does business with a number of consultants, vendors, contractors, experts, agents and service partners ("**Business Representatives**") in different parts of the world. Business Representatives are responsible to conduct business according to this Policy in the same manner as Kathari employees, as Kathari may find itself liable for their actions.

Standards of Conduct:

- It is never appropriate for a Business Representative to carry out an act on Kathari's behalf that would be a breach of this Policy if done by Kathari directly. Authorizing, encouraging or knowingly allowing (which includes having a reasonable suspicion of their intention) any third party to pay or receive bribe or engage in other sanctionable practice on Kathari's behalf would tantamount to a serious violation of this Policy and applicable anti-corruption and sanction laws.
- All Kathari employees who are involved in any aspect of the relationship with a Business Representative shall make disclosure of such relationship to the Company before appointment of such Business Representative.
- An evaluation of the Business Representative must be performed prior to any appointment. The general principle is to perform background check, research and interviews to ensure that the Business Representative will behave in a manner consistent with this Policy. The research shall include any potential conflicts of interest and any prior or current administrative, civil or governmental proceedings against such Business Representative.
- All Business Representatives appointed must be appointed pursuant to a written contract on the terms and conditions in the best interest of the Company.
- Compensation paid to a Business Representative must be appropriate, reasonable and justifiable in return for legitimate services according to the written agreement. Compensation will only be paid following receipt of a valid invoice and to its registered place of business/ company

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within its country of residence. No side agreements of any kind will be accepted. No requests made for over-invoicing, or that all or a portion of the commission be paid in a third-party country, to a third party, in cash or otherwise untraceable funds, or by other irregular methods will be accepted.

ii. Gifts, Hospitality and Expenses

Exchanges of reasonable and courtesy business gifts and hospitality as part of business practices are allowed if they are transparent, proportionate, reasonable and of a bona fide nature, unless the action violates applicable laws. They should be modest in nature and value and not exceed any amounts specified by relevant local law or other local practices.

Particular care and caution should be taken in dealing with public or government officials and employees.

General Standards of Conduct:

All Kathari employees are prohibited from receiving, offering or providing gifts and hospitalities whenever they can be perceived to affect the outcome of a business transaction or potentially expose our business to undue influence.

Gifts

Gifts typically include low value items given professionally without any expectation of compensation or value in return.

Standards of Conduct:

- A gift should be of modest value and must never leave the recipient into a position of obligation. Common and acceptable gifts include company promotional items.
- A gift shall never consist of money, loans or anything else that can be exchanged to a monetary value.
- Gifts from service providers or other third parties should whenever

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possible be respectfully declined. In those instances when this is not possible (e.g. mailed items or in specific countries or cultures), the gifts must be put into a common display or raffled (with the proceeds going to charity) or donated to charity.

Hospitality

Hospitality typically includes meals and/or entertainment (e.g. music-, sports- or theatre events) when a company intends to initiate or develop its business relationships with existing or prospective customers and business partners.

Standards of Conduct:

- For hospitality to be permitted, it must always be in connection with a justifiable business meeting where the business content is predominant.
- Hospitality requires that the host be present and that the hospitality is fairly provided and modest in value.
- Hospitality must never be perceived as excessive or luxury and must never leave the recipient into a position of obligation.
- Hospitality must not be offered on an overly frequent basis.

iii. Charitable Donations

Charitable support and donations are acceptable and are encouraged whether of in kind services, knowledge, time or direct financial contributions. However, employees must be careful to ensure that the charitable donations are not used as a scheme to conceal bribery. Kathari only makes charitable donations which are legal and ethical as per local laws and practices. No charitable donations must be offered or made without prior approval of Compliance Officer/Chief Executive Officer of the Company.

iv. Facilitation Payments

A facilitation payment is a token unofficial payment made to secure or expedite a routine service or other necessary action to which the payer of the facilitation payment has legal or other right to receive. The key element of facilitation payment is that the service which the payment relates to must be something to which the payer would be entitled to receive with or without the payment.

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Kathari's policy is that facilitation payments are not permitted.

Standards of Conduct:

- Kathari employees may not directly or indirectly make a facilitation payment and accordingly facilitation payments made by an individual and included in an expense report will not be reimbursed by Kathari.
- Kathari recognizes that in some exceptional instances payments may be demanded under threat of violence, personal harm or imprisonment. In the event any payment is made under duress or asked for, this must be documented and reported to your line manager.

v. Merger, Acquisitions and Joint Ventures

When undertaking any merger, acquisition or joint venture, Kathari must ensure that the due diligence process carried out will identify if the target company presents any actual or potential risks in relation to anti-corruption and sanction laws.

Standards of Conduct:

The anti-corruption due diligence shall include any actual or perceived potential conflicts of interest, the reputation and past conduct of the target company (involvement in any sanctionable practice), details of the target company's anti-corruption policy/ program and any prior, current or threatened administrative, civil or governmental proceedings.

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7. RECORD-KEEPING

Kathari shall keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

Kathari shall ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, service providers and business contacts shall be prepared and maintained with strict accuracy and completeness. No accounts shall be kept "off-book" to facilitate or conceal improper payments.

8. GUIDANCE AND REPORTING

This Policy is intended to ensure that Kathari employees are aware of relevant anti-corruption and sanctions laws and regulations affecting the Company's business. The Compliance Officer will be a resource for further guidance on this Policy and anti-corruption and sanctions laws in general. The Company may provide training to personnel in positions most affected by this Policy and related concerns.

The anti-corruption and sanctions laws that can affect the Company's business are complex subject to change over time. Kathari employees should not self-advise on any matters of interpretation of these laws. Rather, Kathari employees are required to request guidance on questions of interpretation or application of such laws either through their immediate supervisor or by directly contacting the Compliance Officer.

Kathari employees are responsible for understanding and complying with applicable anti-corruption and sanctions laws within the scope of their employment with the Company. Kathari employees have an obligation to make clear to all consultants, agents, service providers etc. that they are required to comply with this Policy, and that sanctions and termination of the relationship may be a result in the event of any violation.

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Kathari employees are expected to seek guidance as necessary to understand and comply with these laws from, and to promptly report actual or suspected possible violations of these laws or this Policy to, the Compliance Officer. Kathari employees also may report related concerns, anonymously, as they may prefer, to the Compliance Officer. The Company prohibits retaliation against any personnel for making a good faith report of actual or suspected violation of this Policy, the Company's Code of Conduct, laws, regulations or other Company policy.

Kathari – "ANTI-CORRUPTION POLICY"
ADOPTED ON [], 2021

7. FRAMEWORK FOR MANAGING CONFLICTS OF INTEREST



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Framework for Managing Conflicts of Interests

BROAD FRAMEWORK FOR MANAGING CONFLICTS OF INTEREST

1) Background

The term Conflicts of Interest (COI) refers to any situation involving related third-party transactions and non-arm's length relationships that results in a gain or potential gain to one party at the expense of the other party. As the situations involving COI results in obtaining an undue benefit at the expense of the other party, management of such COI situations assumes significance in the governance of any organisation.

Kathari Water Management Private Limited ("Kathari", "The Company") has, therefore, developed a framework to manage such conflicts in order to enable it to conduct its business/activities in an ethical and transparent manner.

2) Situations in which COI could arise

Kathari is aware that a potential COI situation could arise at the individual level or at the organisation level.

At an individual level, such situations could result in an interest that interferes or has the potential to interfere, with an employee's ability to act in accordance with his/her designated roles and responsibilities.

At the organisational level, the Company is aware that the COI could arise in situations such as those while undertaking sale / acquisition of assets, while engaging with Company's agents, dealers, vendors, suppliers, sub-contractors, contractors or the like by whatever name called, while handling intra-group transactions and dealings with or between portfolio / investee companies of Kathari, or between portfolio / investee companies of different funds of which Eversource Capital Private Limited ("EVERSOURCE") is the investment manager or may be interested directly or indirectly, and the like.

Kathari adopts the following principles and measures to manage COI situations.

3) Principles for managing COI

Two key principles govern the framework for managing potential COI:

a) Protection of Investor's and the Company's interests

Framework for Managing Conflicts of Interests

The central focus of Kathari is to serve the best interests of the Company and its investors, shareholders and stakeholders; without regard for private interests, personal attitudes or opinions. Kathari will act not only in compliance with the applicable laws/regulations, but also towards the long-term sustenance of the enterprise with the endeavour to manage COI in favour of the Company and its investors' interest.

b) Transparency and accountability

Kathari adopts measures in keeping with applicable laws /regulations, to enable: proper disclosure, regular communication with key stakeholders and effective controls and oversight at the operational level and at the Board level.

4) Measures for managing COI

Kathari has already taken several steps in ensuring that COI situations are handled in an appropriate manner, at the individual employee level and at the organization level of Board of Directors of Kathari.

- ☐ Each Director appointed is responsible for ensuring that that he/she makes a best effort to avoid or mitigate COI situations where others might reasonably perceive there to be a COI to exist and is required to make a full and timely disclosure (preferably in writing) to the Board of any COI, or potential COI situation.
- ☐ Kathari keeps an interest register to keep transactions involving self-interest of Directors. The Company's constitution documents provides that Directors shall cause to be entered in an interest register and shall declare to the Board any interest that they may have in relation to a proposed resolution / transaction.
- ☐ Each employee of Kathari upon appointment undertakes to make disclosure of all transaction(s) in which he / she may be directly or indirectly be interested.

Kathari – FRAMEWORK FOR MANAGING CONFLICT OF INTEREST
ADOPTED ON [], 2021.

9. WHISTLEBLOWING POLICY



Confidential: For Internal use only

Whistleblowing Policy

FOREWORD

Dear Colleagues,

Kathari Water Management Private Limited ("**KATHARI**" or "**the Company**") believes in conducting business based on highest standards of professionalism, accountability, transparency, honesty, integrity and ethical behaviour. To maintain these standards, the Company encourages its employees who have bona fide concerns about any actual or suspected wrongdoing to come forward and express these concerns in a responsible and effective manner without any fear. This is also because it gives us an opportunity to correct a situation prior to legal action or adverse publicity. To achieve this objective, it is felt necessary by the management of the Company to define a whistleblowing policy which will appropriately address bona fide concerns that individuals within the Company or working for the Company might have, while also offering to such whistleblowers protection from victimisation, harassment or unfair treatment.

You are requested to read the attached whistleblowing policy and submit the attached acknowledgement.

-Compliance officer

Whistleblowing Policy

INTRODUCTION

KATHARI is committed to developing an open and transparent culture where it is safe for all Employees (as defined hereinafter) to report their bona fide concerns about any perceived wrongdoing within the Company. This Policy, therefore, envisages to provide an avenue for Employees to report bona fide concerns over any perceived wrongdoing within the Company.

It should be clarified that the Policy is not designed to question financial or business decisions taken by the Company nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures. Further, the Policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

DEFINITIONS

"Board" means board of directors of the Company.

"Employee" means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

"Protected Disclosure" means a concern raised by a written communication in Good Faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature. For the purposes of this Policy, a Whistleblower shall be deemed to be communicating in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the Whistleblower does not have personal knowledge on a factual basis for the communication or where the Whistleblower knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.

"Whistleblower" means any person mentioned under paragraph titled

Whistleblowing Policy

"COVERAGE OF THE POLICY" making a Protected Disclosure under this Policy.

WHAT IS WHISTLEBLOWING?

Whistleblowing is the confidential disclosure by an individual to a person with supervisory authority of any bona fide concern encountered in the workplace relating to a perceived wrongdoing. The Company considers such wrongdoings to include any actual or suspected:

- Criminal or civil offence (including fraud, corruption, bribery or theft).
- Immoral, illegal or unethical conduct and serious irregularities.
- Gross misconduct.
- Infractions of the Company's code of conduct or policies.
- Infractions of the codes of conduct of all relevant professional institutions.
- Conflict of business interests.
- Misuse of Company's assets.
- Abuse of authority or discretion.
- Breach of contract.
- Pilferation of confidential/proprietary information.
- Wilful suppression of facts.
- Company's funds being used in any unauthorised manner.
- Misstatement in the Company's financial records which include balancesheets, sales records and expense reports and distorting the true nature of the transaction.
- Falsification of transactions/documents.
- Miscarriage of justice or any injustice.
- Danger to health or safety of any individual/employee of the Company or public at large.

Whistleblowing Policy

- Discrimination occurring to any member of the staff such as favouritism, bias etc.
- Any other form of improper action or conduct.

AIM OF THE WHISTLEBLOWING POLICY

The Policy aims at:

- Encouraging the Whistleblowers to feel confident in making Protected Disclosures.
- Ensuring that the Protected Disclosures are addressed in a timely and effective manner.
- Initiating action, where necessary, to set right the concerns raised by the Protected Disclosure.
- Ensuring that the Policy is not abused.

COVERAGE OF THE POLICY

This Policy applies to everyone who works for the Company in India or abroad, including:

1. Employees of the Company
2. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
3. Contractors, sub-contractors, vendors, suppliers or agencies (of any of their employees) providing any material or service to the Company
4. Consultants
5. Retainers, interns or trainees
6. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can make a Protected Disclosure under this Policy.

DUTY TO REPORT

Reporting is crucial for early detection, proper investigation and remediation. Accordingly, any Whistleblower is required to report to the Company any actual or suspected violation of any applicable law, any of

Whistleblowing Policy

the Company's code of conduct or policies, accounting or financial reporting violations, insider trading, bribery, or violations of the anti-retaliation aspects of this Policy. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

GUIDING PRINCIPLES AND ASSURANCE

To ensure that this Policy is adhered to, and to assure that the Protected Disclosures will be acted upon seriously, the Company will:

1. Ensure that the Whistleblower and/or the person processing the Protected Disclosure are not victimized for doing so.
2. Take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.
3. Ensure that any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.
4. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization.
5. Ensure complete confidentiality of the Whistleblower and the Protected Disclosure to the extent possible and permitted under law. However, the Company is not accountable for maintaining anonymity where the Whistleblower has told others of the alleged misdemeanour.
6. Not attempt to conceal evidence of the Protected Disclosure.
7. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
8. Provide an opportunity of being heard to the persons involved especially to the Subject.

DELIBERATE FALSE REPORTING

If an Employee makes any Protected Disclosure that he/she believes to be true, but which upon investigation proves to be unfounded, no action will be taken against such an Employee. If, however, the investigation reveals that the Employee has made a deliberately false allegation with the intention of discrediting a fellow Employee, or the Company or any other person or for any reason, he/she will be investigated to determine whether disciplinary action should be taken against him/her. Such

Whistleblowing Policy

disciplinary action could (among other things) also result in termination of employment. Further, this Policy may not be used as a defence by an Employee against whom an adverse personnel action has been taken independent of any disclosure made by him and for legitimate reasons or cause under Company rules and policies.

A Whistleblower, who makes 3 (three) or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblower, the Company would reserve its right to take/recommend appropriate disciplinary action.

Whistleblowing Policy

HOW SHOULD THE EMPLOYEE RAISE THE CONCERN

"Compliance Officer" will be such person as may be appointed by the Board of Directors, from time to time, as Compliance Officer who shall oversee the compliance and implementation of this Policy. A Whistleblower can approach the General Counsel directly to report any such concern by writing him at [___] or forward a sealed envelope marked "**For Director – Whistleblowing Policy**" to the Company Secretary, who will then forward these sealed envelopes to the General Counsel.

Employees having any concerns are also encouraged to raise their concerns initially through the management channels by whatever route the Employee may choose to raise his or her concern. If a Protected Disclosure is received by any executive of the Company other than the General Counsel, the same should be forwarded to the General Counsel for further appropriate action. The identity of the Whistleblower will be kept confidential if asked to do so and will be disclosed only if it becomes necessary for investigation purposes or in certain circumstances where it is legally required to be so disclosed.

While there is no specific format for submitting a Protected Disclosure, the Whistleblower must provide the following information to enable effective investigation:

1. Name, address and contact details of the Whistleblower
2. Brief description of the Malpractice, including the names of those alleged to have committed or suspected to commit a Malpractice
3. Date, time and location of incident
4. Value of any money or assets involved
5. Evidence (if any)
6. Any other information that may substantiate the

concern. Factual data should be provided to the extent possible.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

Whistleblowing Policy

A Whistleblower should make it clear that he/she is making the Protected Disclosure within the terms of this Policy. This will ensure the recipient of the Protected Disclosure realises this and takes the necessary action to investigate the Protected Disclosure and to protect the Whistleblower's identity. Disclosures expressed anonymously will ordinarily NOT be investigated.

INVESTIGATION

The General Counsel will acknowledge receipt of the Protected Disclosure as soon as practical to do so, where the Whistleblower has provided his/her contact details. The General Counsel will take effective steps to respond to any Permitted Disclosure that has been reported and will inform to the Board of the outcome. In cases where a detailed investigation needs to be conducted, the General Counsel may direct such investigation to be conducted by a special committee constituted by the Board or an independent external agency. The investigation would be conducted on a fact-finding basis in a fair and timely manner and the investigating authority will give appropriate chance to the Subject(s) to present his/her case.

If the General Counsel has a conflict of interest in any given case, then he/she should recuse himself/herself and the Board shall deal with the matter on hand as it may deem fit.

The Whistleblower will be kept informed of progress and the outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally. A confidential record of investigation process will be kept by the Company.

The Protected Disclosure made by the Whistleblower may be handled and treated by the General Counsel *inter alia* in any of the following ways:

- By adopting procedures, especially with regard to dealing with certaintypes of complaints relating to accounting and internal controls.
- Through other relevant procedures/processes that are already in place.
- Internal investigation.
- Referring to external regulatory or law enforcement officials.

Whistleblowing Policy

- Referring to external auditors or other investigators or firms, subject to the findings of an independent internal enquiry.
- Or a combination of the above.

RIGHTS OF A SUBJECT

1. The decision to conduct an investigation taken by the General Counsel is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
2. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
3. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
4. Subjects shall have a duty to co-operate with the General Counsel or any of the investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
5. Subjects have a right to consult with a person or persons of their choice, other than the General Counsel, investigators and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
6. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
7. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
8. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
9. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

Whistleblowing Policy

ACTION ARISING FROM THE INVESTIGATION

Based on the report of the Investigating Authority, the General Counsel in consultation with the Chief Executive Officer will ensure that remedial action, where required, is taken in a timely manner dependent on the gravity of the misconduct. This action could result in any of the following:

- Suspension.
- Stoppage of increments/promotion.
- Dismissal.
- Any other action, legal or otherwise, including withholding/non-payment of employees dues, if the misconduct involves fraud, financial irregularities etc.

Employee(s) who fail to co-operate in an investigation, or deliberately provide false information shall be subject to strict disciplinary action up to and including dismissal.

SAFEGUARDS FOR THE WHISTLEBLOWER

The Company will ensure that no action will be taken against a Whistleblower who makes allegation/raises a concern in good faith, reasonably believing it to be true. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure.

In case retaliation by a fellow employee including his immediate superior is brought to the attention of the General Counsel, he will direct an investigation against such employee or superior and recommend appropriate disciplinary action, as necessary to be taken.

AMENDMENT

Whistleblowing Policy

The Company is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities will be resolved in line with the broad intent of the Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

KATHARI – “WHISTLEBLOWING POLICY”

ADOPTED ON [], 2021

Kathari Water Management Private Limited

Part II

Environmental, Social and Governance Management System Manual

Issue Date:	04 October 2022
Document No:	KWMP-ESGMS-MAN-01
Approved By:	 Prakash Seshadri Nathan Executive Director & CEO



Preamble

The system for integrating environmental, social and governance (ESG) aspects in Kathari Water Management Private Limited's (KWMPL) business operations has been developed in two parts:

- *Part I: Environmental, Social and Governance Policy*
- *Part II: Environmental, Social and Governance Management System*

The ESG Policy document as Part I of the documentation presents the ESG Policy Statement of KWMPL. The Policy states KWMPL's intentions on environmental and social aspects of the business.

The Environmental, Social and Governance Management System (ESGMS) presented in Part II of the documentation has been developed to enable implementation of the ESG Policy. The ESGMS Manual articulates the planning and the operational procedures to be adopted by KWMPL for each investment process. This includes the decision-making process starting from the due project diligence stage, investment, and operational stage.

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Abbreviations

BOOT	Build, Own, Operate and Transfer
BRSR	Business Responsibility and Sustainability Reporting
CRZ	Coastal Regulation Zone
DFID	Department of International Development
ESG	Environmental, Social and Governance (including Occupational Health & Safety)
EHS	Environment, Health, and Safety
EHSS	Environmental, Health & Safety and Social
ESGAP	ESG Action Plan
ESDD	E&S Due Diligence
ESGMS	Environmental, Social & Governance Management System
ESF	Environmental and Social Framework
FCDO	Foreign, Commonwealth & Development Office
FoF	Fund of Funds
GGEF	Green Growth Equity Fund
GIIP	Good International Industry Practices
GCF	Green Climate Fund
IFC-PS	International Finance Corporation Performance Standards
IWTP	Industrial Wastewater Treatment Plants
KWMPL	Kathari Water Management Private Limited
NMCG	National Mission for Clean Ganga
NIIF	National Investment and Infrastructure Fund
OPEX	Operating Expenses
SCZMA	State Coastal Regulation Zone Management
SDG	Sustainable Development Goals
STP	Sewage Treatment Plant
T-EPC	Top Engineering, Procurement and Construction
WB-EHS	World Bank Group's Environmental, Health and Safety Guidelines

1 Overview of Kathari Water Management Pvt. Ltd.

1.1 About Kathari Water Management Pvt. Ltd.

Kathari Water Management Private Limited ('KWMPL') is a wholly owned Platform of Green Growth Equity Fund ('GGEF'), an Alternative Investment Fund registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012. GGEF was established with anchor investment from National Investment and Infrastructure Fund ('NIIF') anchored by Government of India and Foreign, Commonwealth & Development Office ('FCDO'), Government of UK. EverSource Capital Private Limited ("EverSource") is the investment manager of the GGEF.

KWMPL was registered in January 2021 with an objective to invest in companies or take ownership (full or part) in assets for improving their financial performance and operational efficiencies by offering solutions for water conservation, water metering (intelligent monitoring and measurement), packaged (medium to large size) treatment plants (sewage, domestic water supply), automation/upgradation of the domestic and effluent treatment plants and operation and maintenance of the water/wastewater treatment plants.

1.2 Investment Strategy and Focus Areas

KWMPL aspires to become India's leading private water management company operating on a 'Water as a Service' model, in the 'Water Reuse Segment'. The focus areas of KWMPL include Sewage Treatment Plant (STP), Industrial Wastewater Treatment Plants (IWTP), Desalination Projects, and water and wastewater monitoring solution and technology platforms.

KWMPL operates through business segments including but not limited to urban/municipal, commercial/residential and industrial water reuse. For the urban segments, KWMPL plans to participate in National Mission for Clean Ganga (NMCG) projects and state level STP projects. For the commercial segments, KWMPL intends to acquire the existing players (either through a 100% acquisition or a majority acquisition) and offer integrated solutions to commercial and residential players in water/reuse through operating expenses (OPEX) model and digitization services. For the industrial water reuse segment, KWMPL aims to partner with leading wastewater treatment companies, top engineering, procurement, and construction projects (T-EPC) and implement Build, Own, Operate and Transfer (BOOT) models with leading industrial players.

1.3 Background of Development of ESGMS

KWMPL is cognizant that its investments / operations in the water and wastewater sectors potentially impact – both positively and negatively on various environmental and social (E&S) aspects. KWMPL may thus be exposed to challenging environmental and social issues related to ecological sensitive project location, land acquisition, resettlement and rehabilitation, sludge disposal, loss of biodiversity, odour nuisance, severances due to pipeline construction etc. If these impacts are not mitigated then there could be risks leading to irreversible environmental damages, penalties, stoppage of construction work as well as operations. Such adverse impacts, if left unaddressed, could translate to credit risks and/or reputation risks for KWMPL. An overview of the key E&S risks from the perspective of KWMPL have been outlined in **Annex-1**.

To address such adverse risks in a structured manner and take actions at appropriate stages, KWMPL has developed an Environmental, Social and Governance Management System (ESGMS) to identify, assess, manage, and monitor the environmental and social risks and opportunities in their investments. The term Environmental, Social and Governance encompasses Occupational Health & Safety aspects as well.

The ESGMS is guided by an ESG Policy that has been developed as per reference frameworks (see Part - 1) commensurate to KWMPL's operations. In addition, the ESGMS will also support KWMPL in accommodating its investors' considerations and provide guidance on its implementation and reporting framework at both strategic and operational levels.

1.4 Scope of the ESGMS

The Environmental, Social and Governance Management System and its requirements will be applicable to all investments considered by KWMPL.

1.5 Structure of ESGMS

The ESGMS is developed using Deming's Plan-Do-Check-Act cycle and as per framework suggested in the IFC Performance Standard 1. The requirements from the reference frameworks have also been suitably factored in the design of the structure. The structure of Framework is presented in Error! Reference source not found..

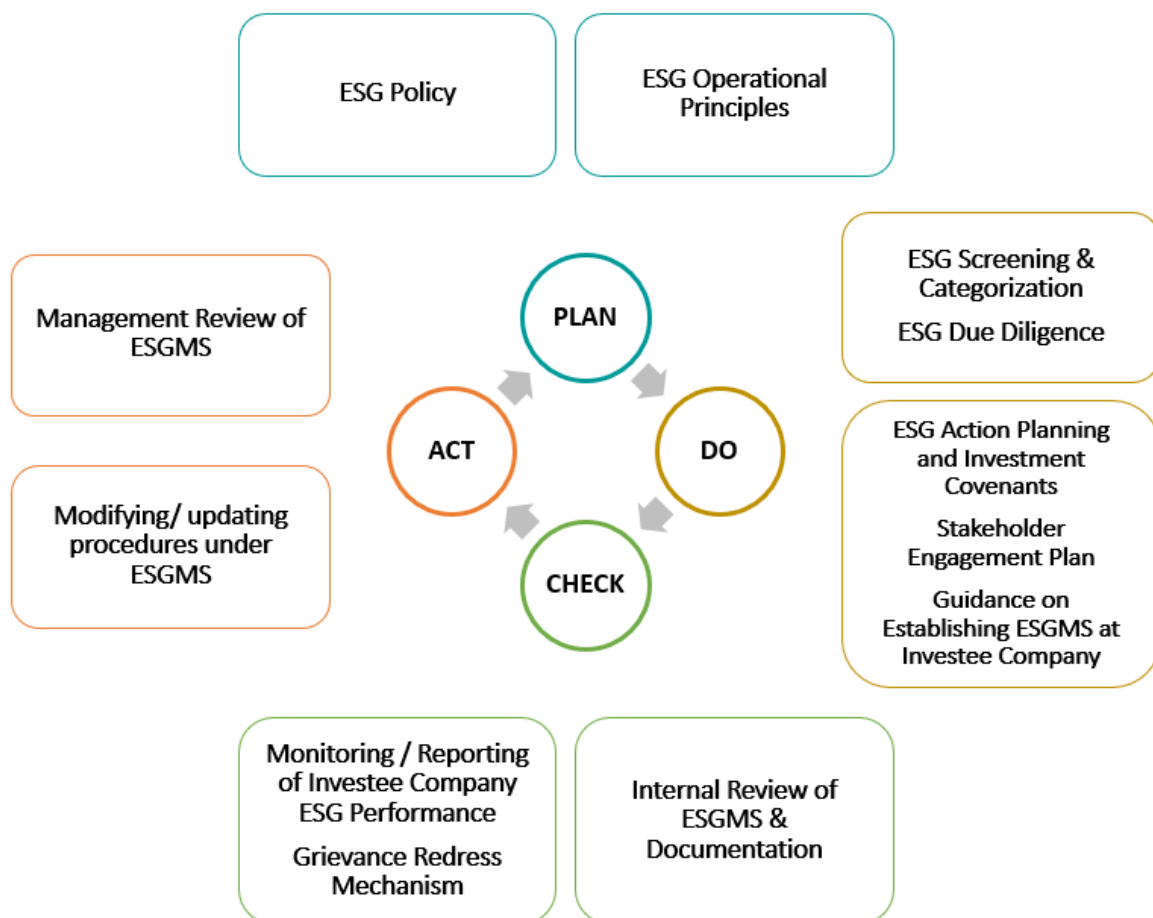


Figure 1-1: Typical Structure of KWMPL's ESGMS

2 Investment Standards for the ESGMS

KWMPL will remain committed to benchmark its investments to the following requirements / frameworks:

- Applicable national, state, and local environmental and social (including occupational health and safety) related laws and regulations
- The United Nations Sustainable Development Goals, 2015
- Good International Industry Practice (GIIP) requirements as applicable from the ESGMS requirements of GGEF (developed by EverSource)¹ that include:
 - IFC Performance Standards, 2012
 - The World Bank Group General Environmental, Health and Safety (EHS) Guidelines, (2007) and relevant World Bank Group Industry Sector EHS Guidelines
 - Department of International Development (DFID) Toolkit on ESG for Fund Managers (2010)²
 - ESM Policy Framework of National Investment and Infrastructure Fund (NIIF) comprising of E&S Policy, E&S Exclusion List and E&S Management Principles (2018)
 - Green Climate Fund's (GCF) environmental and social framework including E&S Policy (2018), Indigenous Peoples Policy (2018), Gender Policy, Information Disclosure Policy (2016) and Interim E&S Safeguards ("ESS") (2014)
 - FMO Sustainability Policy (2016)
 - United Nations Guiding Principles on Business and Human Rights (2011)

2.1 Indian Legal Requirements

The environmental regulations in India address protection of environment and natural resources that form the input to any process or activity as well as for management and handling of pollutants released from a process or activity. The social regulations in the country address concerns related to land acquired or purchased for development of a project; and labour and working conditions, worker welfare, health, and safety for those engaged across the project lifecycle.

A wider set of environmental, and occupational health and safety (EHS) and labour welfare regulations will be applicable to water and wastewater treatment plant Projects. The businesses involved in providing technology solutions for water and wastewater monitoring and analysis etc. will however have limited application of the EHS regulations. A summary of EHS regulations and its application to KWMPL's focus areas is provided in **Annex 2 Part A and Part B**, respectively.

The nature of businesses that KWMPL will invest / operate could also result in involuntary / voluntary physical displacement and socioeconomic impacts. The regulations related to labour and working

¹ https://www.eversourcecapital.com/app/uploads/2020/11/201105-ESG-Policy-ESGMS_GGEF_FINAL.pdf

² <https://toolkit.bii.co.uk/>

conditions will be applicable to all investments under the scope of the ESG Framework. The requirements of socio-economic & labour welfare related regulations are provided in **Annex 2 Part C**.

In addition to above mentioned regulatory requirements, various policies and notifications on water and wastewater handling, reuse, and management have been issued by various Ministries and State Government in India. A summary of key requirements of the applicable policies and notifications have been provided in **Annex 2 Part D**.

2.2 Institutional Investor Safeguards

A brief description of the various investor safeguards as applicable to KWMPL and its key requirements has been provided below.

2.2.1 IFC Performance Standards (2012)³

The International Finance Corporations E&S Performance Standards (IFC-PS) defines responsibilities of the Investee for managing their E&S risks. The 2012 edition of IFC's Sustainability Framework includes the Performance Standards.

Where environmental or social risks and impacts are identified, the investee is required to manage them through its E&S Management System (ESG-MS) consistent with IFC-PS 1. The IFC-PS 1 also requires the investee to set up an organizational structure with defined roles, responsibilities, and authority to implement the ESG-MS.

The identification of potential E&S risks and their impacts are guided by the IFC-PS 2 through 8. The IFC-PS 2 through 8 also helps in establishing objectives and requirements to avoid, minimize, and where residual impacts remain, to compensate/offset for risks and impacts through appropriate Environmental, Health & Safety and Social mitigation measures.

The eight (8) Environmental and Social Performance Standards are summarized in **Table 2-1**.

Table 2-1: Summary of IFC Performance Standards

Performance Standards	How the Performance Standard is applicable?
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	The operations in the projects of the investee companies across KWMPL's investment focus sectors have the potential to cause environmental and social impacts.
Performance Standard 2: Labor and Working Conditions	The investee companies across KWMPL's investment focus sectors shall employ skilled and semi-skilled personnel across project related activities.
Performance Standard 3: Resource Efficiency and Pollution Prevention	The investee companies across KWMPL's investment focus sectors and their associated operations have the potential to cause air, water, and land pollution and generate various types of wastes. KWMPL through its investments is also committed to ensuring recyclability and reuse of water and use energy efficient technologies to achieve the intended outcomes.

³ The applicable version of IFC-PS can be accessed [here](#).

Performance Standards	How the Performance Standard is applicable?
Performance Standard 4: Community Health, Safety, and Security	The investee companies across KWMPL's investment focus sectors and their associated operations could potentially impact the community health, safety, and security.
Performance Standard 5: Land Acquisition and Involuntary Resettlement	The operations of the investee companies across KWMPL's investment focus sectors may involve lease / purchase of land from private landowners or involve compulsory land acquisition and result in involuntary displacement or involve conversion of the agriculture land to non-agriculture purpose.
Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	The operations of the investee companies across KWMPL's investment focus sectors may interact with protected areas such reserved forests, wildlife sanctuaries, national parks or biodiversity rich areas and result in associated impacts.
Performance Standard 7: Indigenous Peoples	The operations of the investee companies across KWMPL's investment focus sectors may interact with Scheduled or Tribal Areas and have the potential to result in associated livelihood related impacts to the indigenous people in such areas.
Performance Standard 8: Cultural Heritage	The investee companies and the projects across KWMPL's investment focus sectors may be located near any cultural heritage place or monument.

2.2.2 The World Bank Group General Environmental, Health and Safety (EHS) Guidelines (2007) and relevant World Bank Group Industry Sector EHS Guidelines⁴

The World Bank Group Environmental, Health and Safety Guidelines (WBG-EHS Guidelines) are technical reference documents with general and industry-specific examples of good international industry practice that can be referred while evaluating and selecting resource efficiency and pollution prevention and control techniques. The EHS Guidelines are referred as good international industry practice (GIIP) documents.

2.2.3 Department of International Development (DFID) Toolkit on ESG for Fund Managers (2010)⁵

This toolkit⁶ is primarily designed for private equity fund managers investing in emerging markets of developing countries with an aim to integrate ESG analysis into investment decisions and management. The toolkit provides practical guidance to implement CDC's Investment Code on ESG that is consistent with international standards and best practices.

The toolkit (<https://toolkit.bii.co.uk/>) covers ESG matters for specific industries, regions, and different kind of funds. It also includes climate change and gender considerations. Each tool covers a specific area with an objective to increase awareness of ESG opportunities and risks, that may need to be addressed and monitored. The tool also helps to flag complex areas where specialist external support may be required.

⁴ The EHS Guidelines can be accessed [here](#).

⁵ https://www.eversourcecapital.com/app/uploads/2020/11/201105-ESG-Policy-ESGMS_GGEF_FINAL.pdf (Appendix D1)

⁶ DFID Toolkit can be accessed [here](#).

2.2.4 E&S Management Policy Framework of National Investment and Infrastructure Fund (NIIF)⁷

National Investment & Infrastructure Fund Limited (NIIF) developed an Environmental and Social Management Framework (ESMF) in 2018 that comprises of the E&S Management Policy, E&S Management Principles, E&S Management Procedures and Guidelines (2018). E&S Management Principles include Environmental & Social Risk Assessment and Management Systems, Environmental Risks and Management, Human Resources Management and Social Risks and Management. In order to ensure effective operation and implementation of NIIF's E&S Policy & Principles, NIIF provides training, support documents (E&S review procedures, internal guidelines for Fund of Funds (FoF) Managers and external guidelines for investment proponents) to concerned stakeholders.

2.2.5 Green Climate Fund's (GCF) Environmental and Social Framework⁸

GCF in order to fulfil its mandate of promoting low-emission and climate resilient development pathway has facilitated a set of management systems to identify, analyse, avoid, minimise and mitigate any potential adverse environmental and social impacts. GCF's environmental and social framework includes an Environmental & Social policy (2018), an Indigenous Peoples Policy (2018), Gender Policy, Information Disclosure Policy (2016) and Interim E&S Safeguards (2014). GCF incorporates environmental and social considerations into its decision-making and operations and identifies opportunities to improve environmental and social outcomes.

2.2.6 FMO Sustainability Policy (2016)⁹

FMO's sustainability policy is part of the FMO Sustainability Policy Universe launched in 2016. The Policy specifies requirements related to investment criteria, exclusion list, tracking of ESG risks, accountability, stakeholder engagement, integrated reporting, and sustainability management system etc. The Sustainability Policy shapes and guides FMO's efforts towards supporting global sustainable development in an integrated manner. The Policy highlights environmental issues such as climate change and natural resource use, social issues such as poverty alleviation, inclusion and gender, human rights, and land rights, and environmental, social and governance risk management.

2.2.7 United Nations Guiding Principles on Business and Human Rights (2011)¹⁰

The United Nations Guiding Principles on Business and Human Rights (UNGPs) were developed for implementation of the United Nations 'Protect, Respect and Remedy' Framework" with an objective to clarify the human rights responsibilities of transnational corporations and other business enterprises. It consists of 31 principles implementing UN's 'Protect, Respect and Remedy' framework on the issue of human rights and business enterprises. The Guiding Principles are founded on 3 pillars:

- a) **States' existing obligations** to respect, protect, and fulfil human rights and fundamental freedoms.
- b) The **responsibility of business enterprises** to respect human rights and to avoid infringing on the rights of others, address adverse impacts with which they are involved and maintain compliance to the applicable laws of the State.

⁷ The E&S Policy of NIIF can be accessed through - https://www.niifindia.in/uploads/about/NIIFL_ES-Policy.pdf

⁸ The E&S Policy of GCF can be accessed through - <https://www.greenclimate.fund/document/revised-environmental-and-social-policy>

⁹ <https://www.fmo-im.nl/en/sustainability>

¹⁰ The publication on UNGPs can be accessed [here](#).

- c) States' duty to **provide access to remedy** through judicial, administrative, legislative, or other appropriate means as part of their duty to protect against business-related human rights abuse and duty of business enterprises to establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.

Each of the three guiding principles are further elaborated through Foundational and Operational principles. **From the perspective of KWMPL's investments, the principles related to 'Corporate responsibility to respect Human Rights' will be applicable.** The foundational principle under these principles requires businesses to:

- Adhere to internationally recognized laws and requirements on human rights (e.g., International Bill of Human Rights and International Labour Organization's Declaration on Fundamental Principles and Rights at Work)
- Avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.
- Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts.
- Conduct a human rights due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights.

The operational principles further outline the need to establish policies, procedures to conduct human right due diligences and establish mechanisms to operationalize the foundational principles considering the complexities with respect to the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations.

2.2.8 The United Nations Sustainable Development Goals¹¹

The Sustainable Development Goals (SDGs) were adopted by United Nations in 2015 and succeed the Millennium Development Goals (MDGs). SDGs also known as Global Goals are designed for global action of all countries - developing and developed in a global cooperation to strive for peace and prosperity for people and the planet. The 17 SDGs are the 2030 agenda that recognize the interdependence of poverty and other deprivations with strategies that improve health, education and economic growth while tackling climate change and working to preserve natural resources. SDGs are integrated and balance social, economic, and environmental sustainability. The following SDGs will be applicable for KWMPL operations:

Core SDG's	Allied SDG's
SDG 6 - Clean Water and Sanitation	SDG 3 – Good Health and Well-Being
SDG 12 - Responsible Consumption and Production	SDG 8 - Decent Work and Economic Growth
	SDG 9 - Industry, Innovation, and Infrastructure
	SDG 11 - Sustainable Cities and Communities
	SDG 13 - Climate Action
Refer Annex 3 outlines KWMPL's contribution to the aforementioned SDG's and applicable relevant targets and indicators.	

KWMPL's ESGMS has been developed to align with Indian E&S legal requirements and applicable E&S requirements from the institutional investor safeguards as listed above.

¹¹ The UN SDGs can be accessed [here](#)

3 Environmental, Social & Governance Risks Management in Project Lifecycle of Investments

3.1 Process of ESG Integration in Investment Process of KWMPL

The process for assessment and management of E&S risks is applicable to all investments of KWMPL. The ESGMS operational procedures are integrated with the investment process of KWMPL and further described in subsequent sub-sections. Refer **Figure 3-1**.

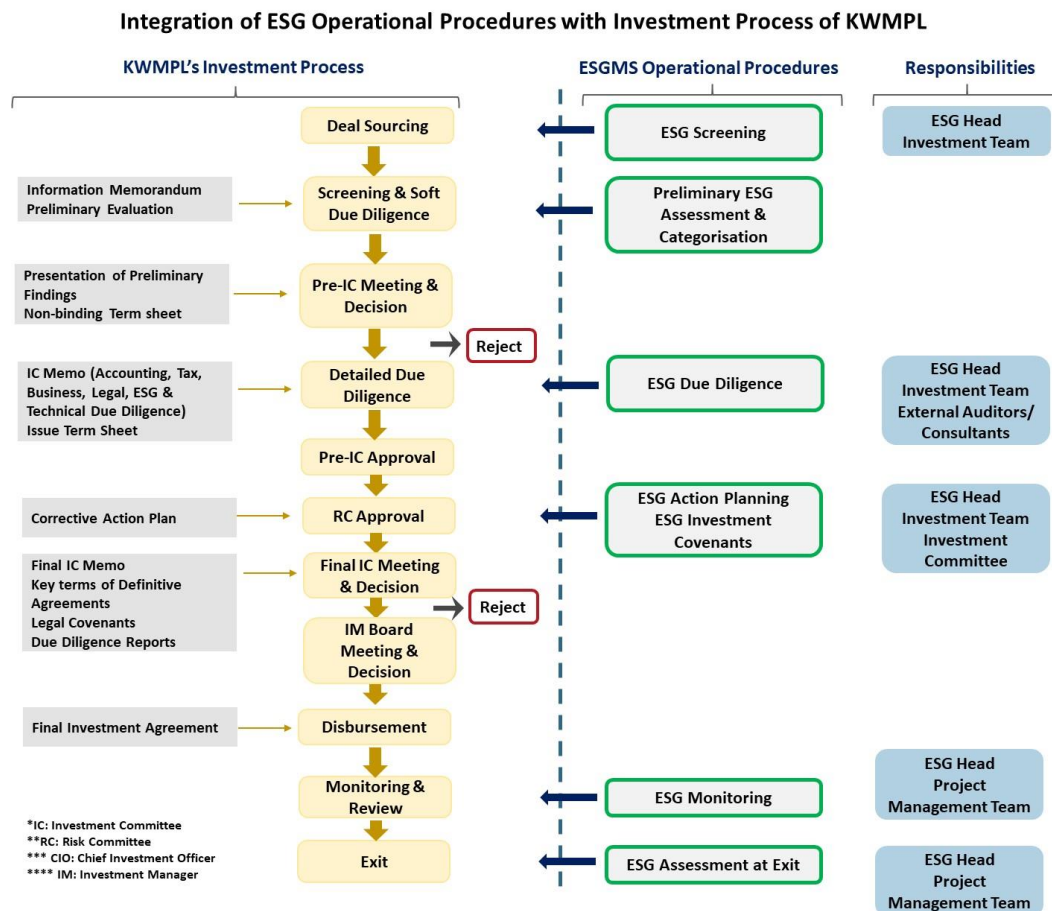


Figure 3-1: ESG Risk Management Process

3.2 ESG Risk Management in Investments

3.2.1 ESG Screening against KWMPL's E&S Exclusion List

An initial screening of the target company against the KWMPL E&S Exclusion List will be carried out during deal sourcing. Refer **Annex 4** for the KWMPL's E&S Exclusion List. In case where multiple projects of a target company are being evaluated, the E&S exclusion list will be applied to each project of the target company. The outcome of the screening against the E&S Exclusion will be formally recorded in format provided in **Tool 1**. KWMPL will not invest in businesses featuring in the E&S Exclusion List.

The screening against the E&S Exclusion List will be carried out by the Investment Team facilitated by the ESG Head.

3.2.2 Preliminary ESG Assessment and Categorisation

Further to the Screening and as part of the preliminary due-diligence, KWMPL will conduct a high-level risk assessment of the target company and assign a preliminary categorisation to the target company. The preliminary risk assessment & categorisation will be carried out by the Investment Team supported by the ESG Head.

The risk assessment process will be based on the review of secondary desktop / information about the target company's asset / business operations. The E&S screening and categorisation framework has been developed in alignment with the reference framework based on the Investment Standards outlined in Section 2 of this ESGMS.

The **Tool 2** provides the template to conduct preliminary risk assessment. Accordingly, an E&S category A, B or C will be assigned to the potential investment. The categorization will consider criteria such as location, sensitivity, nature, and scale of the target company operations, external factors etc.

Information required for carrying out the preliminary risk assessment will be accessed from recognized or authentic secondary sources and the data available with the investment team. The sources of information include (but not limited to):

- Target company website
- Bid documents
- Web search for news about the target company in the media
- Understand the project and operation phase (positive or negative) related environment and climate change impacts (such as GHG generation/abatement, water conservation/reuse/freshwater avoidance, biogas generation potential, renewable energy usage, waste disposal practices etc.
- National Green Tribunal website for any litigations filed or outstanding matters
- Central Pollution Control Board's classification of highly polluting industrial sectors
- Schedule of Environmental Impact Assessment (EIA) Notification 2006 and relevant amendments
- EIA Report of the project available on State/ Central level Appraisal Committees website/State Coastal Regulation Zone Management (SCZMA) Authority approval
- Review of all the applicable environmental approval and compliance reports such as Environmental Clearance (State/Central), SCZMA approval, Coastal Regulation Zone approval, Consent to Establish/Operate etc.
- Locations of Environmental Sensitive Zones, Coastal Regulatory Zones Maps, Protected Areas and Reserved Forests from the website of Ministry of Environment, Forest, and Climate Change (MoEFCC)
- Target company Annual Reports, Sustainability Reports and Business Responsibility Report (BRR) / Business Responsibility and Sustainability Report (BRSR) as applicable.
- Information if the target company has participated in Frost & Sullivan and TERI's Sustainability 4.0 Awards or similar

Based on the aforementioned assessment, KWMPL will assign each of the potential investment a preliminary category based on the E&S risks and impacts of the projects under the investment. The categories are determined based on the basis of the Project's component presenting the highest environmental or social risk and potential impacts in the Project.

One of the following three categories¹² will be assigned:

Category A	A potential investment is categorized A if it is likely to have significant adverse environmental and social impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works and may be permanent in nature. These are considered high risk investments.
Category B	A Project is categorized B if it has a limited number of potentially adverse environmental and social impacts ; the impacts are not unprecedented; few if any of them are irreversible; they are limited to the Project area; and can be successfully managed using good practice in an operational setting. These are considered medium risk investments.
Category C	A Project is categorized C when it is likely to have minimal or no adverse E&S impacts . These are considered low risk investments.

The outcomes of the E&S Screening and Categorisation process will be presented during the Pre-IC meeting and a final Go/No-go decision of the investment will be made. The minutes of the meeting will be recorded.

If needed, this preliminary categorization will be updated post outcomes of the Environmental and Social Due Diligence and adequate justifications will be included in the presentation and or report.

An opportunity assessment aligning with the United Nations Sustainable Development Goals that align with KWMPL's investment focus areas will also be carried out as part of the preliminary ESG Assessment process. During the assessment, the area of operations of the potential target company will be broadly assessed for alignment with these identified SDGs.

3.2.3 ESG Due Diligence

Post the approval of the pre-IC meeting and decision and execution of the proposed term sheet and non-binding offer, an ESG Due Diligence (ESG-DD) of the target company's operations will be carried out. The rationale and resources for conducting ESGDDs will be guided by the following:

Preliminary Project Categorization	Due Diligence Requirements	Conduct of Due Diligence
Category A	ESGDD in accordance with the requirements of the investment standards outlined in Section	Conducted through a competent third-party agency / external consultant

¹² Categories and definitions as provided in the GGEF ESGMS

Preliminary Project Categorization	Due Diligence Requirements	Conduct of Due Diligence
	Error! Reference source not found.. Additional studies, if identified in the ESDD	
Category B	- ESGDD in accordance with the requirements of the investment standards outlined in Section Error! Reference source not found.. - Additional studies, if identified in the ESDD	Conducted by competent third-party agency / external consultant or by in-house team (ESG Head with support from the Investment Team) depending on sector and its risks and preliminary understanding of the company/ projects, its stage etc.
Category C	ESGDD in accordance with the requirements of the investment standards outlined in Section Error! Reference source not found..	Conducted by ESG Head with support from the Investment Team

The Terms of Reference (ToR) for conduct of the ESGDD are provided in **Annex 5**. The ToR will be suitably modified and issued by the ESG Head giving due consideration to the sector and its risks and preliminary understanding of the company/projects, its stage etc. For Category B projects, if the decision to conduct the ESGDD is by the internal team of KWMPL, the rationale for the same will be documented along with approval of the Platform Head.

An assessment of the target company as per the DFID Rating toolkit presented in **Annex 6** will also be conducted during the ESGDD.

As a practice, KWMPL will consider all subsidiaries / project assets within the scope of ESGDD. However, for target companies with large number of project assets, a representative sample of assets will be considered for physical verifications. The review of corporate level management system will cover the overall operations of the target company in every instance. This will include the review of key E&S legal compliances and systems established to monitor such compliances.

The outcome of the ESGDD for all potential investments will be:

- Identification of material E&S risks that KWMPL will be exposed to during the lifecycle of the investment
- Identification of non-compliances or gaps with respect to the Investment Standards requirements and risk classification
- Identification of areas of improvements and opportunities in the target company.
- Identification of mitigation measures and/or additional studies required of the Company along with tentative budget estimates for preparation of ESG Action Plan including the occupational health and safety implementation and monitoring.

Additional Studies

- Based on the project configuration and the outcomes of the ESGDD, the target company may be required to conduct additional studies with respect to land, migrant labour, working

conditions, Indigenous People, critical habitat, ecology/eco-sensitivity/biodiversity, project specific numerical modelling studies related to dispersion (air, brine, key pollutants to the discharge medium etc.) etc. These studies shall be conducted through competent consultants / experts identified by KWMPL.

- Depending on the assets owned by the target company, conduct of ESIA or update of existing ESIA, Biodiversity assessment, supply chain audit, Phase I/II level assessments, etc. could be recommended as additional studies. A decision for conduct of the same and their impact on the investment will be taken by the ESG Head in consultation with the Investment committee, Investment Team and where applicable, the third-party agency conducting the ESGDD.

3.2.4 ESG Action Planning

For the non-compliances and gaps identified during the ESGDD, an ESG Action Plan (ESGAP) will be developed with an objective of ensuring conformance with KWMPL's ESG Policy, applicable investment standards and the ESGMS requirements. The ESGAP will include the non-compliances and gaps identified and provide recommended mitigation action along with the timeframe for implementation and monitoring framework. The ESGAP may include the requirement of conduct of additional studies by the investee company. The areas of improvements and opportunities in the target company identified will also be presented in the ESGAP. The action items will also be bifurcated into 'conditions precedent' and 'conditions subsequent' based on risk classification. The ESGAP will be developed as part of the ESGDD report and comprise of the following:

- Nature of non-compliance/gap (providing details of the non-compliance identified)
- E&S risk classification
- Recommended action
- Timeline for implementing the action
- Monitoring Indicator (evidence for checking completion of the action) and framework

The ESGAP will be finalized by the ESG Head with support from the Investment Team and in consultation with the representative of the target company, based on discussions with the external consultant, where relevant. The objective of the discussions will be to provide clarifications on the actions and timelines. It is expected that the target company will assign the responsibilities and allocate the budgets for implementation of the ESGAP.

Post finalization and approval of the ESGAP, the ESGAP will be communicated to target company, in the form of investment covenants, soliciting the ESGAP implementation. The ESGDD findings along with ESGAP will be shared with the Risk Committee for approval. This then forms a part of the final IC memo note and uploaded to the systems prior to final IC approval.

3.2.5 ESG Covenants in Investment Agreement

Draft Environmental, Health & Safety, Social and Governance requirements to be complied will be developed by the legal team with support from the ESG Head and the investment team that will broadly cover:

- Requirements from the applicable national EHSS laws and regulations that the investee company should comply
- Conformance to the KWMPL's excluded activities

- Timely closure out of any open points / gap assessments identified related to Environmental, Health & Safety, Social and Governance requirements as part of the review / site visit / audit carried out by KWMPL and or consultants.
- Environmental, Health & Safety, Social and Governance periodic performance reporting
- Notification of any serious incidents / accidents to the fund within defined timelines

Annex 7 lists the standard Environmental, Health & Safety, Social and Governance covenants that are to be included in all Investment Agreements. The ESGAP and the draft Environmental, Health & Safety, Social and Governance Investment covenants will be first presented to the pre-Investment Committee and the Risk Committee.

Subsequent to the approval from the pre-Investment Committee and the Risk Committee, these will then be presented for the final IC meeting for approval.

Based on the approval from the IC, the Investment Agreement (IA) will be developed for the investment. The IA will include Environmental, Health & Safety, Social and Governance covenants. The final ESGAP would be agreed in parallel to the IA and implemented.

Where KWMPL is invested in the Company and has a management control, an Environmental and Social Management System (ESMS) in alignment with the KWMPL's ESGMS requirements will required to be established, implemented, and maintained. However, minimally all investee companies should have an E&S policy and a grievance redressal mechanism in place to facilitate resolution of concerns about the company's social and environmental impacts, raised by individuals or groups either internal or external to the company. This requirement will be stated in the Investment Agreement.

3.3 Post Investment E&S Monitoring and Reporting

With an objective to influence the E&S performance of the investee company, KWMPL will establish and operate a robust E&S monitoring and reporting system. Periodic monitoring and reporting will be undertaken to ensure compliance with E&S regulatory requirements and the KWMPL's ESGMS requirements.

3.3.1 E&S Monitoring of Projects / Investments

The monitoring frequency will be based on the E&S category assigned to the investee company as presented below.

E&S Category Assigned		Monitoring Periodicity and Requirements
Category A	-	Quarterly monitoring
	•	Minimum quarterly (three months once) meetings (physical or virtual) shall be held with relevant responsible team from the investee company
Category B	-	Quarterly monitoring
	•	Minimum quarterly (three months once) meetings (physical or virtual) shall be held with relevant responsible team from the investee company

Category C

- Half yearly monitoring
 - Minimum half (six month once) yearly meetings (physical or virtual) shall be held with relevant responsible team from the investee company

The monitoring will cover:

- Effectiveness of mitigation actions / conditions subsequent (CS), conduct of additional studies and management plans as agreed in the ESGAP
- Environmental, Health & Safety, Social and Governance review including the statistics, KPIs, audit open points, legal compliance status etc.
- Any changes or expansions in company, project and/ or its operations
- Local context that may affect the E&S profile of projects being executed
- Emerging E&S issues and risks, and change in E&S regulations that have material implication on the business

The primary responsibility for monitoring of the investee companies' remains with the project management team with support from the ESG Head. The observations from the monitoring will be recorded in the format provided in **Tool 3**.

3.3.2 Monitoring for ESGAP Implementation

While the Fund is invested in the Company, the implementation of ESGAP will be periodically monitored by the ESG Head at KWMPL. The frequency of monitoring of ESGAP implementation will be as provided for E&S Monitoring. The observations on status of compliance to ESGAP will be recorded in the format provided in **Tool 3** against the ESGAP agreed upon at the time of signing of the Investment Agreement.

Where the investee company is not operating in accordance with the ESGAP, the gaps will be communicated to the investee company to ensure that they are addressed in accordance with the investment covenants, within a stipulated timeframe.

3.3.3 E&S Reporting by Investee Company / Project

Quarterly Reporting

The investee companies will be required to report on a quarterly basis. This will be as per the format provided in **Tool 4-A**. The reporting format (**Tool 4-A**) may be expanded depending on the sector and its risks and understanding of the company/projects, its stage etc.

The ESG Head will ensure that the requisite reporting is done by the investee companies / project and check the completeness of the reporting done.

The ESG Head will ensure that the requisite reporting is done by the investee companies and check the completeness of the reporting done. Based on the quarterly reporting by the investee companies, the ESG Head at KWMPL will compile a consolidated report covering the KPIs required in such reports.

Annual ESG and Sustainability Reporting

In addition to the quarterly report, the investee company will also be required to report annually on Environmental, Health & Safety, Social and Governance and sustainability related issues to KWMPL as per format provided in **Tool 5**.

3.3.4 Reporting of Serious ESG Incidents

In case any a serious ESG incident¹³ occurs in the assets owned / operated by the investee company / project, the company / project is required to report to KWMPL within maximum 48 hours of its occurrence in the format provided in **Tool 6**.

The communication of such a requirement will be communicated to the investee company as part of the Environmental, Health & Safety, Social and Governance Covenants.

3.3.5 E&S Appraisal

E&S Appraisals will be carried out of the Investments made giving due consideration to the E&S category and understanding of the company/projects its stage etc. The following guidance will be used to decide on the E&S appraisal.

E&S category assigned	E&S Appraisal Periodicity and requirements
Category A	Appraisal would be carried out annually on ESMS implementation status initially by a competent third-party agency and later by KWMPL.
Category B	For under construction projects, appraisal would be carried out annually on ESMS implementation status initially by a competent third-party agency and later by KWMPL
Category C	Appraisal would be carried out on ESMS implementation status by KWMPL annually. If required, competent third-party agency will be involved.

E&S Appraisal frequency may increase in case of occurrence of any project-related incidents, accidents or any significant change in the nature and scale impacts and in case of any projects under construction. Depending on the severity of the Environmental, Health & Safety, Social and Governance issues, KWMPL may deploy its own staff or consultant on behalf of KWMPL to monitor the issues on day-to-day basis.

The E&S Appraisals will be conducted in accordance with the requirements of the reference framework outlined in Section 3 of this document and the Terms of Reference (ToR) used for the conduct of the ESDD (**Annex 5**). The sample size of the appraisal will be decided by the ESG Head in consultation with the operations team.

The outcomes of the E&S Appraisal will be used to strengthen the ESGAP, as applicable.

This is expected to enhance the E&S performance of the investee company / project while also making the E&S management system of the company / project self-sustaining. KWMPL believes that such a

¹³ Serious Incident - includes but not limited to the death of a person, serious injury, serious damage to health, fire, leakage of substances dangerous to the environment, and labor strike.

continued monitoring system and collaborative partnership will ensure robust Environmental, Health & Safety, Social and Governance compliance and maximize the return on investment during an exit.

3.4 ESG Performance Reporting by KWMPL

The ESG Performance Report of the fund will be prepared by the ESG Head at KWMPL to meet the requirements of the investors. The ESG Performance Report will include an overview of the E&S performance of the investee companies.

3.4.1 Quarterly Reporting

Based on the quarterly reporting by the investee companies, the ESG Head at KWMPL will compile a consolidated report covering the KPIs required in such reports. Refer **Tool 4-B** for the format to report quarterly performance of the Portfolio Companies to GGEF.

3.4.2 Annual Reporting

The Annual ESG Performance Report of the fund will be prepared by the ESG Head for the applicable reporting period as required by investors. The report will be compiled with inputs from all the investee companies, the inputs from Environmental, Health & Safety and Social monitoring, monitoring of ESGAP implementation, findings of the E&S appraisals undertaken in the reporting period.

This report will also present the ESGAP implementation status of KWMPL to its investors (where required) as well as the status of its ESMS implementation.

Refer **Tool 7** for the format on Annual ESG Performance Report.

3.4.3 Performance Reporting on United Nations Sustainable Development Goals

KWMPL perceives a clear business case to align with the UN-SDGs in order to create opportunities to enhance environmental, social impacts arising from its product offering. Thus, KWMPL plans to take the following strategic approach to leverage SDGs:

- **Identifying relevant SDGs** with greatest impact in terms of risk and opportunity.
- **Establishing targets and KPIs** that are closely aligned with the relevant SDG's.
- **Assess** existing practices, products, business models, etc.
- **Create new business opportunities** - potential underserved geographies, invest in innovative products, capacity building, reducing direct link between economic growth and environmental degradation.
- **Explore opportunities for shared value** across industries, networks, stakeholders, and partners.
- **Develop systems to integrate** management of SDG issues into decision making.

A brief mapping of KWMPL's business operations with relevant SDG's and targets has been presented in **Annex 3: KWMPL's SDGs Matrix**.

The **Tool 8: UN SDGs Performance Reporting** has been developed to assess the baseline status and year on year performance of KWMPL on the SDG outcomes and targets. The Tool defines key performance indicators and their unit of measurement which will be used to report from the SDG

perspective. The summary of **Tool 8** is to be included as part of the annual management review meeting and later in the E&S Performance Report as well.

3.5 Investment Exit

In case where KWMPL decides to exit a particular investment. ESG indicators as per format in **Tool 9** will be recorded prior to exit. In specific cases, when the investment was assigned a high categorization or where ESG monitoring brought out significant gaps in compliances, the ESG Head at KWMPL may consider carrying out a pre-exit review to identify any material issues and address any such liabilities.

The scope of the review will be decided based on the investee company's ESG performance but will minimally cover the review of the legal compliance to the applicable E&S regulations.

4 Stakeholder Engagement

4.1 Stakeholder Engagement Plan

KWMPL's key stakeholders (both direct and indirect) and the criticality of these stakeholders from the perspective of the ESGMS and ESG performance of its investments will be assessed based on the following criteria:

- Nature and severity of the impacts, and
- Ability of these groups to influence ESG aspects of KWMPL and its operations.

Refer **Table 4-1** for the identification and assessment of stakeholders.

Table 4-1: Identification and Assessment of Stakeholders

Stakeholder	Criticality from ESG perspective			Impact/ Influence of the Stakeholder Group on KWMPL
	Low	Moderate	High	
1. Investee Company / Project (direct)			✓	ESG non-compliance to ESG requirements of KWMPL and poor implementation of ESGAP by the investee companies could result in credit risk and impact KWMPL's reputation.
2. Employees (direct)			✓	Implementation of the KWMPL's ESGMS.
3. Investors (direct)		✓		Set forth requirements on the management of ESG issues.
4. Vendors (indirect)	✓			ESG issues related to goods and services. Vendors could pose material risks for KWMPL's supply chain.
5. Civil society and affected community (direct and indirect)			✓	Raise concerns related to adverse impacts of the investee company in the media or file legal cases related to unresolved concerns.

Stakeholder	Criticality from ESG perspective			Impact/ Influence of the Stakeholder Group on KWMPL
	Low	Moderate	High	
6. Regulatory Authorities (indirect)		✓		Issue directives to stop work or operations based on complaints from stakeholders.
7. Media organizations (direct & indirect)			✓	Publish adverse reports about the investee company and KWMPL regarding negligence to ESG issues.

The stakeholder engagement plan addresses each of the above-mentioned stakeholders taking into consideration the criticality. A structured approach for engaging with each of the stakeholders is presented in **Table 4-2**.

Table 4-2: Stakeholder Engagement Plan

Stakeholder	Purpose of Engagement	Engagement method	Minimum information to be disclosed	Inputs expected
Investee Companies / Project (direct)	Improving ESG performance of Company	- Investment Agreement with ESG covenants - Annual ESG Monitoring including implementation of ESGAP - Board meetings	- KWMPL's ESG Policies, Framework requirements and procedures to be followed - Project ESGAP and Environmental, Health & Safety and Social plan to be followed	- Reporting of serious ESG non-compliances, incidents, and grievances - Progress on implementation of ESGAP and ESGMS
Investors (direct)	Appraise Investors on progress of implementation of ESGMS and ESG performance of investee companies	- Investment Agreement with Investor - Annual ESG Performance Report - Response to queries	- KWMPL ESG policy and ESGMS - Quarterly and Annual disclosure on ESG performance of KWMPL and its investee companies (where required). - All major E&S non-compliances and incidents that might have occurred in investee facility that may lead to disruption of business or result	Suggestions on improving ESG performance of investee companies and KWMPL ESGMS

Stakeholder	Purpose of Engagement	Engagement method	Minimum information to be disclosed	Inputs expected
			in reputation risk • Response to concerns raised if any	
Employees (direct)	• Ensure implementation of ESGMS in investments	• Induction training on ESGMS • Refresher training and awareness raising on ESGMS implementation	• KWMPL's ESG Policy and ESGMS • Roles and responsibilities of each team member under ESGMS	• Suggestions on improving ESG performance
Vendors (indirect)	• Encourage ESG considerations in supply chain management of KWMPL	• Training and awareness as per requirement • Response to queries	• Response to concerns raised if any	• None
Civil society and affected community (direct and indirect)	• Building and maintaining the KWMPL reputation	• KWMPL for receiving external communications/ concerns. • Responding to and resolving genuine concerns.	• KWMPL External Grievance Redress Mechanism on the website • Response to concerns raised (if any)	• Suggestions on resolution of concerns in investee companies
Regulatory Authorities (indirect)	• No direct engagement	• Accessing approvals and permits of target & investee companies that are publicly available	• Periodic submission of the progressive compliance reports	• Any show cause notice or similar letter shall be shared with KWMPL by the investees.
Media organizations (direct & indirect)	• If required, providing information regarding the projects • Building and maintaining the KWMPL reputation	• Response to queries	• Responses to concerns raised if any	• Any highlight about the investee projects in the media shall be disclosed to KWMPL by investee

4.2 External Grievance Redress Mechanism

A Grievance Redress Mechanism for external stakeholders has been established to address matters related to ESG aspects of KWMPL or its investee companies. It is recognized that the Grievance Redress Mechanism provided does not impede or replace the grievance resolution process offered by the legal system of the country.

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The mode of redressing grievances of stakeholders established by KWMPL for regular operations will also be extended to ESG aspects.

Communications received on these channels are analyzed to establish the intent of the communication by the project management team. If the communication is identified to be a grievance related to ESG aspects, the same will be forwarded / communicated to the ESG Head. The channels of receiving grievances also includes verbal communication during in-person meetings or during site visits. Such grievances will also be communicated to the ESG Head.

Internal grievances are expected to arise from employees of KWMPL whereas, external grievances are expected to arise from stakeholders (vendors, investors, local community, regulators, NGOs, media organizations etc) regarding KWMPL's or Investee Company's operations. Some examples of external grievances could be suggestions on product/service improvement; feedback on customers' interaction with KWMPL's employees; and comments from regulators, NGOs and local community regarding KWMPL's environmental, social and governance performance.

Receiving and Keeping Track of Grievances

The grievances received (except anonymous grievances) will be acknowledged through a written communication within 72 hours of receiving the written question or concern. The ESG Head will be responsible for administering grievance mechanism and maintaining records on grievances related to ESG aspects.

The grievances log will be maintained by the ESG Head. Annex 8 (Appendix 8-1) includes the format of a grievance log that includes the following:

- Date and place of grievance receipt
- Name of Aggrieved/ Anonymous (if requested, this information will be kept confidential)
- Contact information of the aggrieved person
- Whether the grievance is directed at Platform level or an investee company (if investee, its name will be listed)
- Description of the ESG concern
- Any supporting documentation (previous incidents, evidence, statements)
- Relevant parties to engage at Platform level or at the applicable investee company level
- Investigation details of the grievance
- Outcome of the investigation and resolutions proposed
- Date of closure of grievance and communication to the aggrieved.

The grievances received will be redressed within 30 business days from the date of receiving the grievance. If grievances are not redressed by the ESG Head within this period, then the same will be escalated to the Platform Head (Executive Director & CEO).

Reviewing and Redressing Grievances

Persons responsible for coordinating the redressing of grievances for different set of stakeholders are presented below:

- **Investors, Investee Companies and Employees** – The ESG Head will be primarily responsible for coordinating the resolution of the grievances and these shall be resolved with the involvement of the investment team /project management team.

- **Vendors** – The grievances will be redressed in accordance with the mechanism presented in **Annex 8**.
- **Civil Society, NGO & Affected Community** – Grievances can be raised through the feedback handle provided on the KWMPL website. KWMPL shall develop website and provide necessary information including provision of receiving any kind of grievances. The grievances will be redressed in accordance with the mechanism presented in **Annex 8**.
- **Media Organizations** – Grievances can be raised through the feedback handle provided on KWMPL's website. The grievances will be redressed in accordance with the mechanism presented in **Annex 8**.

Redressal of grievances will be of highest priority, and all concerned will support the investigation and resolution of the grievance at the earliest possible.

Developing Resolution Options and Response

General approaches to grievance resolution may include KWMPL proposing a solution, KWMPL and complainant reaching a resolution through discussion or negotiation or through a third party. Response to the grievance should be shared with the complainant within 30 business days of receiving the grievance.

Where the grievance is found to be not within the scope of the Company, or if the response is that the grievance does not require action by the Company to resolve it, all considerations and explanations will be documented and included in both the response to the aggrieved and the grievance log for further reference.

Monitoring and Reporting Grievances

The grievance resolution process, along with the log of grievances received and their resolutions provided will be periodically reviewed by the Platform Head.

5 Institutional Arrangement

5.1 Organisation Structure

The organization structure of KWMPL is presented in Error! Reference source not found. below. All business segments are supervised by a Segment Head along with individual teams for each business segment. The Segment teams are further supported by the Control & Support Teams and include – Commercial, Finance Controller, Business Development and Project Management etc. KWMPL's functions include Finance & Compliance, Legal, Administration, ESG and Technology & Engineering. All Segment Heads report to the Platform Head of KWMPL.

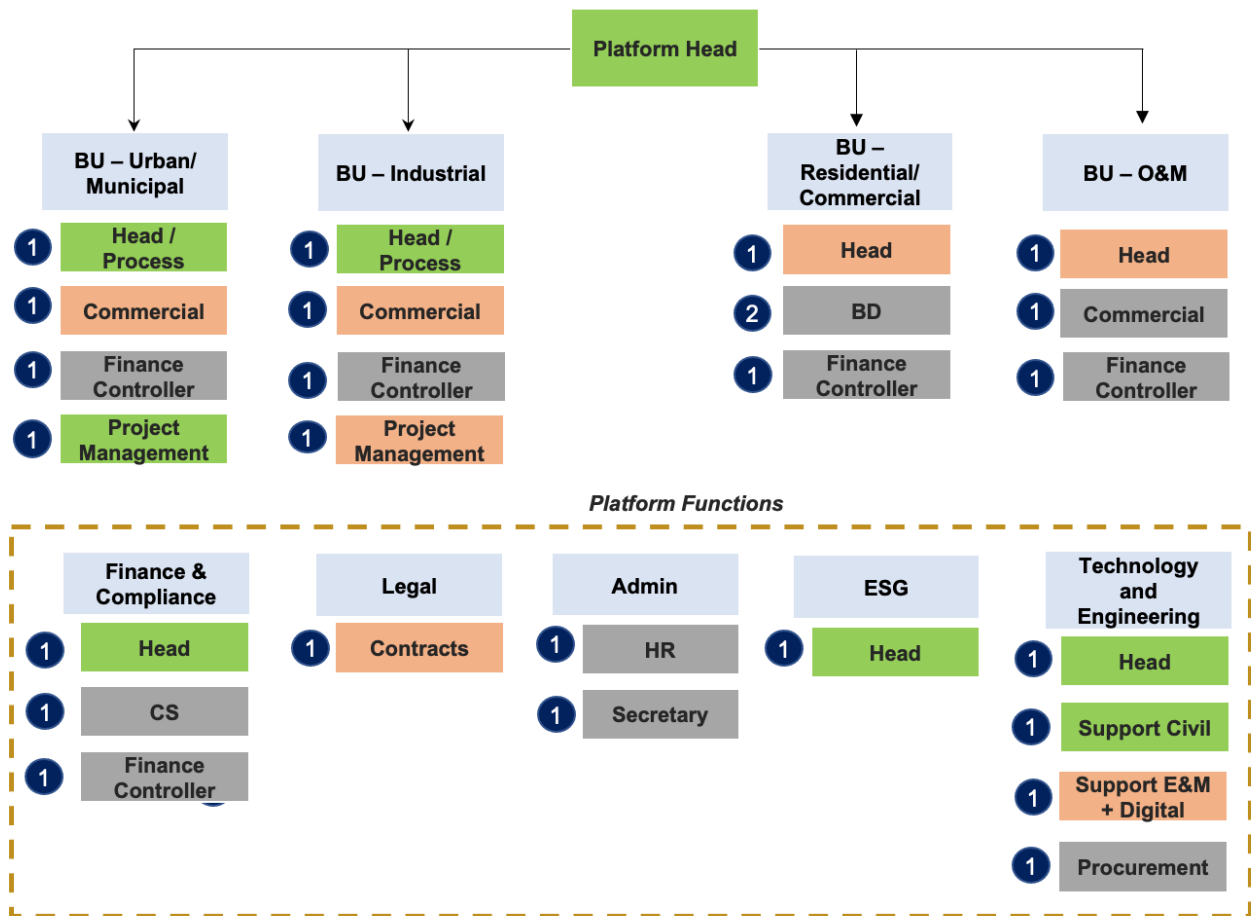


Figure 5-1: Organization Structure at KWMPL

5.2 Roles and Responsibilities under ESGMS

The Platform Head of KWMPL assumes the overall accountability with respect to the ESGMS implementation on behalf of KWMPL. The ESG Head at KWMPL will be responsible for the operationalisation of the ESGMS. Refer to **Figure 5-2** for roles and responsibilities under ESGMS at KWMPL.

KWMPL's ESG Head, Investment Team, Project Management Team, Technology and Engineering Team will report to the Platform Head who in turn will report to the Investment Committee.

Further, KWMPL may engage services of external ESG consultants to support their teams in implementing the ESGMS procedures, if required. The ESG Head will work closely with investment team to ensure that procedures under the ESGMS are understood and implemented. The Investment and the Product Management team will further provide the necessary support to the ESG Head for implementation of ESGMS procedures. In specific roles are as indicated below:

- Platform Head – Signatory of the ESG Policy
- ESG Head – Coordinate with all stakeholders on the ESGMS to ensure implementation of the ESGMS and revise/update the ESGMS as required.
- Investment Team – Ensure primary implementation of ESGMS procedures
- Project Management Team – Ensure primary implementation of ESGMS procedures

- Legal Team – Provide support in primary implementation of ESGMS procedures
- Human Resources Team – Provide support in internal training of team members on ESGMS implementation

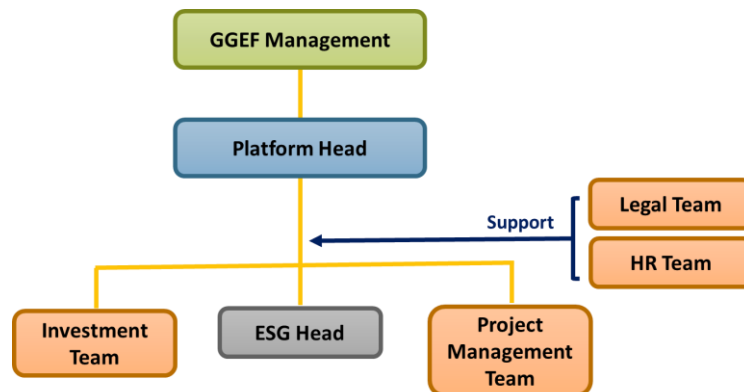


Figure 5-2: Roles and Responsibilities under ESGMS

GGEF Management The responsibilities of the GGEF Management in relation to KWMPL's ESGMS are listed below:

- Approve the ESG Policy and review its continuing suitability and effectiveness periodically.
- Provide leadership in management of ESG aspects of the investments. In consultation with ESG Head, Investment Team, and Project Management Team at KWMPL:
 - Provide a preliminary approval to proceed with conduct of ESDD's and additional studies based on the outcomes of the ESG Screening and Categorisation.
 - Assess and provide final approval and recommendations on ESG aspects post conduct of ESG Due Diligences of potential investments.
- Review the activities under the ESGMS at least once every year.

5.2.1 Platform Head (Executive Director & CEO)

The overall accountability with respect to the ESGMS responsibilities will be vested on the Platform Head. In specific he/she will be responsible to:

- Maintain oversight on the implementation of the ESGMS
- Ensure availability of adequate resources (human, technological and financial) to enable effective functioning and continual improvement of the ESGMS and associated EHSS aspects
- Suitably address any grievance arising from the investee companies with regard to concerns on ESG issues when escalated.

5.2.2 ESG Head

The ESG Head of KWMPL will be responsible for implementation of ESGMS in investee companies and will report to the Platform Head.

The ESG Head will also have the responsibility to coordinate amongst the relevant stakeholders, including internal team, management, investees, and investors.

The responsibilities of the ESG Head are as follows:

- Act as KWMPL's focal point for all ESGMS related activities.

- b) Ensure and undertake with support from the Investment Team screening & categorization, due diligence for potential investments.
- c) Coordinate and maintain oversight on third party consultants appointed for conducting ESG Due Diligence and ESG Audits of potential investments.
- d) Consolidate and present findings and outcomes of ESGDD to the Investment committee.
- e) Finalise in consultation with the Investment committee and Investment Team the ESG covenants applicable for the investment.
- f) Ensure that conditions precedent on ESG aspects are fulfilled prior to disbursement, and conditions subsequent are included in the Investment Agreement signed with the investee company.
- g) Where required engage with the investee company to conduct additional studies as per recommendations of the ESGDD and Investment committee.
- h) Ensure and undertake with support from the Project Management Team, periodic monitoring on implementation of the post investment ESG actions (ESG monitoring, ESGAP implementation and ESG appraisal) for the investee companies and obtain reporting on ESG aspects as per requirements of the ESGMS.
- i) Where required, ensure and undertake ESG assessment during investment exit.
- j) Organize training activities on aspects related to the ESGMS for existing and new members who join the KWMPL team and investee organization (as required).
- k) Organise periodic training sessions as required to communicate KWMPL's ESG Policy and ESGMS requirements.
- l) Communicating roles and responsibilities and coordination
- m) Present the findings of monitoring of ESGMS to the Investment Committee through the Platform Head.
- n) Coordinate and prepare quarterly and annual ESG Reports to Investors as required.
- o) Organize ESGMS implementation audit every year.
- p) Maintain oversight on emerging ESG risks in the investment pipeline and plan for suitable management measures.
- q) Maintains a log of all grievances received from stakeholders and tracks the process of addressing the grievances.

5.2.3 Investment Team

The Investment Team for each potential investment will coordinate with the ESG Head on all pre-investment related ESG matters of KWMPL. They will support the ESG Head in the conduct of screening, categorization, due diligence prior to finalisation of the investment.

The Investment team members are expected to have a working knowledge of the requirements as per ESGMS and participate in the general and specifics trainings.

5.2.4 Project Management Team

The Project Management Team will coordinate with the ESG Head on all post-investment related ESG matters of KWMPL. They will support the ESG Head in the conduct periodic monitoring and obtaining periodic ESG reports from the investee companies.

The Project Management Team members are expected to have a working knowledge of the requirements as per ESGMS and participate in the general and specific trainings.

5.2.5 Legal Team

The legal team will ensure that the appropriate ESG representations, warranties, and covenants are incorporated in each investment agreement after adequately analysing the legal implications.

5.2.6 HR Team

The Human Resources team will ensure that appropriate trainings (Refresher and Induction) are provided to personnel to ensure necessary competency of employees required to maintain the ESGMS requirements.

6 Training and Capacity Building

6.1 Training Requirements and Plan

KWMPL will ensure that all personnel participating in across the investment lifecycle understand the nuances of responsible investing. While the ESG Head and others involved in implementation of the ESGMS will be competent on the basis of appropriate education, training, or experience, the investment team will at least have the understanding of ESG risks and also the requirements of the ESGMS.

Training will consist of induction sessions and refresher training sessions for new and existing personal at KWMPL.

Induction Training

Induction Training will be carried out for all new team members at KWMPL and will comprise of (but not limited to) the following topics based on their role at KWMPL:

- KWMPL's ESG Policy
- The importance of conformity with the ESG Policy and Procedures of the ESGMS
- Identification of ESG risks and understand how they impact financial interest
- Roles and responsibilities in achieving conformity with the requirements of the ESGMS
- Requirements of ESGDD and closure of ESGAP

Refresher Training

Annual refresher training will be conduct for all team members at KWMPL and will comprise of (but not limited to) the following topics:

- KWMPL's ESG Policy
- The importance of conformity with the ESG Policy and Procedures of the ESGMS

- Identification of ESG risks and understand how they impact financial interest
- Overview of GIIP in mitigating and managing E&S risks in the respective segment or sub segment of investment focus
- Requirements of ESGDD and closure of ESGAP
- Roles and responsibilities in achieving conformity with the requirements of the ESGMS
- Key learnings and outcomes from the implementation of the ESGMS
- Emerging issues and key risks from investment focus sectors
- Any other recommendations provided by Investment Committee from time to time

KWMPL will identify training needs on above and will provide training on a periodic basis, obtain feedback, and retain associated records.

Training on Grievance Redressal

In addition, specific training on Grievance Redressal for personnel engaging with stakeholders will be provided. The training will comprise of:

- Expected behaviors and accepted practices when interacting with stakeholder groups in order to avoid a grievance in the first instance.
- Avenues available for stakeholders to lodge a grievance.
- Roles and responsibilities for handling and resolving grievances (including key internal and external stakeholder contacts).
- Recording and tracking procedures.

Refer to **Table 4-1** for overview of trainings provided at KWMPL.

Table 6-1: Overview of Trainings provided at KWMPL

#	Training Name	Training Frequency	Applicability
1.	Induction Training on ESGMS	As per need	New employees of KWMPL
2.	Refresher Training on ESGMS	Annual	All employees of KWMPL
3.	Grievance Redressal	As per need	Employees engaged with stakeholders
4.	Vendor Training on ESG Management (including gender action)	Annual	Employees engaged with vendors
5.	Good Environment, Health, Safety, and Social Practices (including gender action) at workplace	Quarterly	All workers engaged in project, construction, operations, and maintenance
6.	Environmental, Health & Safety and Social Management system in construction sites	As per need	Employees engaged with stakeholders
7.	IFC PS and DD Practices	As per need	Employees engaged with stakeholders

Refer to **Tool 10** that includes relevant formats to support the training needs identified in the ESGMS. This includes formats of general and specific trainings covering induction and refresher programs. It also includes format of recording feedback from the participants and actions proposed.

6.2 Trainers

- Training on all above topics will be conducted by the ESG Head at KWMPL with assistance from the internal team.
- Where required, external experts may be used by the ESG Head to advise on ESGMS and to develop and conduct training.
- In addition to the above-mentioned approach, KWMPL team members may also be encouraged to attend conferences/seminars/workshops/training programs with an objective to integrate ESG considerations in financing decisions, to keep abreast of the latest happenings in investment focus areas of KWMPL.

6.3 Training records

The following records relevant to training and capacity building will be maintained:

- Records of conduct of general and team specific trainings (training content, training attendance sheets etc.) covering induction and refresher programs.
- Feedback from the participants and actions proposed.

7 ESG Performance Review of Kathari Water Pvt. Ltd.

7.1 ESGMS Review

The implementation of the ESGMS and its performance will be reviewed periodically to ensure that it remains relevant and effective over time and incorporates improvements as relevant. The ESGMS review will be conducted at the highest level of KWMPL with the involvement of the ESG Committee.

Monitoring of the ESGMS implementation will be conducted on an annual basis through internal audits. A sample set of investments will be selected for review to assess the extent of implementation of ESGMS.

The broad outline for the conduct of the internal audit will be:

- a) Interview of the team responsible for oversight on implementation of ESGMS in KWMPL to assess their understanding of the ESGMS requirements and mode of implementing risk management process.
- b) Interview of the ESG Head, Investment Team, Project Management Team and other relevant teams of KWMPL to assess their understanding of the ESGMS requirements applicable to their investments; ESG risks and opportunities present in investments; and implementation of the procedure of risk and opportunities identification and management.
- c) Review of documentation trail in select investments for evaluating conformance with ESGMS requirements.
- d) Review of the other ESGMS system requirements (other than those directly linked to investments) such as annual reports to investors and management review meeting records.
- e) Review of requirements with respect to previous audits and measures taken to close the observations and findings.
- f) Periodic review (at least once in a year) of the investee companies / projects to assess the way ESGMS is extended to the Investee's facility and effectiveness of ESGMS implementation. The review will involve a visit to the Investee's facility.

The various processes defined under the ESGMS will form the audit criteria. The audit will be conducted internally by personnel possessing required competency.

The findings of internal audit will be recorded, a causal analysis of the findings will be carried out and accordingly corrective actions will be planned. The action planning for closing of internal audit findings will be recorded in the format provided in **Tool 11**. The findings of the ESGMS internal audit will be presented during ESG Committee Review meetings.

7.2 Management Review

The ESG Committee will review the ESGMS and its implementation at least once a year, to ensure its continuing suitability, adequacy, and effectiveness. The ESG Head will be responsible for reporting to ESG Committee on the performance of the ESGMS, setting the agenda, ensuring timely management

review, providing backup information, preparation, and circulation of minutes of meetings and follow-up actions decided in the meeting.

The review will address possible need for improving the ESGMS and need to address changing circumstances regarding policy, regulations, and market expectations on ESG matters.

Typically, the ESG Committee Review will consider:

- a) Action taken report on findings of previous review
- b) Status of implementation of ESGAP provided by the investors to KWMPL
- c) Results from ESGAP monitoring, ESG reporting, and ESG Audit of the investee companies for the current audit cycle and corrective actions proposed
- d) Outcome of ESGMS audit findings
- e) Adequacy and effectiveness of the ESGMS
- f) New projects under evaluation for the investment and its ESG related issues
- g) Concerns relating to the ESGMS among relevant stakeholders.

The minutes of the ESG Committee's review meetings will be formally documented and will be approved by the Chair of the Committee and communicated to all concerned.

8 Document Control

8.1 ESGMS Controlled documents

The ESGMS of KWMPL comprises of the following document structure that will be controlled by the ESG Manager at KWMPL.

1. ESG Policy

2. ESG Management System Manual

3. Annexes

- Annex 1: Key E&S risks for KWMPL investment focus areas
- Annex 2: Summary of E&S Legal and other Requirements
- Annex 3: KWMPL's SDGs Matrix
- Annex 4: KWMPL's E&S Exclusion List
- Annex 5: Terms of Reference for conduct of ESDD and other specific studies
- Annex 6: Framework for DFID Rating Toolkit
- Annex 7: Environmental, Health & Safety, Social and Governance Investment Covenants
- Annex 8: KWMPL's External Grievance Mechanism

4. Tools

- Tool 1: Screening against the E&S Exclusion List
- Tool 2: Preliminary Risk Assessment & Categorisation checklist
- Tool 3: E&S Monitoring & ESGAP Implementation Format
- Tool 4-A: Quarterly E&S Report from Portfolio Company
- Tool 4-B: Quarterly E&S Performance Report to GGEF
- Tool 5: Annual E&S Report from Investee Company
- Tool 6: Serious Incident Report
- Tool 7: Annual ESG Performance Report to Investors
- Tool 8: UN SDGs Performance Reporting
- Tool 9: ESG Indicators at Exit
- Tool 10: Training Formats
- Tool 11: Internal Audit Findings
- Tool 12: History of Revisions

5. ESG studies at portfolio companies including DD reports of the proposed and investee companies including site visit reports, audit findings with closed out details, periodic MIS reports, E&S Action Plan/ESMP and other compliance reports etc.

8.2 Information Management

The records based on tools provided under the ESGMS will be created for internal approvals and communication. To maintain records in a structured manner and controlled copies of all process documents, KWMPL has established an information management mechanism. All records that KWMPL will maintain under the ESGMS is listed in

Type of Record	Stage of Preparation/ Collection
Tool 1: Screening against KWMPL's E&S Exclusion List	E&S Screening during deal sourcing
Tool 2: Preliminary Risk Assessment & Categorization checklist	During preliminary ESG assessment and categorization as part of screening and soft due diligence
Annex 5: Terms of Reference for conduct of ESDD Annex 6: Framework for DFID Rating Toolkit	Post pre-IC meeting and presentation of preliminary findings and execution of non-binding term sheet
ESDD Report and E&S Action Plan	Post completion of ESDD and as part of the Final Investment committee approval process
Annex 7: Investment Agreement that incorporates ESGAP and E&S covenants	After final approval from Investment committee and as part of the finalization of the Investment Agreement.
Tool 3: E&S Monitoring & ESGAP Implementation Format	Post disbursement, as per frequency determined by E&S Category
Tool 4-A: Quarterly ESF Report Format from Portfolio Company	End of each quarter post investment
Tool 4-B: Quarterly ESG Report to GGEF	End of each quarter post investment and obtaining data from Portfolio Company
Tool 5: Annual ESG Performance Report from Investee Company	Annually as determined by KWMPL
Tool 6: Serious Incident Report	In the event of a serious ESG incident in the investee company
Tool 7: Annual ESG Performance Report to Investors	Annually as per dates determined with the Investors
Tool 8: UN SDGs Performance Reporting	Post conduct of the internal audit and annual management review meeting
Tool 9: ESG Indicators at Exit	Prior to investment exit
Tool 10: Training Formats	Post conduct of induction and periodic trainings
Tool 11: Internal Audit Findings	Post conduct of ESGMS Review
Tool 12: History of Revisions	After carrying out modifications in the ESG Policy & Principles, ESGMS main document, Annexes and Tools

8.3 Update of ESGMS

The ESGMS will be updated to reflect the corrective actions identified in the Investment Committee Review Meetings and lessons learnt at regular intervals, to ensure continuing suitability, adequacy, and effectiveness. The updates to the ESG Policy, and ESG Risk Management procedure will be carried out under the following circumstances:

- External changes such as the national laws and regulations and investor safeguard requirements.
- A need to update the procedures owing to internal changes.

The responsibility for updates will lie with the ESG Head. All revisions to the ESGMS will be recorded in the system to preserve the history and reasons for the change (refer **Tool 12**).

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Annex 1: Key E&S Risks for KWMPL Investment Focus Areas

The key E&S risks specific to KWMPL's investment focus areas have been identified and summarised below:

Water Treatment and Desalination Plants

Environmental Risks	Construction Phase • Topsoil disturbance, depletion of natural resources resulting from procurement of raw materials for construction, equipment fabrication and use of water. • Soil degradation, reduction in diversity of organisms and biodiversity loss (including mangroves, plankton, benthos, coral reefs & marine biodiversity) due to ○ Improper techniques and non-identification of environmental risks associated with digging of ground, trenches (in-sea) ○ Improper handling, storage, and disposal of hazardous and non-hazardous waste and hazardous materials ○ Inadequate treatment and discharge of sewage and effluent • Loss biodiversity, sedimentation, and soil erosion due to site clearance and earthworks. • Impacts on marine aquatic life and disturbance to the ecosystem such as Mangroves, mad flap, sand dune etc., during working in sea for laying sub-sea pipeline, intake structure and diffusers. • Impacts on existing topography and geology due to land-based earthworks • Generation of GHG emissions due to burning of fossil fuels Operation and Maintenance Phase • Depletion of fossil fuels and increased GHG emissions due to high energy consumption of plant operations • Soil contamination resulting from spillage of hazardous chemicals used for operating plant equipment and pre-treatment, and toxic metals. • Increase seawater temperature, salinity, water current & turbidity due to outfall or spillage of brine (including hot brine) and other liquid wastes containing high salt concentrations, resulting in soil degradation, reduction in diversity of organisms and biodiversity (mangroves, plankton, benthos, coral reefs, marine fauna etc.) loss • Failure of the desalination plant, especially the desalination membranes or post treatment system, will result in the discharge of seawater and chemicals entering the water distribution system. This will affect the salinity of the local aquifers which in turn would impact the flora and fauna in and around the plant. • Air pollution from release of stack emissions without adequate treatment. Degradation of natural environment and marine pollution due to improper waste (hazardous and non-hazardous, e-waste, battery waste and sludge generated from the plant operations) management, handling, storage, and disposal.
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Occupational Health and Safety Risks	Construction Phase - Occupational health impacts resulting from generation of high levels of noise during site preparation, delivery, trenching, and work procedures that are required for each component such as drilling, piling, metal works, earth works, material handling, welding, and general carpentry work etc. - Respiratory disorders due to exposure to fugitive dust generated on construction sites during the hauling, delivery, excavation operations, trench refilling and compaction works. - Risk of physical injury and fatalities from slips, trips, falls in work areas, fall from height, electrical hazards, entry into confined spaces like pipelines, storage tanks, pump stations and operation of heavy equipment at the plant. - Use of machineries like impact drills, air-powered tools, etc. when used repeatedly for long periods of time, could cause hand-arm vibration or whole-body vibration related injuries. - Presence of fuel, flammable material, short circuits in the plant presents a risk of fire and explosions that can result in severe injuries to workers. Operation and Maintenance Phase - Risk of physical injury from slips, trips, falls in work areas, fall from height, pressurized vessels/pipes, entry into confined spaces like pipelines, storage tanks, pump stations and operation of heavy equipment at the plant. - Burns and associated health risks to workers resulting from improper handling of hazardous chemicals such as anti-scaling agents, cleaning chemicals such as citric acid and alkaline detergent etc. - Respiratory disorders, due to exposure to Volatile Organic Compounds (VOC) via inhalation - Risks to health due to exposure to noxious fumes, reduced oxygen levels resulting from activities related to cleaning, testing and inspection in confined spaces. - Electric shock and burns resulting from workers coming in contact with exposed energized electrical conductor or circuit parts - Hearing impacts due to continuous work carried out in high noise areas - Presence of fuel, flammable material, short circuits in the plant presents a risk of fire and explosions that can result in severe injuries and fatalities to workers.
Social (Labour and Community Risks	Construction and Operation & Maintenance Phase - Land and resettlement impacts during pre-construction phase - Social conflicts arising due to cultural differences between local communities and migrant labour - Labour accommodation relates issues such as minimum living space, adequate toilets & bathing facilities, kitchen, dining area etc meeting as per the regulatory and IFC Workers accommodation requirements. - Spread of disease from in-migrants and workforce to community - Communities proximate to the plant may get impacted due to noise, vibration, fugitive dust, stack emissions generated from the plant operation and maintenance activities (site preparation, delivery, trenching and work procedures). - Disturbance to the local community and pedestrian safety risk resulting from increased levels of traffic during the construction phase

	- Wastewater and brine if left untreated into a water source could result in ground water pollution, soil contamination impacting health and well-being of workers and nearby community - Nuisance to surrounding community due to odors generated due to the wastewater treatment operations (hydrogen sulphide, methane etc) - Desalination plants could be exposed to risks that are associated with climate change and variability are related to sea level rise, sea surge risks, temperature rise, decreases in rainfall and storm severity. - Overflow, spill, leakage during a disaster presents a risk of impacting nearby communities. - Lower to moderate impacts caused to the fishermen livelihoods during the construction phase of desalination projects.
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Sewage and Industrial Wastewater Treatment Plants

Environmental Risks	Construction Phase - Topsoil disturbance, depletion of natural resources resulting from procurement of raw materials for construction, equipment fabrication and use of water. - Alteration of existing topography and geology due to land-based earthworks resulting in water logging and flooding. - Loss of biodiversity (flora and fauna) and soil erosion due to site clearance and earthworks. - Soil degradation and contamination, and biodiversity loss due to - Improper handling, storage, and disposal of hazardous and non-hazardous waste and hazardous materials - Inadequate treatment and discharge of sewage and effluent - Air pollution due to fugitive dust emissions from pre-construction activities of site grading, various construction activities such as excavation and earthworks, haul roads, stockpiles of excavation spoil etc. and burning of fuel from transportation vehicles and construction equipment - Surface water and ground water pollution resulting from soil erosion and leaching of chemicals and wastes - Generation of GHG emissions due to burning of fossil fuels Operation and Maintenance Phase - Natural resource depletion resulting use of freshwater (soft water and borewell water) for running of the treatment infrastructure - Depletion of fossil fuels and increased GHG emissions due to high energy consumption of plant operations - Soil contamination resulting from spillage of hazardous chemicals used for operating plant equipment and pre-treatment, and toxic metals. - Air pollution and odour generation due to inadequate treatment operations and anaerobic digester operations. This may include release of gases such as hydrogen sulphide, methane, volatile organic compounds, and chlorine gas used for disinfection processes. - Soil contamination resulting from spillage of hazardous chemicals used for operating plant equipment and pre-treatment, and toxic metals.
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	• Soil and water contamination due to malfunction of the plant resulting in uncontrolled discharge of contaminated wastewater into surface water bodies, ground water and agricultural fields. This could also lead to various impacts on the aquatic flora and fauna. • Failure of the plant will result in the discharge wastewater entering the water distribution system. • Air pollution from release of stack emissions without adequate treatment • Degradation of natural environment due to improper waste (hazardous, e-waste, battery waste and bio sludge generated from the plant operations and non-hazardous) management, handling, storage, and disposal.
Occupational Health and Safety Risks	Construction Phase • Occupational health impacts resulting from generation of high levels of noise during site preparation, delivery, trenching, and work procedures that are required for each component such as drilling, piling, metal works, earth works, material handling, welding, and general carpentry work etc. • Respiratory disorders due to exposure to fugitive dust generated on construction sites during the hauling, delivery, excavation operations, and compaction works. • Risk of physical injury from slips, trips, falls in work areas, fall from height, entry into confined spaces like pipelines, storage tanks, pump stations and operation of heavy equipment at the plant. • Use of machineries like impact drills, air-powered tools, etc. when used repeatedly for long periods of time, could cause hand-arm vibration or whole-body vibration related injuries. • Presence of fuel, flammable material, short circuits in the plant presents a risk of fire and explosions that can result in severe injuries to workers Operation and Maintenance Phase • Risk of physical injury from slips, trips, falls in work areas, fall from height, entry into confined spaces like pipelines, storage tanks, pump stations and operation of heavy equipment at the plant. • Burns and associated health risks to workers resulting from improper handling of hazardous chemicals etc. • Respiratory disorders, due to exposure to Volatile Organic Compounds (VOC) via inhalation • Risks to health due to exposure to noxious fumes, reduced oxygen levels resulting from activities related to cleaning, testing and inspection in confined spaces. • Electric shock and burns resulting from workers coming in contact with exposed energized electrical conductor or circuit parts • Health risks resulting from direct and indirect exposure to various pathogens including viruses, bacteria, molds, fungi, and other microorganisms and associated endotoxins. • Hearing impacts due to continuous work carried out in high noise areas • Presence of fuel, flammable material, short circuits, leakage of hydrogen sulphide/ chlorine gas, explosion from biogas flaring and methane release, collapse of sheds or structure etc. in the plant presents a risk of fire and explosions that can result in severe injuries to workers and fatalities.

Social (Labour and Community Risks)	Construction and Operation & Maintenance Phase • Land and resettlement impacts during pre-construction phase • Social conflicts arising due to cultural differences between local communities and migrant labour • Labour accommodation relates issues such as minimum living space, adequate toilets & bathing facilities, kitchen, dining area etc meeting as per the regulatory and IFC Workers accommodation requirements. • Spread of disease from in-migrants and workforce to community • Communities proximate to the plant may get impacted due to noise, vibration, fugitive dust, stack emissions generated from the plant operation and maintenance activities (site preparation, delivery, trenching and work procedures). • Disturbance to the local community and pedestrian safety risk resulting from increased levels of traffic during the construction phase • Wastewater if left untreated into a water source could result in ground water pollution, soil contamination impacting health and well-being of workers and nearby community. • Nuisance to surrounding community due to odors generated due to the treatment operations (hydrogen sulphide, bioaerosols, methane etc) • Overflow, spill, leakage during a disaster presents a risk of impacting nearby communities.
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Annex 2: Applicable E&S Legal and Other Requirements

A summary of the environmental, and occupational health and safety and labour / social welfare (EHSS) regulations have been provided in this Annexure, indicating its application to KWMPL's investment focus areas.

Part A: Environmental Regulations

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
1.	Environment Impact Assessment (EIA) Notification, 2006 and amendments thereof	Pre-construction Phase - Obtain Prior-Environmental Clearance (EC) as per requirements under the EIA Notification 2006 Construction & Operation and Maintenance Phase - Compliance to conditions of the EC - Submit six monthly compliance reports against the stipulated prior environmental clearance conditions. - Compliance reports to be submitted on 1st June and 1st December of each calendar year.	- Punishable with imprisonment for a term up to 5 years or fine of INR 1 lakh or both - Additional fine of INR 5000/- for every day during which failure continues - If failure continues beyond a year of date of conviction, then offender may be imprisoned for up to 7 years	http://environmentclearance.nic.in/View.aspx?rid=13
2.	The Environment (Protection) Act, 1986 And Amendment Rules, 2017	Construction & Operation and Maintenance Phase Submit 'Environmental Statement' in Form V to the State Pollution Control Board prior to 30th September for previous FY.	Imprisonment for a term of upto five years or fine of INR one lakh or both	http://moef.gov.in/en/rules-and-regulations/environment-protection/
3.	Water (Prevention and Control of Pollution) Act, 1974 and amendments thereof	Pre-construction and Construction Phase Obtain Consent to Establish (CtE) before commencement of construction from State Pollution Control Board (SPCB)	Imprisonment of one year and six months that may extend to six years and with fine.	https://cpcb.nic.in/water-pollution/

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
		- Compliance to Consent Conditions. - Conduct monitoring of ambient air quality, stack emissions, wastewater.	Imprisonment of three months or fine of INR 10,000/- or both (in case of accidental release)	
4.	Air (Prevention and Control of Pollution) Act, 1981 and amendments thereof	Operation and Maintenance Phase - Obtain Consent to Operate (CtO) before commissioning from State Pollution Control Board (SPCB). - Compliance to Consent Conditions. - Conduct monitoring of ambient air quality, stack emissions, wastewater. - Where applicable, install online monitoring systems. - Renew of CtO before the period stipulated in Consent Order. - Notice of accidental release or unforeseen event of poisonous, noxious or polluting matter in stream, well, sewer or land to Telangana Pollution Control Board	- Imprisonment of one year and six months that may extend to six years and with fine. - Imprisonment of three months or fine of INR 10,000/- or both (in case of accidental release)	https://cpcb.nic.in/air-pollution/
5.	Coastal Regulation Zone Notification, 2019	Pre-construction Phase - Obtain Clearance issued by State Coastal Zone Management Authority and National Coastal Zone Management Authority as per guidelines of the Notification Construction & Operation and Maintenance Phase - Compliance to conditions of the clearance.	- Punishable with imprisonment for a term up to 5 years or fine of INR 1 lakh/- or both - Additional fine of INR 5000/- for every day during which failure continues - If failure continues beyond a year of date of conviction, then offender may be imprisoned for up to 7 years	https://ncscm.res.in/pdf_docs/crz-2019.pdf

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
6.	E-Waste (Management) Rules 2016	Construction & Operation and Maintenance Phase - Obtain authorisation from the State Pollution Control Board in case of refurbishing, dismantling, recycling, of E-waste - Disposal of E-Waste to an authorised collection center / dealer of authorized producer / dismantler or recycler or through the designated take back service provider - Consumer/Bulk consumers to maintain records of e-waste generated in Form 2 - Submit Annual Returns to SPCB in Form 3 by 30 June for the previous financial year - Consumer/Bulk consumer to store E-Waste for not more than 180 days.	- Imprisonment for a term of upto five years or fine of INR one lakh or both - Copy of Form 2 & Form 3 - Records in Form 2 on date of generation and copy of receipt of sale/ disposal date of e-waste	https://cpcb.nic.in/e-waste-rules/
7.	Environmental Protection Second Amendment Rules 2002 (DG Set) & 2004	Construction & Operation and Maintenance Phase - Noise limit has been set for diesel generator sets (up to 1000 KVA) and emission limits for new diesel engines (up to 800 KW) for generator sets has been mentioned. - Valid certificates of type approval and certificates of conformity of production for each year. "The minimum height of stack to be provided with each diesel generator set can be worked out using the following formula: $H = h + 0.2 \times (KVA)^{0.5}$ $H = \text{Total height of stack (in metre)}$ $h = \text{Height of the building (in metres) where the generator set is installed}$	- Imprisonment for a term of upto five years or fine of INR one lakh or both - Dated photographs of the DG set with stack	http://wgbis.ces.iisc.ernet.in/biodiversity/Environ_sys/legis/environ4.htm

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
		KVA = Rating of DG set in KVA - For DG Sets of following capacity, stack heights will be as follows: 50 kVA : Ht. of the building + 1.5 m 50-100 kVA : Ht. of the building + 2.0 m 100-150 kVA : Ht. of the building + 2.5 m 150-200 kVA : Ht. of the building + 3.0 m 200-250 kVA : Ht. of the building + 3.5 m 250-300 kVA : Ht. of the building + 3.5 m		
8.	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Construction & Operation and Maintenance Phase - Obtaining authorization under Hazardous Waste Rules 2016. - Compliance to conditions of the authorization - Maintain records of hazardous waste storage as per Format in Form-3 - Apply for renewal 3 months before expiry in Form 1 - Submit Annual Returns to SPCB in Form 4 by 30 June for the previous financial year - Hazardous waste not to be stored for more than 90 days without written approval from SPCB. - Hazardous & other waste to be packaged in a manner suitable for safe handling, storage and transport Labelling to be carried out as per Form 8 - Occupier to provide transporter with relevant information in Form 9 regarding hazardous nature of waste & measures to be taken in case of emergency "Prepare seven copies of manifest, duly signed in Form 10 as per the colour code given in the said Rule - White copy to be sent to SPCB by occupier	- Imprisonment for a term of up to five years or fine of INR one lakh or both u/s 15 of EPA - Copy of Form 3 and corresponding date of disposal in Form 10. - Dated photograph of storage area - Copy of Form 9 - White, Yellow and Blue copy of the manifest - Copy of communication to Telangana Pollution Control Board	https://cpcb.nic.in/hazardous-waste-rules/

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
		- Yellow copy to be retained by occupier - Copies 3 to 7 to be submitted to transporter - Occupier to receive blue copy from the operator of the facility after treatment of the hazardous waste" - Accident related to hazardous waste to be communicated to Telangana Pollution Control Board in Form 11		
9.	Bio-Medical Waste Management Rules, 2016	Construction & Operation and Maintenance Phase - Obtaining Authorization under Bio-medical Waste Rules 2016 from the State Pollution Control Boards. - Compliance to conditions of the authorization - Submit an annual report to the prescribed authority in Form-IV to concerned state authority	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/bio-medical-waste-rules/
10	Solid Waste Management Rules, 2016	Construction & Operation and Maintenance Phase - Segregated storage and periodic disposal as per requirements under the Rules and Municipal Authorities / Local authority - No waste generator shall throw, burn or bury the solid waste generated by him, on streets, open public spaces outside his premises or in the drain or water bodies.	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/rules-2/
11	Plastic Waste Management Rules, 2016	Construction Phase - Segregated storage of plastic waste generated within the premises and disposal to authorised vendors. Operation and Maintenance Phase - Registration with the SPCB/ Local authority as brand owner (where applicable). - Establishing system for take back or management of plastic introduced in the supply chain.	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/plastic-waste-rules/

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
		- Segregated storage of plastic waste generated within the premises and disposal to authorised vendors. - Application for renewal of registration in Form II - Every person engaged in recycling or processing of plastic waste shall prepare and submit an annual report in Form-IV to the local body concerned under intimation to Telangana State Pollution Control Board by the 30th April, of every year.		
12	The Noise Pollution (Regulation and Control) Rules, 2000	Construction & Operation and Maintenance Phase - Monitor ambient noise levels at regular intervals to ascertain operations are within permissible limits. - Adopt measures to control and mitigate noise levels from construction equipment and activities.	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/noise-pollution/
13	Central Ground Water Authority's Guidelines to regulate and control Ground Water Extraction in India, 2020 State Groundwater Rules	Construction & Operation and Maintenance Phase - Permission / No Objection Certificate (NOC) to dig and use borewell from State Ground Water Authority/ Board or Local authority - Pay Water Conservation Fee based on quantum of ground water extraction - Compliance to conditions of the Permission or NOC - Installation of digital water meters and record consumption.	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	http://cgwa-noc.gov.in/LandingPage/Guidelines.htm
14	The Batteries (Management & Handling) Rules, 2001 as amended in 2010	Operation and Maintenance Phase - Deposit used batteries with the dealer, manufacturer, importer, assembler, registered recycler, re-conditioner or at the designated collection centres. - Submit half yearly return in Form VIII of the Rules	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/rules-5/

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
15	Public Liability Insurance Act 1991	Operation and Maintenance Phase Obtain insurance policy against the liability when handling any hazardous substance specified in the list of hazardous chemicals in the Act.	Imprisonment for a term of upto six years or fine of INR one lakh or both	https://legislative.gov.in/actsofparliamentfromtheyear/public-liability-insurance-act-1991
16	Construction and Demolition Waste Management Rules, 2016	Construction Phase - Dispose construction and demolition waste generated from construction and expansion activities as per directions of the Local authority - Obtain an No Objection Certificate from local body (as applicable) - Develop C&D waste disposal plan (if required)	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://cpcb.nic.in/displaypdf.php?id=d2FzdGUvQyZEX3J1bGVzXzlwMTYucGRm
17	The Manufacture, Storage and Import of Hazardous Chemicals Rules, 2000	Operation and Maintenance Phase - Provide prior notification of sites and process and approval from the Chief Inspector of Factories for industrial activities - Prepare on-site emergency plan and conduct mock drills. - Take adequate steps to prevent major accidents and to limit their consequences to persons and the environment. - Provide persons working on the site with information, training, and equipment to ensure their safety. - Notify local authorities in case of a major accident to authority	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://upload.indiacode.nic.in/showfile?actid=AC_CEN_16_18_00011_198629_15178073275_82&type=rule&filename=msich_amendment.pdf
18	The Ozone Depleting Substances	Operation and Maintenance Phase Restrictions on use of ODS unless registered with the Authority	Imprisonment for a term of upto five years or fine of INR one lakh or both u/s 15 of EPA	https://thc.nic.in/Central%20Governmental%20Rules/Ozone%20Depleting%20Substances%20

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Link
	(Regulation) Rules, 2000	Products to be labelled to indicate the ODS they contain		Regulations%20and%20Control%20Rules,%202000.pdf

Part B: Occupational, Health & Safety Regulations

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
1.	Factories Act 1948 and State Factories Rules	Pre-construction and Construction Phase - Approval required for factories plan through the online Form 1 from Directorate of Industrial Safety Health for the 'proposed' layout. - Obtain Provisional Fire NoC from Chief Fire Officer - The Occupier of every factory, shall atleast fifteen days before commencing any manufacturing process in any factory upload through online an application for the registration of the factory and for grant of the licence in the prescribed Form No.2 Operation and Maintenance Phase - Obtain Factories license from the Chief Inspector of Factories - Obtaining Approved factory plan/layout from Directorate of Industrial Safety Health for the 'in use' layout. - Fire No Objection Certificate (NOC) from Local Fire Department - Compliance to provisions of State Factories Rules.	Punishable with imprisonment for a term of two years or with fine of INR 1 lakh or both	https://labour.gov.in/industrial-safety-health

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		• Submit Annual Returns to the Chief Inspector of Factories by 31 January for the previous calendar year • In any factory all parts including the working gear, whether fixed or movable, of every lifting machine and every chain, rope or lifting tackle shall be ○ of good construction, sound material and adequate strength and free from defects ○ properly maintained ○ thoroughly examined by a competent person at least once in every period of twelve months, or at such intervals as the Chief Inspector may specify in writing ○ A register shall be kept containing the prescribed particulars of every such examination. ○ No lifting machine and no chain, rope or lifting tackle shall, except for the purpose of test, be loaded beyond the safe working load which shall be plainly marked • Particulars of examination shall be entered in a register in the prescribed in Form No. 38 under Rule 55-A. • In every factory, all practicable measures shall be taken to prevent outbreak of fire and its spread, both internally and externally, and to provide and maintain ○ -safe means of escape for all persons in the event of a fire		

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		○ -the necessary equipment and facilities for extinguishing fire ○ Effective measures shall be taken to ensure that in every factory all the workers are familiar with the means of escape in case of fire and have been adequately trained in the routine to be followed in such cases • All personal protective equipment provided to workers as required under any of the provisions of the Act/State Rules. • Factory classified as 'Dangerous Operations' if it fulfils the any one of the items listed in Rule 95. • No child who has not completed his fourteenth year shall be required or allowed to work in any factory. • Occupier of every factory shall prepare a written statement of his policy in respect of health and safety of workers at work.		
2.	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	Construction Phase • Registration with Labor Department within a period of sixty days from the date on which this Act becomes applicable to such establishment, (for recording maximum number of workers to be present at site during construction) • Registration of workers as beneficiaries ○ Every building worker who has completed eighteen years of age, but has not completed sixty years of age, and who has	• Punishable with imprisonment for a term upto three months, or with fine upto two thousand rupees, or with both.	https://clc.gov.in/clc/acts-rules/building-and-other-construction-workers

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		been engaged in any building or other construction work for not less than ninety days during the preceding twelve months shall be eligible for registration as a beneficiary under this Act. ○ An application for registration shall be made in such form, as may be prescribed, to the officer authorised by the Board in this behalf. ○ Every application under sub-section (2) shall be accompanied by such documents together with such fee not exceeding fifty rupees as may be prescribed. ○ If the officer authorised by the Board under sub-section, he shall register the name of the building worker as a beneficiary under this Act: ○ Provided that an application for registration shall not be rejected without giving the applicant an opportunity of being heard. ○ Any person aggrieved by the decision under sub-section may, within thirty days from the date of such decision, prefer an appeal to the Secretary of the Board or any other officer specified by the Board in this behalf and the decision of tile Secretary or such other officer on such appeal shall be final.		

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		○ The Secretary of the Board shall cause to maintain such registers as may be prescribed. • Engagement of Contractor registered with the Labour Department • Ensure that Contractor employs measures on worker health and safety during construction ○ Fix number of hours of work for normal working day ○ Wages for overtime work – any worker working overtime shall be entitled to wages at the rate of twice his ordinary rate of wages. ○ Maintenance of registers (in & out details) and records ○ Prohibition of worker who is deaf or has defective vision to be employed in building ○ Availability of wholesome drinking water for workers ○ Sufficient availability of urinals that are accessible ○ Employer to provide free of charge temporary living accommodation near the building for the workers ○ In case there are 50 female workers employed, there should be creches provided that are adequately lit and ventilated, maintained in a clean and sanitary condition. ○ First aid to be provided to workers ○ Maintain a Canteen where 200 or 50 building workers are employed.		

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
3.	Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010	Construction & Operation and Maintenance Phase - Compliance to General Safety Procedures/ Practices specified in the Regulation for electrical installations. - For every electrical installation including factory registered under the Factories Act, 1948 (63 of 1948) where more than 250 kW of electrical load is connected, the owner of the installation or the management of the factory shall designate a competent Electrical Safety Officer. - The owner of every installation of voltage exceeding 250 V shall affix permanently in a conspicuous position a danger notices in Hindi or English and the local language of the District, with a sign of skull and bones of a design as per IS -2551. - Approval from Electrical Inspector for operation of generating unit >10KW - All earthing systems to be tested for resistance during the dry season once every year. - Periodic inspection of LT/HT installation - at least once in five years - Fire buckets filled with clean dry sand, ready for immediate use for extinguishing fires, in addition to fire extinguishers suitable for dealing with electric fires to be kept at site - The neutral point of every generator and transformer shall be earthed by connecting it	As determined by Electricity Board	https://cea.nic.in/old/safety_regulations.html

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		to the earthing system not by less than two separate and distinct connections		
4.	National Building Code 2016	Construction & Operation and Maintenance Phase - Building Occupancy Certificate - Structural Stability assessments - Life and Fire safety installations	The penalty may be in the form of collection of arrears of tax	https://archive.org/details/nationalbuilding01/in.gov.bc.2016.vol1.digital/page/n5/mode/2up
5.	State Fire Safety Regulations	Construction Phase - Obtain provisional fire safety certificate from the Municipal Authority/ Local Bodies or Fire No Objection Certificate (NOC) from Local Fire Department Operation and Maintenance Phase - Obtain final fire safety certificate from the Municipal Authority/ Local Bodies or Fire No Objection Certificate (NOC) from Local Fire Department	State specific for instance, in Maharashtra it is punishable with imprisonment for a term less than 6 months but may extend to 3 years with a fine not less than INR 20,000 but may extend to INR 50,000.	https://dgfscdhg.gov.in/national-building-code-india-fire-and-life-safety For pdf http://www.fireandsafetyequipments.com/wp-content/uploads/2018/09/NBC2016-Part-IV.pdf In addition, please refer the State's Fire Services Website for updates on State Specific Regulation
6.	Central Motor Vehicle Rules 1989 amended up to 2016	Construction Phase - Construction equipment and transport vehicles (owned or hired) should possess valid driver's license; registration, permit for transportation, fitness certificate, and insurance Construction & Operation and Maintenance Phase - Driver to obtain a driving license authorizing him to drive the vehicle	- Punishable with imprisonment for three months, or with fine of INR 5,000, or both (driving license) - Punishable with fine of INR 1,500/- - If accident occurs imprisonment for three months, or fine of INR 5,000/- or both (valid registration)	https://morth.nic.in/central-motor-vehicles-rules-1989-1

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		- Owner to obtain Certificate of Registration for the vehicle - For valid registration, a transport vehicle should have a Certificate of Fitness - Owner to obtain insurance policy for the vehicle		
7.	Gas Cylinder Rules 2004	Construction & Operation and Maintenance Phase - Obtain approval for storage of gas cylinders as per thresholds provided in the Rules For e.g., Form G to be filled to obtain license for compressed biogas/natural gas. - Cylinders containing obnoxious or poisonous gases including Chlorine shall not be provided with any safety device. - Every cylinder containing compressed gas shall have its valve securely closed so as to prevent leakage. Valves fitted to the cylinders containing liquefied petroleum gas and highly toxic gases like Chloride shall be provided with security plug on the outlet to act as a secondary means of safeguard against leakage of gas. - Welded cylinders shall not be used for filling any permanent or high-pressure liquefiable gas like Chlorine. - No cylinder which has once been used for storage and transportation of Compressed Biogas, shall be used for filling with any other gas except mixture of these gases with inert gases	License fee doubled if application not received in time as specified in rules.	https://peso.gov.in/web/gas-cylinder-rules-2016

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		○ Cylinder degassing and valve opening platform of size minimum 3x3 m having arrangement of water and cold flaring. The cold flaring shall be done through a vent stack of height not less than 6.0 meters. • License granted by Chief Controller • Record of cylinders • Renewal of license		
8.	Petroleum Act 1934 amended up to 2002	Construction & Operation and Maintenance Phase • Obtain license for storage of petroleum as per thresholds provided in the Act • Firefighting installation approved by CCoE [u/r 117 (4)(ii)]	• Punishable by imprisonment up to 1 month and fine of Rs 1000 or both.	https://peso.gov.in/web/petroleum-rules-2002
9.	Indian Boilers Act, 1923 amended upto 2007	Operation and Maintenance Phase • Certificate for use of Boiler from the State Boiler Inspection Certificate • Hydraulic testing of boiler tested by a competent person	• Punishable with fine of INR 500/-	https://dipp.gov.in/policies-rules-and-acts/acts
10.	Static and Mobile Pressure Vessel Rules 1981	Operation and Maintenance Phase • The vessel shall contain the following fittings: ○ pressure relief ○ shut-off and emergency shut-off valves ○ liquid level gauging device ○ pressure gauge • All pressure vessels such as compressor and air receiver etc. shall be hydraulically tested by a	• As determined by Chief Controller of Explosives	https://dipp.gov.in/sites/default/files/SMPV_Notification_03May2018.pdf

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		competent person at a pressure marked on the vessel in an interval of 5 years. • Vessels to be stored in accordance to distances specified under the Rule. • Electrical wires shall not pass over any storage vessel. Electrical wires installed within safety zone shall be insulated cables of approved type.		

Part C: Social, Worker and Labour Regulations

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
1.	The Contract Labour (Regulation and Abolition) Act, 1970	Construction & Operation and Maintenance Phase - Every establishment in which twenty or more workmen or every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen shall make an application to the registering officer in the prescribed manner for registration of the establishment. - Obtain certificate of registration for employing Contract Labour from the office of the Labour Commissioner or relevant State Authority. - Comply with the applicable conditions "If any amenity required to be provided is not provided by the contractor within the time prescribed under the Act, such amenity shall be provided by the principal employer. These include - canteen, restroom, drinking water, urinals/toilets, first aid, washing facilities". - There shall be provided and maintained by the contractor so as to be readily accessible during all working hours a first-aid box equipped with the prescribed contents at every place where contract labour is employed.	Punishable with imprisonment for a term of three months, or with fine of INR 1,000/-, or with both.	https://clc.gov.in/clc/acts-rules/contract-labour-regulation-abolition-act-1970 In addition, please refer the website of the State's labour department for state specific Rules.
2.	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) (BOCW) Act 1996 and Central Rules 1998	Construction Phase - Registration of establishment and workers under the State BOCW Rules - Compliance to requirements related to worker welfare, and occupational health and safety practices	Punishable with imprisonment for a term of three months, or with fine of INR 2,000/- or with both	https://www.indiacode.nic.in/bitstream/123456789/1989/1/A1996_27.pdf

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
	State BOCW Rules			https://upload.indiacode.nic.in/showfile?actid=AC_CEN_6_6_00023_199627_1517807323878&type=rule&filename=Building and Other Construction Workers Regulation of Employment and Conditions of Service Central Rules.pdf
3.	Child and Adolescent Labor (Prohibition and Regulation) Act, 1986 and Amendment Act 2016	- Construction & Operation and Maintenance Phase - No child shall be employed or is permitted to work in the borrower's premises or business operations - No adolescent shall be employed or permitted to work in any of the hazardous occupations or processes set forth in the Schedule - The period of work for an adolescent shall not exceed 6 hours inclusive of interval for rest and waiting period for work. The adolescent will be provided a period of rest of one hour after three hours of work. - Every occupier will maintain a register of adolescents employed including: - name and date of birth - hours and periods of work, intervals of rest - nature of work - An abstract of Sec 3 & 14 shall be displayed in a conspicuous and accessible location in local and English language	- For employment of a child - punishable with imprisonment for six months to two years, or with fine of INR 20,000/- to INR 50,000/- "Punishable with imprisonment for one month or with fine of INR 10,000/-"	https://clc.gov.in/clc/acts-rules/child-labour-prohibition-and-regulation-act-1986

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
4.	Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979	Construction & Operation and Maintenance Phase - Registration of Establishment as principal employer - Contractor's license for engaging migrant workers - Payment of wages as per Minimum Wages Act - Displacement allowance equal to fifty per cent of the monthly wages - Journey allowance (to and from hometown) payable by Contractor - Every principal employer and every contractor shall maintain registers and records giving particulars of the inter-State migrant workmen employed, the nature of work performed by such workmen, the rates of wages paid to the workmen.	Punishable with imprisonment for a term of one year, or with fine of INR 1,000/-, or with both.	https://clc.gov.in/clc/acts-rules/inter-state-migrant-workmen
5.	Employee Compensation Act 1923 and Amendment Act 2009	Construction & Operation and Maintenance Phase - Mechanism for payment of compensation to employee for injury sustained during work. "Notice of accident or partial disablement due to the contracting of any occupational disease to the Labour Commissioner - Reports of fatal accidents and serious bodily injuries within seven days to the Commissioner explaining the circumstances of the accident" - File returns to the State Government specifying the number of injuries in respect of which compensation has been paid by the employer during the previous year and the amount of such compensation - Registration of Agreements – Where the amount of any lump sum payable as compensation has been settled by	- Default in payment of compensation from one month of the date it was due - Employer shall be liable to pay the arrears plus simple interest @ 12% per annum or at the lending rate of scheduled banks, whichever is higher - Punishable with fine of INR 50,000/- to INR 1,00,000/- (notice of accident/partial disablement)	https://labour.gov.in/social-security

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		agreement whether by way of redemption of a half-monthly payment or otherwise, or where any compensation.		
6.	Maternity Benefits Act, 1961 and Amendment Act 2017	Construction & Operation and Maintenance Phase - Provision of Maternity benefits as per applicable requirements of the Act. - No woman shall work in any establishment during the six weeks immediately following the day of her delivery or her miscarriage. - No pregnant woman shall, on a request being made by her in this behalf, be required by her employer to do during one month preceding the date of delivery any work which is of an arduous nature - Payment of maternity benefit – Every woman who has worked for 160 days preceding the date from which she absents herself on account of maternity shall be entitled to, and her employer shall be liable for, the payment of maternity benefit. - The maximum period for which any woman shall be entitled to maternity benefit shall be twenty-six weeks, of which not more than eight weeks up to and including the day of her delivery and six weeks immediately following that day. - Payment or maternity benefit in case of death of a woman to the person nominated by the woman in the notice given under section 6 or her legal representative in case of no nominee.	Punishable with imprisonment of three months, or with fine of INR 500/-	https://labour.gov.in/social-security

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
7.	Minimum Wages Act, 1948 and amendments thereafter	Construction & Operation and Maintenance Phase Payment of minimum rate of wages as fixed and periodically revised by the State Government	Penalty may vary from state to state	https://labour.gov.in/wages
8.	Payment of Wages Act, 1936 (amendments thereafter)	Construction & Operation and Maintenance Phase Payment of wages to all employees (direct and indirect)	Punishable with fine which shall not be less than two hundred rupees but which may extend to one thousand rupees	https://clc.gov.in/clc/acts-rules/payment-wages-0
9.	The Equal Remuneration Act, 1976	Construction & Operation and Maintenance Phase - Pay equal remuneration to employees of all genders performing same work or work of a similar nature. - Employer will not make any discrimination while making recruitment for the same work or work of a similar nature, except where such work is prohibited or restricted by or under any law for the time being in force	Punishable with fine upto twenty thousand rupees or imprisonment upto one year	https://labour.gov.in/sites/default/files/equal_remuneration_act_1976_0.pdf
10.	The Payment of Gratuity Act, 1972 and amendments thereafter	Operation and Maintenance Phase - Payment of gratuity to employees who have completed not less than 5 years of continuous service. - The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable	Punishable with imprisonment for three months to one year, or with fine of INR 10,000/- to INR 20,000/-	http://www.bareactslive.com/ACA/ACT837.HTM
11.	The Payment of Bonus Act, 1965 amended upto 2015	Operation and Maintenance Phase Payment of bonus for an accounting year	Punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.	https://labour.gov.in/wages
12.	Employees' State Insurance Act, 1948	Construction & Operation and Maintenance Phase	Punishable with imprisonment of six months, fine of INR 5,000/-	https://www.indiacode.nic.in/handle/123456789/1441?view_type=bro

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
	and amendments thereafter	Deduction of employee contribution and payment of employer contribution as required under the Employee State Insurance Scheme (ESIC)	Punishable with imprisonment of one to three years, fine of INR 10,000/-	wse&sam_handle=123456789/1362
13.	The Employees' Provident Fund and miscellaneous Provision Act, 1952 amended up to 1996	Construction & Operation and Maintenance Phase "In an establishment employing employees, EPF deduction and contribution shall be made by each employee and employer for all employees earning less than INR 15000. - The contribution paid by the employer is 12% of basic wages plus dearness allowance plus retaining allowance. An equal contribution is payable by the employee also. In the case of establishments which employ less than 20 employees the contribution rate for both employee and the employer is limited to 10 percent. - EPF for the particular employee should be calculated on the gross salary of the employee."	Punishable with imprisonment of one to three years, fine of INR 10,000/-	http://www.bareactslive.com/ACA/ACT506.HTM
14.	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Construction & Operation and Maintenance Phase - Policy on Prevention of Sexual Harassment. - Constitution of Internal Complaints Committee - Submission of Annual Report to the District Officer before 31st January for previous calendar year. - Treat sexual harassment as a misconduct under the service rules and initiate action for such misconduct.	- Punishable with fine of INR 50,000/- - For repeat offence: Punishable with double the fine amount; and Cancellation of business license / registration	https://www.indiacode.nic.in/handle/123456789/2104?view_type=bro wse&sam_handle=123456789/1362
15.	Right to fair Compensation and Transparency in Land Acquisition and Rehabilitation and Resettlement Act, 2013	Pre-construction & Construction Phase Provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition	Punishment of six months which may extend to three years or with fine or with both.	https://legislative.gov.in/sites/default/files/A2013-30.pdf

#	Regulations	Key Requirements (monitoring/filing/licensing) of the Regulation and Associated lifecycle stage	Key liability/penalty to non-compliance	Reference Links
		Make adequate provisions for such affected persons for their rehabilitation and resettlement		
16.	Private Security Agencies (Regulation) Act, 2005	Construction & Operation and Maintenance Phase - Private Security Agency to obtain a license to provide private security "The license holder shall not violate provisions of the Acts given in the Schedule: (1) The Payment of Wages Act, 1936 (4 of 1936). (2) The Industrial Disputes Act, 1947 (14 of 1947). (3) The Minimum Wages Act, 1948 (11 of 1948). (4) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952). (5) The Payment of Bonus Act, 1965 (21 of 1965). (6) The Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970). (7) The Payment of Gratuity Act, 1972 (39 of 1972). (8) The Equal Remuneration Act, 1976 (25 of 1976). (9) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (30 of 1979)."	Punishable with imprisonment for a term which may extend to one year or with fine which may extend to INR 5,000/- or with both.	https://www.mha.gov.in/sites/default/files/The%20Private%20Security%20Agencies%20%28Regulation%29%20Act%2C%202005.pdf
17.	Indian Treasure Trove Act, 1878	Pre-construction, Construction & Operation and Maintenance Phase The finder of any such treasure, according to this law, needs to inform the most senior local official of the "nature and amount or approximate value of such treasure and the place where it was found".	- Penalty on finder failing to give notice - on conviction before a Magistrate, imprisonment for a term which may extend to one year, or with fine, or with both. - On further offence, imprisonment which may extend to six months, or with fine, or with both.	https://legislative.gov.in/sites/default/files/A1878-06.pdf

Part D: Water Related Acts/Notifications

#	Acts/Notifications	Key Requirements of the Act/Notification	Reference Links
1.	MOEFCC Notification, 1986	MOEFCC standards for Common Effluent Treatment Plants as per, (Environment Protection Rules, 1986)	https://mpcb.gov.in/sites/default/files/common-effluent-treatment-plant/guidelines/CETP%20Standards.pdf
2.	MOEFCC Notification on STPs, 2017	Revised effluent discharge standards for STPs to improve water quality	Hkkjr ds jkti= ds vlk/kkj (cpcb.nic.in)
3.	Odisha	SPCB to make mandatory for urban bodies to set up sewerage system for sewage collection, treatment and its disposal.	http://ospcbboard.org/wp-content/uploads/2017/03/43-STPStandard.pdf
4.	Implementation of E-Manifest in transportation, management and treatment of industries effluent by CETP's in the State of Karnataka, October 2021	- Effluent Generator/Transporters Registration - Approval of the Industry/Transporter - Transporter and Vehicles details - CEPT Facilities details - Generation of Manifest - Approval of Manifest by CEPT - Reports	https://kspcb.karnataka.gov.in/sites/default/files/inlin e-files/E-manifest_0.pdf
5.	Stipulating Consent Conditions to employ trained operators for Effluent	Mandatory to impose Consent for establishment & Consent for operation to industries and apartments where STPs and ETPs capacity is more than 500 KLD to employ only trained operators	https://kspcb.karnataka.gov.in/sites/default/files/inlin e-files/circular_0.pdf

#	Acts/Notifications	Key Requirements of the Act/Notification	Reference Links
	Treatment Plants & Sewage Treatment Plants for Operation and maintenance, Karnataka, June 2021	with the Certification from the Skill Development Department or any similar organisation.	
6.	Guidelines for Design and location of Sewage Treatment plants (STPs), Karnataka, March, 2021	- The approved STP technologies are: - Activated Sludge Process (ASP) only in the case where the Sewage generated is 500 KL and above. - Sequential Batch Reactor (SBR) - Membrane Bio Reactor (MBR) - Moving Bed Bio Reactor (MBBR) / Fluidized Aerobic Bed reactor (FAB) - Also includes mechanical equipment specifications guidelines - Requirements for location of STPs and treated sewage standards etc.	https://kspcb.karnataka.gov.in/sites/default/files/inline-files/new%20stp%20G.pdf
7.	Mandatory installation of Sensors for STPs, Karnataka, November 2021	Part of action plan to prevent the discharge of untreated / partially treated sewage into the water bodies as per the NGT Directions it was decided to monitor the quality of treated sewage through installation of sensors. Details as per parameters were detailed out for the same.	https://kspcb.karnataka.gov.in/sites/default/files/inline-files/OM%203295.pdf
8.	Manual on Sewage and Sewerage Treatment System, 2013	- GOI decided to revise and update the existing Manual on Sewerage and Sewage Treatment under the aegis of Japan International Cooperation Agency (JICA), who appointed a JICA Study Team (JST) in July 2010 comprising of experts from Japan. - The JST retained an Indian Study Team (IST) to assist in the preparation of the manual. GOI also constituted 3 Expert	http://cpheeo.gov.in/cms/manual-on-sewerage-and-sewage-treatment.php

#	Acts/Notifications	Key Requirements of the Act/Notification	Reference Links
		Committees (ECs). JST, IST and ECs interacted in New Delhi and gave shape to part A, B and C of the manual. - Part – A on 'Engineering' addresses the core technologies and updated approaches towards the incremental sanitation from on-site to decentralized or conventional sewerage systems including collection, conveyance, treatment and reuse of the misplaced resource of sewage and sludge and is simplified to the level of the practicing engineer for the day-to-day field guidance in understanding the situation and coming out with a choice of approaches to remedy the situation. - Part – B on 'Operation and Maintenance' addresses the issues of standardizing the human and financial resources. This also covers aspects such as guidelines for cleaning of the sewers and septic tanks besides addressing the occupational health hazards and safety measures of the sanitation workers. - Part – C on 'Management' is a refreshing approach to modern methods of project delivery and project validation and gives a continual model for the administration to foresee the deficits in allocations and usher in newer mechanisms.	
9.	Technical Factsheets	- EMC has prepared the following factsheets as part of Knowledge Product for KWMPL: - Desalination & Recycle/Reuse Technologies - Sewage Treatment Processes - Sludge Digester - Brine Treatment & Management Technologies	These factsheets can be accessed on the following google drive links: https://tinyurl.com/26aedsn8 https://tinyurl.com/2p8jzkvu https://tinyurl.com/2p92pzt6 https://tinyurl.com/4e3kefyb

Part E: Water Related Policies

#	Regulations	Key Requirements of the Policy	Reference Links
1.	National Water Policy, 2012	- Policy states need to evolve a National Framework Law that recognizes water as a scarce resource and is necessary to sustain life. - Centre, states, and local bodies to ensure access to minimum quantity of potable water for well being - Planning and management of water resources to incorporate coping strategies for climate change. - Availability of water resources and its use by various sectors in various basin and States in the country need to be assessed scientifically and reviewed at periodical intervals. - Project appraisal and environment impact assessment for water uses, particularly for industrial projects, should include the analysis of the water footprints for the use. - Equitable access to water for all and its fair pricing should be arrived at through independent statutory Water Regulatory Authority (WRA), set up by each State, after wide ranging consultation with all stakeholders. - Recycle and reuse of water, after treatment to specified standards, should also be incentivized through a properly planned tariff system. - In urban and industrial areas, rainwater harvesting and de-salinization, wherever techno-economically feasible, should be encouraged to increase availability of utilizable water. - Urban water supply and sewage treatment schemes should be integrated and executed simultaneously. Water supply bills should include sewerage charges. - Industries in water short regions may be allowed to either withdraw water or should have an obligation to return treated effluent to a specified standard back to the hydrologic system. - Subsidies and incentives should be implemented to encourage recovery of industrial pollutants and recycling/ reuse, which are otherwise capital intensive. - A permanent Water Disputes Tribunal at the Centre should be established to resolve the disputes expeditiously in an equitable manner. - The State Governments / urban local bodies may associate private sector in public private partnership mode with penalties for failure, under regulatory control on prices charged and service standards with full accountability to democratically elected local bodies. - A National Water Informatics Center should be established to collect, collate, and process hydrologic data regularly from all over the country, conduct the preliminary processing, and maintain in open and transparent manner on a GIS platform.	http://jalshakti-dowr.gov.in/sites/default/files/NWP2012Eng6495132651_1.pdf

#	Regulations	Key Requirements of the Policy	Reference Links
		To meet the need of the skilled manpower in the water sector, regular training and academic courses in water management should be promoted.	
2.	Maharashtra State Water Policy, 2019	- Policy's focus areas include engagement of stakeholder for inclusive water governance, strategic planning and prioritizing investments, continuous monitoring and updating policies, demand management, improving water use efficiency in all water sectors, increasing quantity of usable water and adopt good governance through informed transparent decision to achieve the above-mentioned objectives of equity, social justice and sustainability. - Policy to allocate water across different user groups including domestic, industry, ecosystems etc. - Water projects must consider E&S aspects in addition to techno-economic considerations and also consider its impact on project affected parties. - Integrated planning for maximising utilisable water through desalination, evolving benchmarks through water foot printing, water auditing etc and including desalination. - Evolving a system for benchmarking water uses for different purposes through water footprints and water audits. - The state to establish a programme to control discharge of pollutants into ground water and surface water. It shall also include acceptable limited for discharge of any pollutants into these waters. - For effective control over water pollution, plans to be established to monitor recycling and reuse of water. Apex body to be formed under the leadership of Environmental Ministry of State and with members from all the water user line departments. - Industrial water management strategies to include reducing water footprint and optimizing industrial processes. - All industries with bulk annual water consumption to publish Annual Water Report, propriety given to agro-based industries for deficit basins and promote use of recycled water. - All thermal power plants within 50km of urban STPs to switch to treated effluent STP and regulation of groundwater exploitation. - Participation of private sector is encouraged especially for development of water treatment plants, water distribution plants and wastewater treatment plants.	https://wrd.maharashtra.gov.in/Site/Upload/PDF/State%20Water%20Policy%2005092019-pages-32-55.pdf

#	Regulations	Key Requirements of the Policy	Reference Links
3.	Rajasthan State Water Policy, 2010	- Policy's objectives require companies to adopt integrated, multi sectoral approach to the water resources planning development and management of river basin/sub basin, considering it as a unit. Also, includes planning, managing of river basin as the unit adopting a multi sectoral approach and treating surface and sub surface water with unitary approach. - Policy promotes reuse of effluents to municipal, industrial, and agricultural usage. The reuse of treated sewage effluent will be promoted, with appropriate levels of treatment applying to municipal usage, industrial usage, other horticulture usage, beneficial surface discharge, and recharge to ground water. - Sewage effluent not to be discharged to water courses or to groundwater recharge without primary treatment. - Water intensive industries will be required to recycle their water. - Standards for the use of wastewater in agriculture will be prescribed. - Focus on integrated water resources management and for this the PRIs to be adequately strengthened, and the framework will utilize intermediate level of facilitation between the state government and water user associations. - State Water Resources Planning Department will act as the primary source of water related information and will plan and enable water user groups. - An inter-departmental Management Information System to be developed that will collect, process and present water users' requirements. - Independent EIAs will be undertaken for proposed major and medium water resources project.	https://water.rajabsthan.gov.in/content/dam/water/water-resources-department/Miscellaneous/WaterPolicy/Rajya%20Ja%20Neti_English.pdf
4.	Madhya Pradesh State Water Policy, 2003	- Policy plans resources development on the basis of river basin or sub-basin, each development project is designated such that integrated water resources planning's best alternative can be identified. - Special projects of water resources development to be undertaken for Scheduled Castes and other special backward classes to promote representation of these groups in operation and maintenance of projects shall be ensured. - Priority should be given to exploitation of ground water resources for drinking water purposes. - Planning and operation of system water allocation priorities shall be- drinking water supply, irrigation & afforestation, power generation and other use and tourism.	http://www.mpwrd.gov.in/documents/18/229525/01++State+Water+Policy

#	Regulations	Key Requirements of the Policy	Reference Links
		- The quality of the surface water and ground water shall be tested on regular basis by concerned authorities. - Intensive research work is essential on - Purification of water and its likely reuse and on appropriate methods for the conservation of water in the fields, development of water wealth in the catchment areas. - Policy also gives strategies for sludge disposal. - Science and technology to be utilised for appropriate water resources management such as hydrometeorology, economical design of water projects, continuity of flow of water in the rivers and purity of drinking water, scientific study of crop-pattern, study of silting processing in the reservoirs and measures to minimize it, safety of water conservation structures, research on river formation works and construction material, water distribution system, remote sensing techniques, purification of water and its likely reuse and effective water drainage system.	
5.	Kerala State Water Policy, 2008	- Policy stresses that conserving water, coordinating efforts of various agencies and involvement of people is crucial. - The policy stipulates treating each river basin as a unit while planning water conservation measures and deciding how the resources on hand shall be apportioned among various consumer groups in the following priority: - Domestic Consumers - Farmers - Power generation, agro-processing sector - Industrial/commercial customers - The policy proposes new laws for setting up River and Wetland Authority and regulating groundwater exploitation. The policy also specifies measures against the delays that have become a norm, rather than an exception, in the execution of drinking water and irrigation projects in Kerala. - Policy states that all water users shall be directed to adopt measures through recycling for incremental reduction in water extraction. - Main objectives of the policy include: - Adoption of integrated approach for planning, development, and management of water resources - Consider microsheds for conservation and utilization of water resources	https://www.indiawaterportal.org/sites/default/files/iwp/Kerala_state_water_policy_2008.pdf

#	Regulations	Key Requirements of the Policy	Reference Links
		○ Emphasize importance of comprehensive watershed conservation and management plan, water quality plan, long-term basin operations and monitoring plan ○ Enable appropriate institutional mechanism and legal measures for sustainable resource development and management.	
6.	Assam State Water Policy, 2007	• The Policy envisages a long-term water resource management program designed to develop a critical mass of indigenous productivity with the requisite technical, economic, and sociocultural means for sustainable development. • Promotes adoption of integrated water resource management as a core strategy, based on the principles of water as a finite resource, need to use a participatory approach and ensuring clear water access to all. • Water allocation priorities according to the policy are as follows: ○ Drinking and domestic use ○ Sustaining livelihoods - aquaculture, cottage industries ○ Sustaining environment, maintaining river systems, wetland systems and aquatic life ○ Irrigation and hydropower ○ Agro-based and rural industries ○ Thermal power and industries ○ Recreation and religious uses ○ Navigation and other uses. • Demand management, conservation, and efficiency of water utilization through: ○ Domestic sector - Piping out separately the sewage and other domestic use to be treated, recycled and reused ○ Industrial sector- water recycling facilities, treated urban sewage water for cooling and other processes ○ Agriculture sector – treated sewage water for non-edible crops wherever possible • Training and research on recycling and reuse	https://www.indiawaterportal.org/sites/default/files/iwpe0706_0.pdf
7.	Policy for Reuse of Treated Wastewater, Gujarat, 2018	• This policy aims to reduce Gujarat's dependence on fresh water sources like Narmada River. • Policy promotes use of treated wastewater and setting up of Sewage Treatment Plans (STP) in all major towns and cities of Gujarat.	https://gwssb.gujarat.gov.in/downloads/Policy_Reuse_Of_WasteWaterA.pdf

#	Regulations	Key Requirements of the Policy	Reference Links
		- The state government plans to construct 161 sewage treatment plants to treat wastewater and use it for non-drinking purposes like industrial units, thermal power plants, gardening and in construction sector. - Currently, around 2,600 million litres per day of wastewater is being treated by 52 STPs in the state. The policy aims to double the existing water treatment capacity to around 5,000 MLD over the next 2 years. - Under this policy the state government will make it mandatory for thermal power plants located within 50 kms of an STP to use treated water. - This would also apply to industries or industrial parks which are consuming over 1 lakh litres of water per day. - Objectives of the policy are as follows: - To reach minimum 80% coverage and collection of sewage in all municipal towns. - To reach a level of 100% treatment of collected sewage as per the prescribed standards. - To reuse at least 25% of total freshwater consumption from TWW within the time limit set under policy by every municipal body - To reuse 70% of TWW by 2025 - To reuse 100% of TWW by 2030	
8.	Policy on Reuse of Treated Wastewater, Haryana, 2019	- The objectives of the policy include to attain a minimum coverage of 80% of the area with sewerage facilities and collection of sewage in all the towns of the state and to attain a level of 100% treatment of collected sewage as per prescribed standards. - The infrastructure to be constructed/ strengthened in the future shall inter-alia cover the following: - Extend/strengthen the sewerage network, in a phased manner. - Increase the existing capacity of the Sewage Treatment Plant (STP)s and to construct new STPs which at present do not have sewage treatment facilities. - Industrial establishments shall collect domestic wastewater generated within their premises and reuse it for appropriate non-potable applications. - Special guidelines are given for construction companies, thermal plants Etc. However, the industrial effluent shall be collected and treated separately and disposed as per prevailing standards prescribed by CPCB/HSPCB. - HSPCB will ensure installation of online analyzers in industrial unit when treated sewage is being discharged. Similarly, online analyzers shall also be installed on all STPs/CETPs.	2019111161712Notification re-use policy - 2019.pdf (phedharyana.gov.in)

#	Regulations	Key Requirements of the Policy	Reference Links
		All the industrial units throughout the state who are consuming more than 1000 KLD of water including industrial clusters shall apply on a central portal indicating their water requirement. Such units which are situated within a 5.00 km radius of the STP or city limits shall compulsorily use TWW.	
9.	Urban Wastewater Reuse Policy, Karnataka, 2018	- The policy provides a comprehensive framework for wastewater reuse in Karnataka, integrating principles of cost recovery, equity, and sustainability for urban wastewater management. It also includes a special focus on industrial reuse of treated urban wastewater, with the intention of supporting financial sustainability of urban local bodies and mitigating water supply risks for industry. - Salient features of the policy, which covers all Class I and II urban centres, include: - Reuse of not less than 20% STW is targeted, as a combined average across sectors, of total urban wastewater generated for identified Karnataka urban centers by 2020 - At least 10 major cities/towns will have adopted integrated water resource management plans, developed as multi-sectoral initiatives and incorporated wastewater reuse principles and implementation plans therein, by 2020 - Industrial estates/ zones within [30 km] of a sewage treatment plant (STP) mandatorily examine, as a first option, available secondary treated wastewater (STW) from the STP - The Department of Industries and Commerce may set a voluntary target for use of STW to comprise (indicatively) 20% of the total state-wide industrial water use, including energy sector, by 2020 - Policy specifically seeks to acknowledge and encourage the practice of localized treatment of wastewater through constructed wetlands - Agricultural, industrial and urban non-potable uses will be considered to contribute to the reuse target - Tariff proposed (in Rs/KL) is applicable at the plant gate, or at in-city locations enroute of the sewerage network. The off taker is responsible for meeting additional cost of conveyance to a specified location - Where off take for industrial reuse requires tertiary treatment of a specific volume of STW to be undertaken by the city, operational costs for the same shall be recovered from industry through additional charges - ULBs will explore Public Private Partnerships (PPPs) as a possible option for implementation of wastewater reuse projects. - An important feature of the policy is the constitution of a Wastewater Resource Cell to facilitate policy implementation. The Resource Cell will be established at the state level will act as an information and transaction facilitation unit to support the development of projects, with the aim of ensuring that	Waste-Water-Reuse-Eng.pdf (kuwsdb.org)

#	Regulations	Key Requirements of the Policy	Reference Links
		relevant quality parameters for each reuse category are met, towards development of innovative, cost-effective, and context-specific solutions for wastewater treatment and reuse. ○ Karnataka State Pollution Control Board (KSPCB) will be responsible for monitoring secondary treated wastewater quality from treatment plants. ○ Directorate of Municipal Administration (DMA) will co-ordinate alignment of wastewater reuse projects to AMRUT – Atal Mission for Rejuvenation and Urban Transformation/alternate Government of India programs. ○ Urban Development Department will undertake monitoring the performance of wastewater reuse projects, Budget and resource allocation, and Active partnerships. ○ Department of Industries and Commerce will establish voluntary target for treated wastewater to comprise 20% of the total state-wide industrial water use by 2020. ○ Department of Energy will coordinate partnerships of thermal power plants with urban centres within 50 km radius for off-take of all STW available.	

Part F: E&S Risk Mapping and Potential Impacts

S. No.	E&S Risk Factors	Potential negative impacts/implications
1.	Requirement for large quantities of fresh water.	■ Groundwater depletion in the region ■ Contamination of ground or surface water sources in the region due to discharge of effluent ■ High energy consumption for treatment of raw or process water
2.	High requirements for power supply.	■ High energy consumption
3.	Large quantities of fuel (gas/diesel/coal/etc.) for operations.	■ Air emissions. ■ Solid waste (fly ash if coal is used)
4.	Installation of various process and utility equipment which may generate air emissions (e.g. boiler, diesel generator set, incinerator, grinder, etc.).	■ Air emissions ■ Solid waste (e.g. waste from equipment maintenance, fly ash from coal-based boilers). ■ Hazardous waste (e.g., waste oil, oil-soaked filters and rags) ■ Liquid waste (e.g. boiler blow-down, waste oil) ■ Noise generation
5.	Storage of large quantities of raw materials at site.	■ Solid waste due to possible contamination or deterioration of raw materials

S. No.	E&S Risk Factors	Potential negative impacts/implications
		■ High energy consumption or emissions due to cold storage
6.	Generation of large (or significant) quantities of solid or liquid waste due to poor quality of raw materials or due to prolonged storage.	■ Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste ■ Wastewater from cleaning ■ High energy consumption or emissions due to cold storage
7.	Generation of large (or significant) quantities of solid or liquid waste from manufacturing process, which are not reprocessed into byproducts, or energy.	■ Solid waste ■ Liquid waste ■ Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste ■ Wastewater from cleaning
8.	Quantity of solid/liquid waste from rejected finished product due to contamination, rotting, expiry, etc.	■ Solid waste ■ Liquid waste ■ Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste ■ Wastewater from cleaning ■ High energy consumption or emissions due to excess or extra production
9.	Disposal of solid waste in villages or city's landfill facility	■ Contamination of land ■ Groundwater (due to leachate) and/or surface water (due to run-off) ■ Impact on wildlife or fisheries if exposed ■ Diseases through vectors, foul smell, GHGs generation (e.g. methane) ■ Contamination of ground and/or surface water due to improper disposal of wastewater
10.	Generation of large (or significant) quantities of wastewater (e.g. raw material washing, processing, floor cleaning, bottle washing, etc.).	■ Contamination of ground and/or surface water due to improper disposal of wastewater
11.	Discharge of wastewater (process effluent) in nearby river/lake/or any other water bodies	■ Contamination of receiving water body and aquatic life ■ Eutrophication due to high BOD or COD
12.	Treatment of wastewater (process effluent) before discharge.	■ Energy consumption

S. No.	E&S Risk Factors	Potential negative impacts/implications
		■ Solid waste generation (e.g. sludge from treatment process, membrane concentrated waste discharge from reverse osmosis, treatment chemicals) ■ Land and/or water contamination due to improper disposal of waste
13.	Utilization of treated wastewater (process effluent) for irrigation (either by ourselves or provide it to community)	■ Contamination of land, groundwater (due to leachate), surface water (due to run-off) and/or crops if toxic chemicals are present in the treated wastewater
14.	Generation of hazardous or toxic waste (e.g. waste chemicals, used/waste oil/sludge from wastewater treatment plants based on chemical treatment, etc.)	■ Contamination of land, groundwater (due to leachate) and/or surface water (due to run-off) if disposed improperly.
15.	Requirement of a larger land area for industrial operations	■ Loss of natural habitats or agricultural land. Air, water and/or land pollution based on expansion requirements and infrastructure development
16.	Operations may have an impact on the surrounding forest or wildlife	■ Loss of native species ■ Impact on biodiversity
17.	Use of banned chemicals/materials in the processes	■ Non-fulfilment of regulatory requirements ■ Air, land or water pollution depending on current usage ■ Exposure of workers or consumers to banned chemicals
18.	Problems related to pest and vectors.	■ Use of chemicals ■ Chemical exposure to workers ■ Land or water contamination due to disposal of infested material ■ Impact on neighbouring agricultural areas
	Potential Social Risk and Impact	
19.	Differences in caste, race, religion between different classes of workers and employees and the managers	■ Discrimination, disciplinary abuse and harassment

S. No.	E&S Risk Factors	Potential negative impacts/implications
20.	Unawareness amongst managers and supervisors of worker's rights under the national labour laws or collective agreements	■ Discrimination, disciplinary abuse and harassment ■ Excessive overtime
21.	Contractors and contract workers.	■ Inadequate wages, benefits, and contracts ■ Forced labour ■ Human rights violations ■ Deprivation of basic livelihood necessities ■ Migration of laborers and workers
22.	Migrant workers	■ Inadequate wages, benefits, and contracts ■ Forced labour ■ Human rights violations ■ Deprivation of basic livelihood necessities ■ Conflict with local community ■ Illegal employment, human trafficking ■ Discrimination
23.	Worker's accommodation facilities	■ Lack of freedom of movement ■ Lack of clean adequate space, livelihood facilities ■ Excessive charges for the use of the accommodation ■
24.	Security guards at facilities	■ Lack of freedom of movement ■ Harassment ■ Use of firearms ■ Conflict with community
25.	Large fluctuation in orders and/or seasonality of production.	■ Excessive overtime ■ No payment of overtime due to hour-averaging. Layoff
26.	Labor shortage in the area.	■ Forced labour ■ Child labour

S. No.	E&S Risk Factors	Potential negative impacts/implications
27.	No history of collective bargaining, unions or other forms of worker representation at the company.	■ Lack of freedom of association
28.	No procedure for workers to express their complaints (grievance mechanism)	■ Discrimination ■ Disciplinary abuse and harassment ■ Worker injuries and chronic conditions
29.	Supply Chain Risks	■ Cases of forced/bonded/child labour ■ Human rights violation and abuse ■ Inadequate payment of wages
30.	Exposure to Biological Hazards	■ Inhalation of dust and aerosols ■ Skin irritations and other allergic reactions from dust and chemicals
31.	Exposure to Chemical Hazards	■ Typically, during cleaning and disinfecting of process areas ■ During maintenance of heating and cooling systems ■ Ammonia Leakage
Potential Community Health and Safety Risk		
32.	Processing activities and treatments involve biomass or other liquids or solids that may lead to foul odors.	■ Exposure of community to foul odours
33.	Operations involve air emissions, water discharge, solid waste disposal, leakage of chemicals or gases, etc., that may pass on to the surrounding community.	■ Air, water or land contamination, which can affect the health and livelihood of local communities
34.	Development of new infrastructure, buildings, equipment and other facilities.	■ Exposure of communities to air emissions ■ Noise and accidents due to equipment and vehicular movement ■ Impact on wildlife, biodiversity, and local livelihoods due to natural habitat conversion
35.	Decommissioning and disposal of old infrastructure, buildings, equipment and other facilities.	■ Health risks to communities due to exposure to toxic substances (e.g. from chemicals, heavy metals, asbestos, etc.), and air emissions and noise due to equipment and vehicular movement ■ Impact on wildlife and biodiversity

S. No.	E&S Risk Factors	Potential negative impacts/implications
36.	Significant movement of vehicles in and around the facility due to operations (e.g. vehicles carrying raw material or finished products, movement of water tankers, etc.)	■ Exposure of communities to air emissions, noise and accidents due to vehicular movement
37.	Storage of hazardous chemicals or hazardous waste in the facility	■ Health risks to communities and negative impacts on wildlife and biodiversity due to the intentional or unintentional (spills) release of hazardous or toxic substances contaminating air, land and/or water.
38.	Discharge of water from operations plant, which may have an impact on surrounding water bodies	■ Negative impacts on local food security and income generation due to contamination of aquatic life ■ Diseases/illness among local communities due to the use of contaminated water
39.	Hiring temporary and migrant workers	■ Communicable diseases brought or spread by the influx of workers
40.	Hiring private security personnel	■ Conflicts with communities and indigenous people.
41.	Conflicts/complaints from the local community.	■ Conflicts with communities and indigenous people.
Occupational Health & Safety Risk		
42.	No access to separate and clean areas for eating and changing clothes	■ Worker's illness
43.	Sanitation and washing facilities area are not inspected regularly	■ Worker illness due to infectious diseases
44.	Production activities include significant lifting, carrying or repetitive motions	■ Worker injuries and chronic conditions
45.	Use of Large Equipment	■ Worker injuries and chronic conditions

S. No.	E&S Risk Factors	Potential negative impacts/implications
46.	Equipment, machinery and tools are not regularly inspected and maintained	■ Worker injuries such as loss of limbs or digits ■ Noise emission causing hearing problem ■ Air emission causing respiratory problem
47.	Long working hours in areas with exposure to sunlight, ultraviolet radiation and/or excessive heat	■ Heat and sun induced dermatitis ■ Melanoma ■ Dehydration ■ Heat stroke
48.	Workers working at height	■ Fall Injuries ■ Cuts and fractures ■ Fatality
49.	No periodic health and safety trainings imparted	■ Unawareness of health and safety risks ■ Slip and trips ■ Exposure to chemicals ■ Exposure to heat ■ Fatality incidents ■ Electrocution\ ■ Fire and Explosion
50.	Narrow lanes or pathways or confined space within the facilities	■ Injury/death ■ Narrow escape ■ Physical injury such as slip/trip ■ Exposure to toxic gases ■ Oxygen deficiency
51.	Lack of adequate PPEs at site	■ Physical injury ■ Casualities ■ Slip and trip ■ Burns ■ Fall from height ■ Respiratory problems

Part G: EHS Legislative Mapping

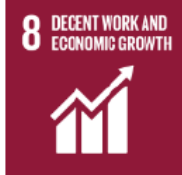
S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
ENVIRONMENT		
1	National Green Tribunal Act, 2010	Pre-Construction/ Construction/ Operation/
2	The Environment Protection Act, 1986	Construction/ Operation
3	The Water (Prevention & Control of Pollution) Act, 1974	Construction/ Operation
4	The Air (Prevention & Control of Pollution) Act, 1981	Construction/ Operation
5	Noise Pollution (Regulation and Control) Rules, 2000 and the Noise Pollution (Regulation and Control) (Amendment) Rules, 2010	Construction/ Operation
6	The Indian Wildlife (Protection) Act, 1972	Pre-Construction
7	The Biological Diversity Act, 2002	Pre-Construction
8	The Public Liability Insurance Act, 1991	Construction/ Operation
9	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Construction/ Operation
10	The Manufacture, Storage & Import of Hazardous Chemicals (MSIHC) Rules, 1989 and Amendment in 2000	Operation
11	Batteries (Management and Handling) Rules, 2001, as amended till date	Operation
12	E waste (Management and Handling) Rules, 2011, as amended till dated	Construction/Operation
13	Solid Waste Management Rules, 2016	Construction/Operation
14	The Plastic Waste Management Rules, 2016	Construction/operation
15	Ozone Depleting Substances (Regulation) Rules, 2000 as amended in 2005	Construction/Operation
16	EIA Notification 2006 – Environmental Clearance and Public consultation	Pre-Construction
17	Permission for extraction of groundwater - Central Groundwater Authority (CGWA), Ministry of Jal Shakti, Notification dated 24 September 2020	Construction/operation
HEALTH AND SAFETY		
18	The Indian Factories Act, 1948 and State Rules	Operation
19	Building and Other Construction Workers Act 1996	Construction
20	The Petroleum Act, 1934 and the Petroleum Rules	
21	Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010	Construction/Operation

S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
22	Gas Cylinder Rules, 2010	Construction/operation
23	Motor Vehicle Act, 1988 and Rules	Construction/Operation
24	State specific Fire Safety Act and Rules	Construction/Operation
25	State specific Lift Acts and Rules	Construction/Operation
26	The Dangerous Machines (Regulations) Act 1983	Construction/Operation
27	National Disaster Management Act, 2005	Construction/Operation
28	Food Safety and Standards Act 2006 and associated Regulations	Operation
SOCIAL		
29	The Bonded Labour System (Abolition Act), 1976	Construction/Operation
30	The Child Labour (Prohibition and Regulation) Act, 2012	Construction/Operation
31	The Minimum Wages Act, 1948	Construction/Operation
32	The Contract Labour (Regulation & Abolition) Act, 1970 and Rules	Construction/Operation
33	Employees Compensation Act, (erstwhile Workmen Compensation Act) 1923	Construction/Operation
34	Employees Provident Funds and Miscellaneous Act, 1952	Construction/Operation
35	Employees State Insurance Act, 1948	Construction/Operation
36	The Equal Remuneration Act, 1976	Construction/Operation
37	The Industrial Disputes Act, 1947	Construction/Operation
38	The Industrial Employment (Standing Orders) Act, 1946	Construction/Operation
39	The Industries (Development and Regulations) Act, 1951	Construction/Operation
40	The Interstate Migrant Workmen (Regulations of Employment and Conditions of Service) Act, 1979	Construction/Operation
41	The Maternity Benefit Act, 1961	Construction/Operation
42	The Payment of Bonus Act, 1965	Construction/Operation
43	The Payment of Gratuity Act, 1972	Construction/Operation
44	The Payment of Wages Act, 1936	Construction/Operation
45	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Construction/Operation
46	The Trade Unions Act, 1926	Construction/Operation

S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
47	The Un-organized Workers' Social Security Act, 2008	Construction/Operation
48	The Weekly Holiday Act, 1942	Construction/Operation
Land Related Regulations		
49	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013	Pre-construction phase
50	Forests Rights Act, 2006	
51	State specific Land Acquisition, Rehabilitation and resettlement Acts and Rules	Pre-construction phase

Annex 3: KWMPL's Focus SDGs

SDG No	SDGs	Relevant Goals & Targets	Indicators	KWMPL's Contribution towards SDGs
	Good Health and Well-Being	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	3.9.1 Mortality rate attributed to household and ambient air pollution 3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation, and lack of hygiene (exposure to unsafe Water, Sanitation and Hygiene for All (WASH) services) 3.9.3 Mortality rate attributed to unintentional poisoning	KWMPL's operations leads to improvement in water quality and reduced levels of greenhouse emissions which in turn would improve health conditions and general well-being of communities in the vicinity of the plants. This in turn leads to reduced number of deaths due to respiratory ailments.
	Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water	6.3.1 Proportion of domestic and industrial wastewater flows safely treated 6.3.2 Proportion of bodies of water with good ambient water quality 6.4.1 Change in water-use efficiency over time 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources 6.6.1	KWMPL through its industrial wastewater treatment plants decreases water pollution, minimizes release of hazardous wastes by adopting zero liquid discharge technology and resource efficient strategies. This increases volume of water which can be reused, reduces consumption of freshwater and leads to conservation of existing water bodies.

SDG No	SDGs	Relevant Goals & Targets	Indicators	KWMPL's Contribution towards SDGs
		scarcity and substantially reduce the number of people suffering from water scarcity 6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	Change in the extent of water-related ecosystems over time	
	Decent Work and Economic Growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	8.3.1 Proportion of informal employment in total employment, by sector and sex	KWMPL through its operations and operations of its investee companies provides livelihood opportunities for both men and women. Also, KWMPL reduces wastewater from entering aquatic ecosystems and thus sustaining the livelihood of population dependent on these ecosystems.
	Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	9.4.1 CO2 emission per unit of value added	KWMPL's investments will fuel innovation as artificial intelligence or machine learning applications optimize electrical & chemical use, maintenance and performance of machines.

SDG No	SDGs	Relevant Goals & Targets	Indicators	KWMPL's Contribution towards SDGs
	Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	12.2.1 Material footprint, material footprint per capita, and material footprint per GDP 12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP 12.5.1 National recycling rate, tons of material recycled	KWMPL through its operations provides environmental benefits of waste management or waste treatment services capturing immediate reductions in carbon dioxide and other long term greenhouse gases. Also, reusing of wastewater leads to reduction in consumption of freshwater. Recovery of biogas as another example that promotes and contributes to sustainable consumption.
	Climate Action	13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	KWMPL's investments in wastewater treatment plants will be using technology, designs and automation to reduce energy consumption. Therefore, the expected GHG emissions will be lower than conventional treatment units.

Annex 4: Kathari Water ESG Exclusion List

Kathari Water Management Private Limited shall not finance the items listed below¹⁴:

1. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements subject to international phase outs or bans, such as:
 - Polychlorinated biphenyl (PCBs)¹⁵, pharmaceuticals¹⁶, pesticides, herbicides and wastes¹⁷
 - Ozone depleting substances¹⁸
 - Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)¹⁹.
 - Unsustainable fishing methods²⁰
 - Transboundary trade in waste or waste products²¹
2. Production of, or trade in, arms (i.e. weapons, ammunitions or nuclear products, primarily designated for military purposes, including paramilitary material) *
3. Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest or old-growth forests.
4. Production or trade in wood or other forestry products other than from sustainably managed forests.
5. Destruction²² of High Conservation Value areas²³

¹⁴ IFC project exclusion list available at

http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/ifc+projects+database/projects/aips+added+value/ifc_project_exclusion_list

¹⁵ 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.

¹⁶ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

¹⁷ As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants ("POPs"), see www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and list of pesticides and herbicides subject to phaseouts or bans, see www.pic.int; and the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int; as may be amended from time to time

¹⁸ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, together with target reduction and phaseout dates see www.unep.org/ozone/montreal.shtml. as may be amended from time to time

¹⁹ As specified in the 1975 Convention on International Trade in Endangered Species of Wild Flora and Fauna ("CITES"), see www.cites.org, as may be amended from time to time

²⁰ These will include 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; and blast fishing.

²¹ As defined by the Basel Convention; see <http://www.basel.int>

²² Destruction 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

²³ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

6. Production or activities involving harmful or exploitative forms of forced labour²⁴ or child labour²⁵.
7. Production of, use of, or trade in, unbonded asbestos fibres²⁶.
8. Production or trade in alcoholic beverages (excluding beer and wine)*
9. Production or trade in radioactive materials²⁷
10. Racist and/or anti-democratic media
11. Any businesses, if any of the following activities represents a substantial portion of such business²⁸
 - Gambling, casinos and equivalent enterprises*
 - Production of or trade in Tobacco or tobacco related products²⁹
 - Pornography

**Implies that this does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.*

²⁴ Forced labor means any work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty (including any kind of forced or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements, or labor by trafficked persons).

²⁵ 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" (www.ilo.org).

²⁶ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.

²⁷ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any other equipment where EFP considers the radioactive source to be trivial and/or adequately shielded.

²⁸ For companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions, "substantial" means more than 10% of their underlying portfolio volumes.

²⁹ Except, in the case of tobacco production only, with an appropriate timeframe for phase out

Annex 5: Terms of Reference for conduct of ESGDD

This Annexure through its various sub-sections provides the scope of the Terms of Reference (ToR) for conduct of the ESGDD as well as reporting structure for engaging external consultants.

Note:

The ToR will be suitably modified and issued by the ESG Head giving due consideration to the preliminary E&S category assigned, the investment focus area and its risks and preliminary understanding of the company/projects, its stage etc. including information obtained through the Tool 2. Please refer Annex 1 for indicative set of risks applicable to the investment focus areas of KWMPL. For Category B projects, if the decision to conduct the ESGDD is by the internal team of KWMPL, the rationale for the same will be documented along with approval of the Platform Head (Executive Director / CEO) for the same.

As a practice, KWMPL will consider all subsidiaries / project assets within the scope of ESGDD. However, for investee companies with large number of project assets, a representative sample of assets will be considered for physical verifications. The review of Corporate level management system will cover the overall operations of the investee company in every instance. This will include the review of key E&S legal compliances and systems established to monitor such compliances.

Where the Fund is evaluating a Business Group / Service Company, all subsidiaries / entities under the group will be assessed as part of the ESGDD.

1 Details about the Project

[While issuing the ToR, brief details about the Target Company ('Company') to be assessed will be provided in this section. The facilities or components of the infrastructure to be covered under the ESGDD scope will be described]

1.1.1 Scope of Work

1.1.2 Reference Framework

The Environmental, Social and Governance Due Diligence (ESGDD) assessment will be carried out in accordance with the following reference framework:

- Applicable national, state, and local environmental and social (including occupational health and safety) related laws and regulations
- The United Nations Sustainable Development Goals, 2015
- Good International Industry Practice (GIIP) requirements as applicable from the ESGMS requirements of GGEF (developed by Eversource)³⁰ that include:
 - IFC Performance Standards, 2012

³⁰ https://www.eversourcecapital.com/app/uploads/2020/11/201105-ESG-Policy-ESGMS_GGEF_FINAL.pdf

- The World Bank Group General Environmental, Health and Safety (EHS) Guidelines, (2007) and relevant World Bank Group Industry Sector EHS Guidelines
- Department of International Development (DFID) Toolkit on ESG for Fund Managers (2010)
- ESM Policy Framework of National Investment and Infrastructure Fund (NIIF) comprising of E&S Policy, E&S Exclusion List and E&S Management Principles (2018)
- Green Climate Fund's (GCF) environmental and social framework including E&S Policy (2018), Indigenous Peoples Policy (2018), Gender Policy, Information Disclosure Policy (2016) and Interim E&S Safeguards ("ESS") (2014)
- FMO Sustainability Policy (2016)
- United Nations Guiding Principles on Business and Human Rights (2011)

The assessment of E&S legal compliance will involve verification of E&S permits and associated applications, and compliance to conditions of the permits.

Review of the Company against IFC-PS, WB-EHS Guidelines, GCF E&S framework, FMO Sustainability Policy, UNGP on Business and Human Rights and NIIF's Environment & Social Management Policy & Principles and GIIP requirements applicable from NIIF's FoF and will be carried out to ascertain existing gaps in the Company's E&S management system and the components where the Company is complying/ conforming to the E&S requirements.

1.1.3 Specific Tasks

- a) **Assessment of the Company management** on the leadership provided, and procedures and practices adopted on environmental, social, and health and safety in alignment with the reference framework.
- b) **Review of Environmental, Health, Safety and Social (EHSS) institutional setup** that will include review of existing EHSS management structure, definitions of responsibilities, communication about responsibilities, training programs and internal reporting systems. This review will evaluate whether the existing structure will be adequate to manage environmental, health, safety and social issues associated with business and/or if it requires any additional manpower, capacity building and training and senior management oversight.
- c) **Visit to the Company/Project facility(ies)** to ascertain the environmental & social profile of the Company/Project, onsite EHSS practices, potential for contamination of land based on past land use and contamination of air and ground water in and around the Company/project premises, meetings with relevant individuals/departments in the Company/project to discuss the EHSS issues associated with the business, consultations with neighbouring communities where relevant (especially where land acquisition is involved for the project) and obtaining any additional information required.

A reconnaissance of the entire facility / project area will be carried out that will include:

- Project area and its immediate surroundings, sea water intake facility, pre-treatment facilities, pumping stations, desalination units, water intake structures, transfer and discharge pipelines, wastewater treatment plant area, sludge handling area, biogas plants, heat recovery systems, chlorination plant, chemical dosing yards

- Ancillary structures / facilities / utilities, including but not limited to waste (all types) collection and storage facilities, testing facilities and laboratories, chemical storage rooms, diesel generator sets, transformer yards, battery room, electrical room, maintenance areas, gas cylinder storage areas, labour accommodation, medical facilities available on site etc. within the premises/ under project's control.
 - Locations of environmental monitoring (if carried out by the Project) for air quality, noise, water quality should be visited to check if correct siting criteria has been followed. All field work will need to be photographed and documented.
- d) Review and assess applicability and availability of applicable legal permits, licenses & approvals related **EHSS legal requirements** including but not limited to requirements related to environmental clearances, coastal regulatory zone (CRZ) clearance, forest clearance, wildlife clearance, and other EHSS legal requirements as applicable. *(Please refer Annex 2 for list of applicable E&S regulatory requirements)*
- e) **Review of documents and records** related to EHSS legal requirements, permits / approvals obtained, and records related to compliance including to the extent available the Environmental and Social Impact Assessment (ESIA) reports, Biodiversity Impact Assessment Reports, the Environmental and Social Management Plan (ESMP). This will also include review of land acquisition related documents and records, where relevant.
- f) Review of **environmental and social management system documents** (such as emergency preparedness and response plan, disaster management, site selection criteria, standard operating procedures including environment, health & safety aspects, land acquisition, system for maintaining legal documents, risk assessment and management, waste management, construction safety, soil management, brine disposal, biodiversity management, pollution control and prevention, environmental monitoring, electrical safety, hazardous materials management, incident reporting and investigation mechanism, water and wastewater treatment, occupational health and safety, contractor management, worker accommodation (as per IFC Workers' Accommodation requirements), grievance redressal, traffic management, training needs assessment, stakeholder engagement etc.), **records** supporting the management systems (such as formats and procedures to assess implementation of the aforementioned management plans, emergency mock drill records, incident investigation reports, training records, grievances from affected communities etc.).
- g) Review procedures, documents and records related to **human resource management**. Review of working conditions at the facilities for on roll and contract workers (including but not limited to employment relationship through safeguarding worker rights under national labor and social security laws and regulations, non-discrimination, equal opportunities, prevention of sexual harassment, maternity benefits, forced labor and child labour; freedom of association and collective bargaining; etc.). Conduct consultations with workers engaged by the Company along with the contracted agencies and their workers ascertain implementation.
- h) Review of procurement procedures, contracts/ agreements/ work orders to assess the environmental and social aspects included in **primary supply chain** management/ contractor management.
- i) Review procedures and practices on **engagement with various stakeholders** of the business and external grievance management for affected communities.

- j) Review of information on any stakeholder concerns expressed in the public domain; through grievance mechanisms; and instances of protests or civil action related to environmental impacts, land acquisition, labor working conditions, occupational health and safety, community health and safety and any other aspects covered under the Reference Framework.
- k) Review of practices followed to safeguard against COVID-19 related risks, records of any past records on the staff/workers infected
- l) Assessment of temporary and permanent alterations of traffic flows and road safety interference (in case project is in construction stage)
- m) Review of **resource use** such as energy, water, and other materials as relevant based on the secondary data made available by the Company and waste recycling and recovery related practices.
- n) Review of practices to assess and mitigate impacts related to:
 - Topsoil disturbance, soil erosion, soil contamination, existing topography and geology
 - Reduction in diversity of organisms and biodiversity loss (including mangroves, plankton, benthos, coral reefs & marine biodiversity)
 - Marine aquatic life and disturbance to the ecosystem such as Mangroves, mud flap, sand dune etc., during working in sea for laying sub-sea pipeline, intake structure and diffusers.
 - Sedimentation due to site clearance and earthworks
- o) **Ascertain possibility of triggers** related to potential impact of the project on indigenous people, scheduled areas and critical/sensitive natural habitats as per IFC PS.
- p) Where the **project involves land acquisition and resettlement**, the following tasks will be carried out:
 - Assessment/review on the process and timelines for land acquisition and resettlement including:
 - Establishing land acquisition status award notifications along with related notifications timelines
 - Final award dates for the land acquired
 - Extent of land acquired, pending land acquisitions and number of Project Affected Persons
 - Compensation payment status to project affected people (land losers)
 - Availability and implementation of the Resettlement Action Plan (RAP)
- q) Development of Project Categorization in alignment with the Reference Framework requirements based on the aforementioned assessments

1.1.4 Deliverables & Timeline

A **comprehensive ESGDD Report** will be prepared for assessing compliance of the target company to the reference framework. The status of compliance and non-compliance to the reference framework will be reported. The timeframe for conduct of the ESGDD and submission of the ESGDD report will vary depending on the E&S Category and complexity of the project. The timeline for each ESGDD will

be agreed based on discussions between the external consultant, ESG Head at KWMPL and the investment team.

An **Environmental, Social and Governance Action Plan (ESGAP)** will be developed for overcoming the gaps identified during the assessment. The ESGAP will comprise of the following items:

- Nature of non-compliance/gap (providing details of the non-compliance identified)
- E&S risk classification based on logic provided below
- Recommended action
- Timeline for implementing the action
- Monitoring Indicator (evidence for checking completion of the action) and framework
- Indicative Cost

E&S Risk Classification

The actions must be classified as 'High', 'Medium' and 'Low', to enable prioritization and planning of human and financial resources.

- **'High'** priority actions demand urgent attention. These actions if not implemented could lead to legal liabilities or emergency situations. These are mostly related to absence of consent/ permit/ approval that pose a threat to business continuity.
- **'Medium'** priority actions are those which are management program or practice oriented. This also covers such actions, which if not implemented, can lead to potential legal liabilities. These actions would need time to create a systemic approach.
- **'Low'** priority actions are those which are management program oriented. These actions would need more time than 'Medium' priority actions.

1.1.5 Additional Studies

Based on the project configuration and the outcomes of the ESGDD, the investee company may be required to conduct additional studies with respect to land, migrant labour, working conditions, Indigenous People, critical habitat, etc. A decision for conduct of the same and their impact on the investment will be taken by the ESG Head in consultation with the pre-Investment Committee, Risk Committee, Investment Team and where applicable, the third-party agency conducting the ESGDD.

An indicative list of additional studies and reference for the studies has been provided below:

Type of Additional Studies	Reference
Environmental and Social Impact Assessment (ESIA) or update of existing ESIA	Content And Format Environmental Impact Assessment (EIA), page 144 – ADB Environmental Assessment Guidelines - https://www.adb.org/documents/adb-environmental-assessment-guidelines https://www.adb.org/documents/environment-safeguards-good-practice-sourcebook
Assessment of Involuntary Resettlement and Resettlement Action Plan	https://www.adb.org/documents/involuntary-resettlement-safeguards-planning-and-

	implementation-good-practice-sourcebook-d?ref=site/safeguards/publications
Desk based screening / Field based Critical Habitat Assessments as per IFC-PS as per IFC-PS 6 requirements	https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps6
Desk based screening / Field based assessments for Free, Prior And Informed Consent (FPIC) Of Indigenous Peoples as per IFC-PS 7 requirements	https://www.adb.org/documents/indigenous-peoples-safeguards-planning-and-implementation-good-practice-sourcebook https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps7

Annex 6: DFID ESG Rating Toolkit Framework

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
1	ENVIRONMENT				
1.1	Environment Impact and Environment Health and Safety (EHS) Management Systems				
Minimize Impacts on Environment and Have Robust Management Systems.	Environmental, Health and Safety issues are identified and managed to meet (national and local) regulatory compliance requirements including the EIA process. Environmental monitoring system is designed to meet regulatory requirements.	Environmental issues are managed for regulatory purposes but few key operational procedures and management plans are available. EHS management is a dedicated and independent function but the role and responsibilities are not well defined. Basic EHS monitoring parameters are defined and company carries out basic monitoring and reporting over and above the required compliance requirements.	There is a broad corporate commitment to EHS issues, demonstrated by a corporate policy on EHS. The policy refers to good practices and does not restrict itself to only regulatory compliances. An EHS team has been designated with the responsibility of EHS management with well-defined roles and responsibilities. The legal register is updated, and there is reasonable documentation on permitting. The company has a reasonable environmental management system, with evidence of monitoring and reporting. The EIA, wherever required, covers all the major sector specific issues, though still does not meet applicable international standards.	There are clear EHS policies at the corporate level, supplemented by a certified management system (e.g., ISO 14001). The policy states a commitment to meet international standards. There is clearly identified organizational structure on EHS management. The EIA, where required, has been conducted through a credible independent agency, and is scoped out accurately, and uses some international benchmarks and standards. The Environment Management Plan (EMP) has been further developed into Standard Operating Procedures (SOPs), and is monitored at regular frequency.	Excellent EHS management systems, certified against the relevant international standards (e.g., ISO 14001, OHSAS 18001), Corporate policies have been adopted by the various business units. EHS Systems monitored internally on a regular frequency and audited by a third party. Formal reporting system exists including submission to the management for review and actions. Demonstrated efforts made to minimize impacts of the company and its projects on environmental receptors. EIAs conducted to meet international standards. The company produces an environmental and / or sustainability report and discloses in the public domain.
Observations:					Recommended Rating
1.2	Pollution Prevention (Wastewater / Effluent, Emissions and Waste Management) and Resource Efficiency				
Wastewater / Effluent, Emissions	Pollution prevention measures are adopted to manage compliance	Pollution prevention measures are	SOPs and management plans for a few high risk activities (like toxic effluent management,	Documented SOPs for all environmental issues are not available but implementation	Dedicated SOPs exist to manage environmental aspects like emissions

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
and Waste Management; and Resource Efficiency	requirements during construction and operational stages. Relevant Permits, Licenses, and records are obtained and maintained and conditions laid out in the consents are complied with. Pollution levels meet the prescribed regulatory standards. Solid waste management processes have been designed to meet regulatory requirements.	considered at all stages of project life cycle. Environmental management measures are adopted but are generally limited to meeting Compliance requirements. Site is not segregating the hazardous and non-hazardous waste streams and is disposing the mixed waste together.	hazardous chemicals and waste management, etc.) are prepared and followed. Environmental monitoring is conducted for a few essential parameters. Site is appropriately handling, segregating and disposing of the waste streams including hazardous waste in accordance with the laws and regulations. No specific measures have been adopted to conserve natural resources like reduction in water consumption quantity, reduction in raw material quantities or change in raw materials by adopting greener products. Efforts have been made to reduce and recycle waste, if any.	on the ground is observed to be adequate and well managed. Environmental Management Plan (EMP) is prepared and implemented by the site. Site is recycling part of the treated wastewater within its premises. The company is implementing the 4 R's (reduce, reuse, recycle and recovery) of waste management but there is no documentation related to it. Monitoring covers all key parameters and is conducted regularly. Monitoring aspects cover regulatory requirements as well as requirements defined in the management systems. There is concrete evidence of efforts towards continual improvement and evidence of a systematic process towards waste reduction, reduction in use of resources like water and energy, etc.	management, effluent management, and waste management. Relevant and key sources of pollution are identified and quantified and the trend over a period illustrates reduction in quantities and magnitude. Site has implemented zero discharge condition for wastewater management. Regular internal as well as third party monitoring (by government accredited lab) is conducted to manage effluent and emissions quality. Monitoring results demonstrate well managed pollution control systems. The waste management systems are benchmarked against internationally recognised standards like the IFC's general and relevant industry specific EHS guidelines or other internationally recognized good industry practices are followed. Sustainability is at the core of EHS management, and there are tasks and programmes in place to look at sustainability issues, resource efficiency, reuse and recycling and it has integrated 4 R's in waste management.
Observations:					Recommended Rating

1.3	Greenhouse Gases (GHG) Emissions Management – Actions to reduce sources or enhance sinks of greenhouse gases				
S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
Greenhouse Gases Emissions Reduction (applicable to only carbon intensive investments, e.g., cement, thermal power)	Some / no efforts have been made to reduce /offset GHG emissions at any stage of project lifecycle.	Some ad hoc measures have been adopted to reduce / offset GHG emissions.	Long term plans to reduce / offset GHG emissions exist, though no specific targets have been included in their policy.	Company-wide policy and programmes on GHG reduction exists. Direct GHG emissions from the facilities have been quantified in accordance with internationally recognized methodologies and good practice. Adoption of low carbon energy sources wherever possible to supplement main energy source.	EHS policy and procedures reflect specific commitment to reduce GHG emissions and being sustainable and has set tough targets. Technical / engineering alternatives have been considered and adopted to reduce GHG emissions during design and operation stage and measures have been taken to reduce GHG emissions. Company has adopted low carbon energy sources and renewable sources of energy, leading to substantial cost savings. The company has certified its reductions in GHG emissions and has applied for / received approval under Clean Development Mechanism. Both direct and indirect GHG emissions have been quantified and reported annually in accordance with internationally recognized methodologies and good practice.
Observations:					Recommended Rating
2	SOCIAL				
2.1	Labour and Workforce				
Provide safe and fair working conditions	Labour management for regulatory compliance Specific provisions against use of child or forced labour	Satisfactory compliance levels on labour laws including equal wages and minimum wages.	Contractors are monitored but only for regulatory compliance. HR Policy available to all employees. Where necessary,	A robust HR Policy, with additional commitments against discrimination of any kind, equal opportunities, provision for contract workers and their	HR Policy and management systems that cover a number of additional commitments covering discrimination, equal opportunities, provision for contract workers and their living conditions, provisions for

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
	Contractors required to meet regulatory compliance for labour. Working conditions provided in compliance with requirements of law. Accommodation and facilities for the labour force is basic with scope for improvement on hygiene, sanitation, adequacy and quality.	HR policy available, but only focussed on employee benefits and requirement. No affirmative policies on inclusion, non-discrimination, equal opportunities, etc. No policy towards contractors, though legal provisions to be followed for the contract workers as per various labour laws are monitored. No provisions for collective bargaining, but informal systems of grievance redressal in place.	employee Standing Orders (if applicable) displayed. Internal labour audits conducted for employees, a formal system of employee communication and grievance redressal exists (including on sexual harassment). The grievance redressal system also includes the workers. The HR Policy and contract agreements has specific commitment towards non-tolerance of child labour and forced labour and clearly communicates requirements from employees as well as their benefits. Employee engagement demonstrated through active forums, though minutes of the meetings of such forums are not recorded or reviewed for actions taken.	living conditions, provisions for employees transferred to remote locations, etc. HR Policy and procedures include contractors. Contractors are monitored for regulatory compliance as well as good performance. HR Policies and programmes disclosed and discussed on a regular basis. Regular labour audits and at least an annual third party audit. Trade Union or an alternative process of collective bargaining in place. Regular interaction between management and employees take place. A functional and documented grievance system clearly communicated to everyone.	employees transferred to remote locations, etc., benchmarked against ILO standards in addition to regulatory requirements. A labour and contractor management plan in place. Internal as well as third party audits conducted and corrective action plans implemented. Inclusion of migrant workers / contract workers in welfare programmes as well as audits. Where relevant, a policy on retrenchment available. Provision of services like housing and transport where relevant. Contract workers have access to grievance systems. Effective collective bargaining systems: management and employees communicate on a regular basis.

				High level of awareness of rights and responsibilities as well as system among employees / workers. Provisions for women workers in accordance with regulatory and ILO requirements.	Employee engagement programme undertaken. Employee satisfaction surveys are regularly conducted and actions taken. HR Policy proactively looks at recruitment and retention of employees from vulnerable groups.
S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
				Functional sexual harassment committee. Various forums for employee engagement and feedback. Meetings duly minuted, though no clear evidence of how these were followed up.	Functional and effective anti-sexual harassment committee. Structured formal and informal channels of employee / contractor engagement, minutes of meetings maintained and actions taken communicated back.
Observations:					Recommended Rating
2.2	Social Impacts and Resettlement				
Minimize impacts and provide fair compensation and livelihood restoration	<i>For project with significant land acquisition and resettlement</i> Land acquisition process is led by the government and is in line with the existing law / regulation. Land acquisition process does not involve significant social issues such as physical displacement.	Land and resettlement dependent on government processes but supported by company. The company has done an assessment of impacts but has not done anything to manage / mitigate them. Occasional protest in the community with regard to the project / company.	The company participates actively on land and resettlement issues and is working with the government. The company has documented a baseline profile of the area and documented the impacts. However, these impacts are managed in disorganized manner basis with no strategic focus. Non-regulatory risks not covered. No history of protests but there are issues which could flare up leading to protests / violence	The company leads the land and resettlement process either through direct negotiations or working proactively with govt on rates, benefits, etc. There has been an assessment of social impacts done by the company and there is a management plan that is being implemented and monitored. The project / company enjoys good relations with the community and there is a broad community support.	Land acquisition and resettlement done through willing buyer- seller arrangement based on good faith negotiations. A social impact assessment and resettlement action plan prepared and implemented based on international standards. The company has excellent relations and ongoing consultations with the community. A documented and long term community development plan based on needs assessment and which is being implemented.

	The land acquisition process has resulted in some local opposition . Community development	One-off instance of support like donations for festivals, sports, etc. Responsibility for community relations not defined . Handled in	without proper engagement. Small community development works carried out when requested for by community.	There is a strategic plan for community development which is being implemented. Clearly defined responsibility and designated personnel for management of community relations.	A team of dedicated and qualified people handling community relations and resettlement. A clearly documented local employment plan which has been
S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
	initiatives are limited to meeting demands.	disorganized manner by non-specific people. Very little contribution to local employment and contract benefits for the community.	Responsibility for community relations shared with other functions like HR / IR or Administration . Local employment and contract benefits shared with the community but on a very limited basis.	The company / project contributes significantly to local employment and contractual benefits.	communicated and agreed upon by the community.
Observations:					Recommended Rating
2.3	Social Inclusion				
Ensure inclusion of the marginalised and vulnerable groups	No evidence of any obvious discrimination against any groups and communities (based on gender, religion, caste, ethnicity, physical status, etc.). Employee profile does not demonstrate equal opportunity and inclusion. A generic baseline has been undertaken without specific identification of any	Policy makes commitments against discrimination but not enough evidence that this is being actively practiced. Development initiatives or CSR activities, if any, focus on community requests in general.	Policies in place that meet the rights, needs and interests of all groups on the principles of equity . Resources allocated accordingly. Effective HR procedures and processes . Access to jobs, work and facilities for all groups and categories. Needs and demands of vulnerable groups given a priority in developmental programmes (CSR or employee relations).	Clearly laid out affirmation / reservation policies for recruitment and retention . Key role of women and other groups in decision making and leadership processes . Incentives for employee behaviour in line with objectives of social inclusion . Dedicated programmes for vulnerable and marginalised groups .	Clearly laid out affirmation / reservation policies and stated commitment to international human rights conventions. Having women representation in the board / leadership and decision making process. Evidence of innovativeness in making organisation inclusive. Having ways and methods to promote inclusiveness. Incentivising social inclusion behaviour of employee and management staff.

	marginal or vulnerable groups.				Dedicated welfare programmes for vulnerable and marginalised groups.
	There is a lack of guidelines to advise departments within the				A progressive plan to develop vulnerable workers and communities.
	company on promoting social inclusion.				Annual audit should also have a component of social inclusion.
Observations:					Recommended Rating

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
2.4	Health and Safety				
Ensure health and safety of employees, workers and communities	Key documents required for ensuring compliance (like labour license, factories license, etc.) to key health and safety regulations are maintained. General health and safety conditions and working conditions of workers / labourers need to be improved. Recent occurrence of loss time accident (LTA) or fatality in the past two years and site is maintaining records of reportable accidents as required under law.	Facility requires some improvement to meet requirements stated under Governmental regulations and / or corporate requirements. Occurrence of LTA with permanent loss. Occurrence of significant irreversible internal damage due to fire or explosion. Business interruption between 12 to 24 hours primarily owing to health and safety related issues.	Facility is substantially in compliance with government regulations and / or corporate requirements with some improvements possible. Occurrence of LTA with temporary incapability to work Occurrence of major but reversible damage due to fire or explosion. Business interruption between 8 to 12 hours primarily owing to health and safety related issues.	Facility substantially meets government regulations and / or corporate requirements. Need improvement to demonstrate compliance with IFC / OHSAS or any other international requirements. Occurrence of injury / illness without losing any man hours / first aid and minor injuries. Occurrence of minor reversible internal damage due to fire or explosion. Business interruption of less than four hours primarily owing to health and safety related issues. Site / business has dedicated Emergency Preparedness and Response system which covers both natural and manmade disasters / emergencies to mitigate any harm to people and / or environment.	Comply significantly with IFC / OHSAS or any other international requirements. No occurrence of injury / work related illness. No occurrence of damage due to any fire or explosion. No financial impact. No cases of business interruption primarily owing to health and safety related issues. Guidelines formed and implemented for provision of safety and security at work, especially for women. Defined H & S vision and mission with defined H & S management framework. Site / business has dedicated and dynamic Emergency Preparedness and Response system with sufficient resources, supporting infrastructure and well defined responsibilities. The

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
					ERP extends to include affected communities.
Observations:					Recommended Rating
3	GOVERNANCE				
3.1	Disclosure & Transparency				
Disclosure & Transparency	Financial information is based on credible figures of profit, loss, liabilities and assets, and follows applicable laws.	Financial information is prepared in accordance with Indian Institute of Chartered Accountants (ICAI) standards and other applicable laws and regulations.	Financial information is prepared in accordance with ICAI standards and other applicable laws and regulations. Audit opinions on application of accounting standards are unqualified.	Financial information is prepared in accordance with ICAI standards and other applicable laws and regulations. Audit opinions on application of accounting standards are unqualified. Reports on basic ESG information.	Financial information is prepared in accordance with ICAI standards and other applicable laws and regulations. Progressively adopts early new standards in transition. Audit opinions on application of accounting standards and controls are unqualified. Adopts and reports on UN CoP or other standards for ESG reporting.
Observations:					Recommended Rating
3.2	Controls & Risk Management				
i) Internal Audit & Control Functions	Simple internal checks, by staff with other responsibilities.	Setting up of an internal control system for key areas of operations.	Board oversees the internal audit function that is commensurate with the size of the business. The internal audit function reports to the Board at least annually. In case an audit committee is required by law, such committee oversees the function.	Independent internal auditor or a CA firm is appointed who reports to the audit committee on an annual basis. The internal auditors have their plans, which is a risk based methodology approved by the audit committee	Independent internal auditor or a CA firm is appointed, which reports to the audit committee on a six- monthly basis. The internal auditors review the risks identified by the company and report to the audit committee on the results based on such risk assessment.
Observations:					Recommended Rating

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
ii) External Audit	External audit according to law and applicable standards.	Audit firm conducts audits and reports on internal controls and deficiencies to the management.	Robust external audit, and internal compliance mechanism exists with audit committee oversight, if such committee is required, by law. Otherwise, BOD oversees the function.	The audit firm also comments on the adequacy of the system of controls and risks and reports to audit committee. Consider rotating audit partner every three years.	The statutory auditors report on adequacy of controls, risk management and integrity of financial information to the audit committee. Consider rotating audit firm every five years.
Observations:					Recommended Rating
iii) Risk Management	Informal systems to identify and address basic risks.	Formal management systems incorporated for identification and mitigation of key risks.	Integrated risk management system, with reviews by internal auditors.	Formal risk management processes with risk mitigation measures in place and overseen by the BOD.	Formal risk management processes with risk mitigation measures in place and overseen by the BOD. Internal and external auditors report on the adequacy of such measures.
Observations:					Recommended Rating
iv) Expenditure Reporting & Management Compliance	Simple annual expenditure reporting and budgetary processes. Systems are capable of tracking DFID fund provided to the investee company.	Six-monthly expenditure reporting to the BOD on budgets, actuals and compliances of investments / loan covenants.	Quarterly expenditure reporting and budgets reviewed by the BOD. The company has basic MIS system and performance indicators.	Formal budgetary expense and MIS reporting processes in place and all reports of results are reviewed by the BOD every quarter.	The management sets robust and documented business processes and certifies to the BOD the adequacy of all controls over key processes at least once a year.
Observations:					Recommended Rating
3.3	Board Of Directors or Equivalent Body				
Board Of Directors or Equivalent Body	A board of directors or equivalent body exists or can be set up in the next six months for non-corporate entities.	Creating a minimum BOD size of three directors, with at least one of them being unrelated.	Audit committee, if required under the law, has independent director(s).	BOD and audit committees are in place with special focus and oversight on risks, strategy, related party transactions, ESG	BOD and audit committees function with special focus and oversight on risks, strategy, business reviews, related party transactions, ESG compliances, and succession planning.

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
	It deliberates key issues including ESG, independent of the executive, periodically.		Board reviews related party transactions, CEO remuneration, and ESG. BOD reviews adherence to investment and loan covenants.	compliances, and succession planning. BOD and internal auditor reviews adherence to investment and loan covenants.	BOD and external auditors review adherence to investment and loan covenants.
Observations:					Recommended Rating
3.4	Protection of Minority Shareholders				
Protection of Minority Shareholders	Respects rights of all owners and documents such rights and principles.	Follows all compliances as required by the Companies Act and not limiting to: - Disclosure of all significant information relating to minority interest. - Upholding minority rights. - Approval of related party transactions in the general meeting.	Complies with all requirements of Companies Act and other laws. Sets a mechanism to review all transactions that affect minority shareholders. Sets up a minority redressal mechanism.	Complies with all requirements of Companies Act and other laws. Appoints an independent director to review all matters affecting minority rights and interests. Sets a code of conduct for employees, vendors and customers.	Compliance with Indian laws and also IFC principles. Appoints a board committee to look after minority grievances. Reviews by BOD of the effectiveness of the code of conduct. Sets up a whistle blower mechanism.
Observations:					Recommended Rating
3.5	Commitment To Business Integrity				
Commitment To Business Integrity	The business entity follows the applicable anti- corruption and	The business entity has adopted a code of ethics conforming to DFID's business integrity	The code of ethics is being effectively implemented and the management reports annually	The business entity adopts an ACCF action plan based on detailed risk assessment, linked to funds flow.	The ACCF action plan is effectively operational.

S. No	Requirement Level 1	Requirement Level 2	Requirement Level 3	Requirement Level 4	Requirement Level 5
	counter fraud laws and regulations. It has, or is ready to, formulate and announce anti- corruption, counter- fraud (ACCF) policies (in three months) and a simple ACCF management programme (in six months) with a basic compliance mechanism.	guidance contained in its ESG Framework including a compliance mechanism.	on compliance to BOD and shareholders.	The business entity adopts mechanisms to effectively implement the ACCF action plan. The management signs off on compliance at least twice a year.	Where applicable, in accordance with its AML / KYC policies, the business entity undertakes character risk due diligence (CRDD) to ascertain relevant information regarding the background and reputation of entities and individuals it plans to deal with. The management and BOD sign off on compliance of the codes at every quarter.
Observations:					Recommended Rating

Annex 7: Environmental, Health & Safety, Social and Governance Investment Covenants

The suggested covenants shall be inserted as addendums to the Investment Agreement.

Definitions

Parties	
Party A	Investee Companies
Party B	Kathari Water Management Private Limited
Parties	Party A and Party B collectively.
Environmental, Health & Safety, Social and Governance Laws	means any law, rules and regulations (including international treaty obligations) applicable concerning (i) environmental matters and natural resource management, (ii) employees and labour and their condition of workplace, (iii) protection of occupational as well as public health and safety, (iv) the regulations of public participation, (vi) the protection and regulations of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (v) all other laws, rules and regulations providing protection of employees and citizens, including life and fire safety and building integrity laws, rules and regulations.
Environmental, Health & Safety, Social and Governance Action Plan	means a plan (if any) setting out specific environmental, health & safety, social and governance measures to be undertaken by Party A, acceptable to both Parties and developed by Party A and / or Party B.
Excluded Activity	means any of the activities drawn from Party B's E&S Exclusion List.
Monitoring and Reporting	means a quarterly and annual report as required by Party B, and that Party A reports serious Environmental, Health & Safety, Social and Governance incidents (including specifically fatalities) within 48 hours of occurrence.

Suggested Environmental, Health & Safety, Social and Governance Covenants

The Party A covenants to Party B that:

1. Legal Compliance

- a) It shall comply with all laws (including Environmental, Health & Safety, Social and Governance Laws) applicable to the Parties.

2. Excluded Activity

- a) It shall not directly or indirectly, take part in or financing any activity, production, use of, trade in, distribution of, or otherwise involved in any Excluded Activity.

3. ESG Management System

- a) It shall put in place appropriate procedures and policies to restrict its employees, consultants, or other agents from causing breach of **(a)** any conditions, covenants, or undertakings under this [agreement] and **(b)** Environmental, Health & Safety, Social and Governance Laws.
- b) It shall put in place appropriate procedures and policies to prohibit the engagement of any person under 18 years of age on a worksite, regardless of their direct employer.
- c) It shall put in place appropriate procedures and policies to respect the right of all workers to bargain collectively (through a trade union or other appropriate mechanisms). Additionally, it shall not discriminate in respect of any employment decision against workers on the grounds of their trade union membership.
- d) It shall make best endeavours to ensure that all subcontractors, including labour-only contractors and vendors, are required to comply with all Environmental, Health & Safety, Social and Governance Laws, basic labour and working conditions and with clauses 3 (b) & (c) related to child labour and freedom of association.

4. ESG Action Plan

- a) It shall comply to ESG Action Plan as finalised by Party B and maintain documents to demonstrate compliance with the milestones provided therein. The ESG Action Plan will be agreed between parties A and B in parallel to the Investment Agreement and the actions mentioned thereunder shall be monitored as per the agreed Plan.

5. ESG Monitoring & Appraisal

- a) It shall promptly, upon receiving prior notice from Party B, permit Party B (through its representatives, delegates or persons nominated by it), to inspect, examine and audit, the operations, business, and activities of Party A.

6. ESG Reporting

- a) It shall deliver to Party B, such information on the [project] as may be considered necessary or desirable to Party B as per reporting format.

7. Serious Incident Reporting

- a) It shall report to Part B on serious incidents³¹ within 24 hours (including, without limitation, explosions, any workplace accidents that result in death, serious or multiple injury, material pollution, or any violent labour unrest or dispute between the platform and local communities).

Note:

- The above-mentioned Environmental, Health & Safety, Social and Governance covenants shall be suitably incorporated by KWMPL in the relevant sections of the Investment Agreements for each Investment. However, the ESG Action Plan will be agreed between parties A and B in parallel to the Investment Agreement and the actions mentioned thereunder shall be monitored as per the agreed Plan.
- In addition to the above suggested covenants, KWMPL may include any other Environmental, Health & Safety, Social and Governance covenants as agreed upon with its investee companies or KWMPL's investors.

³¹ Serious Incident - includes but not limited to the death of a person, serious injury, serious damage to health, fire, leakage of substances dangerous to the environment, and labor strike.

Annex 8: KWMPL's External Grievance Mechanism

Note: The External Grievance Redress Mechanism presented in this Annexure will be displayed on the website of KWMPL.

1. KWMPL's grievance redress mechanism is intended to provide a means for any concerned person/groups/interested parties to address matters (complaints or unfair treatment) related to ESG aspects of the KWMPL or its investee companies in a timely manner.
2. A person, group, or other external stakeholder can submit their concerns either by sending an e-mail or through written communication. KWMPL is to maintain a 'Contact Us' page on its website that provides the communication address and email address for communication. The channels of receiving grievances also includes verbal communication during in-person meetings or during site visits. Grievances received by all the aforementioned channels will be communicated to the ESG Head.
3. The ESG Head maintains a log of all grievances (refer **Appendix 8-1**) received and tracks the process of addressing the grievances. The ESG Head will provide a confirmation of receipt to the grievance within 72 hours of receiving the grievance communication and inform them that they will receive a resolution in writing no later than 30 business days.
4. Where the question or concern relates to an investee company financed by the KWMPL, the interested or affected person(s) are encouraged to discuss the matter directly with the investee company for redress.
 - a. The ESG Head will track the resolution provided and record the same in the Grievance Log.
 - b. If such grievance resolution leads the ESG Head to conclude that the investee company is not meeting the KWMPL's ESG Policy requirements, the ESG Head will inform the KWMPL Head about the same. The KWMPL will prepare a Supplemental Corrective Action Plan (SCAP) that will be discussed and agreed upon with the investee company. Implementation of the SCAP will be the responsibility of the investee company.
5. Where the grievance is found to be not within the scope of the KWMPL, or if the response is that the grievance does not require action by the Investee Company to resolve it, all considerations and explanations will be documented and included in both the response to the aggrieved and the grievance log for further reference.
6. The ESG Head will review the content of the communication and based on the nature of the grievance, the responsibility for grievance resolution will be developed. Such persons/departments identified will be take forward the grievance redressal process.
7. The KWMPL will take full responsibility for investigating the details of grievances coming through its grievance mechanism, at no cost to the aggrieved.
8. The grievances resolution will include proposing a solution by adopting the following methods:
 - a. unilaterally the KWMPL / company proposes a solution
 - b. bilaterally, the KWMPL / company and the complainant reach a resolution through discussion or negotiation
 - c. through a third party (either informally or formally through mediation)

9. The ESG Head in consultation with the responsible persons/ departments designated for grievance resolution will draft a resolution. A draft response will be submitted to the KWMPL Head. If the KWMPL approves the draft, the ESG Head will forward the response to the aggrieved.
10. A grievance will be considered closed only after an agreement with the aggrieved is reached. Post completion of the agreed-upon corrective actions, proof that those actions have taken place will be collected and recorded. The grievance closure will also be updated in the Grievance Log.
11. It is recognized that the Grievance Redress Mechanism provided does not impede or replace the grievance resolution process offered by the legal system of the country.

Redressal of Anonymous Grievance

An anonymous grievance will be received in writing or phone calls in most circumstances. The grievance will be recorded (using **Grievance Log**) and checked whether it is in the scope of the facility for resolution.

The grievances found to be within the scope of the KWMPL / Investee Company for resolution, will be resolved as per the procedure presented in the previous section (barring the procedure on communicating to the aggrieved).

There is no cost or fee associated with submitting a question or concern through this procedure. The contents of the grievance log and its management will be maintained with confidentiality of the aggrieved party where relevant, and there will not be any unfair practice like retaliation, threat or intimidation against aggrieved parties.

The KWMPL expects and assumes that the interested and/or affected parties are acting in a responsible manner and are submitting genuine concerns. KWMPL may choose not to respond to any queries/concerns which it finds is not relevant/genuine and will document the reasons for not responding.

Appendix 8-1: Format for Grievance Log

Grievance Identification Number	
Date of grievance receipt	
Place/method grievance was received	
Name of Aggrieved*	
Gender and age	
Contact information of the aggrieved	
Complaint Accepted (Y/N)	
<i>If complaint Not Accepted, provide reasons</i>	
Grievance against KWMPL / an investee company	
<i>If complaint is against investee company, communication details to the company</i>	
Grievance description	
Supporting documentation	
Responsibility for grievance actioning	
Details of action taken	
Outcome / Resolution proposed	
Date of Action taken communication	

** if requested, the name of the aggrieved will be kept confidential*