

E&S considerations for Procurement Policy [Insert Company Name]

Version History

Version No	Updated By	Update Summary	Date Updated
1			
2			
3			

Approval Record

Version No	Approver	Approval Date	Effective Date
1			
2			
3			

Ownership

XXXX

Applicability

This document serves as a guidance for investees in developing their E&S requirement applicable to procurement activities in line with Camco's environmental, social and governance (ESG) standards. It is particularly relevant for entities operating in the renewable energy sector. The template may not be applicable to investees that already have sufficient sustainable procurement capacity and have developed their own comprehensive procurement policies, inclusive of E&S requirements.

1. Purpose

This policy provides a framework to guide responsible, transparent, and sustainable procurement by [Insert Company Name]. It ensures that procurement activities support the delivery of renewable energy projects while aligning with Camco's environmental, social, and governance (ESG) standards. The policy promotes value for money, ethical sourcing, fair competition, and the integration of environmental and social considerations throughout the supply chain.

2. Scope and Applicability

This policy applies to:

- All procurement activities carried out by employees, contractors, directors and agents, and any other individuals or entities of [insert company name].
- Direct and indirect suppliers of goods and services, particularly for key project components. A supplier is understood as a company that provides goods, materials, components, or services to another client company.
- Procurement activities worldwide, with particular attention to high-risk products, services and geographies.

3. Governance and responsibilities

[Insert Company Name] has established a governance structure to oversee the implementation of this Procurement Policy in line with international best practice.

- [Insert title]: Overall responsibility for procurement governance and compliance.
- [Insert title]: Responsible for integrating environmental and social (E&S) risk management into procurement.
- [Insert title]: Responsible for day-to-day procurement activities.

[Insert description of any committees, review bodies or escalation procedures].

[Insert Company Name] recognizes that while it may not directly cause adverse environmental and social (E&S) impacts in its supply chain, it may contribute to or be linked to such impacts through its procurement practices, in line with the UN Guiding Principles on Business and Human Rights (UNGPs).

4. E&S Commitments

[Insert Company Name] is committed to integrating environmental and social (E&S) considerations throughout its procurement processes. This includes upholding internationally recognized human rights, labour standards, and environmental best practices in line with the UN Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Core Conventions, and relevant IFC Performance Standards.

As part of the Company's supply chain due diligence process, [Insert Company Name] performs an environmental and social risk screening of its potential suppliers and request traceability information on the products supplied.

[Insert Company Name] recognizes that while it may not directly cause adverse environmental and social (E&S) impacts in its supply chain, it may contribute to or be linked to such impacts through its procurement practices.

Human rights and Labour Standards

At [Insert company name], we recognize that responsible procurement plays a critical role in promoting and protecting human rights. We are committed to embedding respect for human rights and labour standards across our supply chain and expect our suppliers to uphold the same high standards. This commitment is grounded in internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the ILO Core Labour Standards.

Suppliers are expected to:

- Prohibit all forms of forced, bonded, or involuntary labour, including human trafficking and modern slavery. Employment must be freely chosen, and workers must be free to leave after reasonable notice.
- Ensure the elimination of child labour, in accordance with ILO Conventions 138 and 182 and applicable national laws. Where underage workers are identified, appropriate remediation must be undertaken to prioritize the child's well-being and access to education.
- Promote non-discrimination, diversity, and equal opportunity in all aspects of employment. This includes fair recruitment, compensation, access to training, promotion, and termination practices.
- Respect workers' rights to freedom of association and collective bargaining, in line with national legislation and international standards. Workers must be able to organize and negotiate collectively without fear of retaliation.
- Uphold the rights of indigenous peoples and local communities, ensuring that procurement activities do not infringe on customary rights, land tenure, or cultural heritage. Where relevant, suppliers must engage in Free, Prior and Informed Consent (FPIC) processes.

These principles form the foundation of our supplier engagement and due diligence processes. More detailed operational expectations and implementation guidance are provided in the Supplier Responsibility Toolkit, which supports suppliers in meeting these commitments.

Working conditions

[insert company name] operates in alignment with the IFC Performance Standard 2 and the ILO Declaration on Fundamental Principles and Rights at Work and requires all suppliers involved in [insert company name] supply chain do the same. These expectations are designed to promote decent work, fair treatment, and a safe working environment.

- Employment terms:
 - Workers must have clear, written contracts that outline job responsibilities, compensation, working hours, and leave entitlements.

- Employment must be based on free and informed consent; workers must not be charged recruitment fees or face coercive practices. Coercive practices include but are not limited to: retention of identity documents, withholding of wages, restriction of movement, threats of denunciation to authorities, or physical and psychological abuse (as per ILO indicators of forced labour).
- Temporary and contract workers must receive treatment equivalent to permanent workers in terms of wages, safety, and benefits where applicable.
- Fair remuneration and working hours
 - Wages must at least meet legal minimums and industry standards and should allow for decent living conditions for workers and their families.
 - Working hours must comply with national law and international standards, with overtime being voluntary, compensated, and limited to reasonable levels.
 - Workers must be granted adequate rest periods and days off, including at least one day off per week.
- Occupational Health and Safety (OHS)
 - Suppliers must implement an OHS management system that includes hazard identification, risk assessments, incident reporting, and mitigation measures.
 - Personal protective equipment (PPE) must be provided free of charge to all workers, and safety training must be conducted regularly.
 - Emergency preparedness plans must be in place and communicated clearly to workers.
 - Special consideration must be given to workers in hazardous conditions, including those handling electrical systems, working at heights, or dealing with hazardous materials.
- Worker representation and grievances mechanisms
 - Workers must be informed of their rights and provided access to grievance mechanisms that are safe, confidential, and responsive.
 - These mechanisms must be free of retaliation, accessible to all categories of workers (e.g. migrant, female, youth), and have clear procedures for investigation and resolution.
 - Where unions are present, employers must engage in good faith dialogue and respect collective agreements.
- Vulnerable workers and gender considerations
 - Suppliers must identify and take steps to protect vulnerable groups, such as migrant workers, pregnant women, young workers, and persons with disabilities.
 - Gender-based violence and harassment (GBVH) must be explicitly prohibited, with prevention and response procedures in place.
 - Equal pay for equal work and equal access to employment and leadership opportunities must be promoted.

Environmental Responsibility

We are committed to environmentally responsible operations and promoting sustainable technologies. We define environmentally preferable goods and services as those that, throughout their lifecycle, have a lower environmental impact than alternatives serving the same purpose.

Key environmental issues that may be concerned over the life cycle of the goods/service (whole of life costing) can include:

- Energy use, and type of energy utilized;
- Resource use, including the use of non-renewable resources;
- Volume and type of waste;
- Level of toxic and hazardous substances/waste; and
- Noise pollutants and emissions;
- Deforestation and land use.

5. Grievance reporting Mechanism

- [Insert Company Name] will establish and maintain a grievance mechanism accessible through multiple channels¹ that allow stakeholders to raise concerns confidentially and without fear of retaliation.
- The grievance mechanism will be opened to workers in the supply chain and, where appropriate, leverage on suppliers will be applied to ensure that effective resolution and remediation are provided.
- Special provisions will be made for grievances related to Gender-Based Violence and Harassment (GBVH), ensuring survivors have access to a safe, confidential, and survivor-centred response.
- All grievances will be handled in a prompt, respectful, and consistent manner.
- The effectiveness of the grievance mechanism will be evaluated and improved upon should any gaps or other issues exist in the system.

1

¹ These methods include in-person submissions at the project offices, submission to a suggestion box at the project office, electronic submissions, via a toll-free number or customer call centre, confidentially to the investee's Community Liaison Officer, confidentially to the village head, among other possibilities.