



Policy on Environmental and Social Management System

(Version 4.0)

Document History

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Table of Contents

Section no.	Content	Page No.
I	Introduction	4
II	Objectives	4
III	Scope	5
IV	Governance Structure	5
V	E & S Risk Assessment Framework	8
	1. Screening of proposals based on exclusion list	9
	2. Conducting E & S Due- Diligence (ESDD)	10
	3. E & S Risk Categorization	10
	4. ESMS Clearance	12
	5. Environmental and Social Corrective Action Plan (E & S CAP)	13
	6. E & S Benefits	13
	7. Periodic Monitoring & Review	13
VI	Deviation Management	14
VII	Positive/Preferred sectors	15
VIII	External Communication Mechanism	16
IX	Capacity Building	16
X	Conclusion	16
Annexure-1	Format for conducting E & S Due- Diligence (ESDD)	17
Annexure-2	Format for conducting Periodic Monitoring & Review	20
Annexure-3	Green Deposit Policy and Green Financing Framework	21

I. Introduction

Over the past few decades, there is increasing awareness and sensitivity towards addressing environment and social impacts. An Environmental and Social Risk Management System helps Bank in the identification and mitigation of potential environmental and social impacts of the activities of Bank. Our Environmental and Social Management System (ESMS) Policy draws from several international frameworks, environment management guidelines and other applicable national regulations considering the risk and sustainability of activity. According to International Finance Corporation (IFC), Environmental & Social Management System is a framework that integrates environmental and social risk management into a Financial Institution's business processes.

The Environmental and Social Management System (ESMS) provides a systematic procedure to check whether our Bank's lending policy may cause any potential adverse environmental and social impacts, to assure that negative impacts are avoided or minimised to the extent possible and the positive impacts are stimulated.

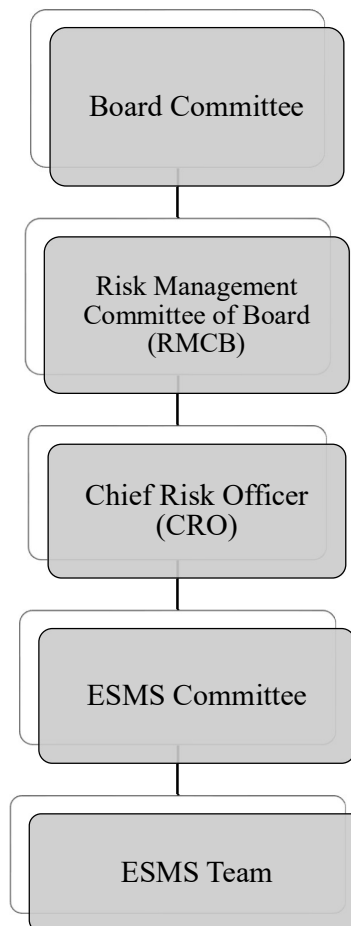
II. Objectives

- To strengthen environmental and social (E & S) risk management process and to reduce the risk arising from E&S issues in our portfolio so that we can better manage the cost and associated risk of doing business and enhance long term shareholder returns.
- Incorporate E & S risk considerations into financing activities.
- To review and monitor transactions of businesses covered by ESMS Policy throughout the loan tenure.
- To set strategic E & S objectives. As part of the same, Bank shall endeavour to finance new products that address E&S sustainability.
- Ensuring that clients establish E & S requirements verifying with national environmental and social regulations.
- To communicate E & S expectations to all staff, clients and other external stakeholders.
- To put in place a proper mechanism to enable external stakeholders to raise queries / complaints with regard to related to Bank's ESMS Policy or lending activities of Bank.
- To eliminate financing to clients whose business activities do not meet the Bank's ESMS policy.
- To improve the overall E & S performance of Bank's portfolio through enhanced risk management.
- To promote sustainable and environment friendly infrastructure in the country.
- To align financing activities of the bank with India's commitment to reduce the carbon emissions intensity of its GDP by 45 percent by 2030 from the 2005 levels and to reach net zero by 2070.
- To assess the resilience of the borrower to manage the regulatory, technological and financial risk arising from the transition to a sustainable economy.

III. Scope

- Bank will desist from extending for fresh loan facilities, irrespective of the amount, for activities coming under exclusion list.
- Categorization of loan accounts based on the E & S risk assessment.
- The guidelines specified in ESMS policy shall be applicable for all lending operations of Bank. However, in the initial phase, the policy will be applicable for all fresh green field and brown field term loans to corporate borrowers and their working capital loans with total credit exposure exceeding Rs.100 Crores from our Bank.

IV. Governance Structure



Committee/ Office Details	Role
Board Committee	ESMS policy is approved by the Board of Directors and is subject to annual review by Board.
Risk Management Committee of Board (RMCB)	The apex committee for risk management in the Bank to recommend for the policy related modifications, approvals or any other reporting, communication to the Board.
Credit Risk Management Committee (CRMC)	To approve the grading model for E& S Risk categorization.
Chief Risk Officer (CRO)	The CRO of the Bank oversees the functioning of ESMS committee and the Head of the ESMS committee reports directly to the CRO.
ESMS Committee	<p>The committee is headed by an executive from IRMD at the level of AGM and above.</p> <p>The other members of the committee are the following:</p> <ul style="list-style-type: none"> • An executive at the level of AGM and above from Credit Processing Centre • Unit head of corporate social responsibility (CSR) • An executive at the level of AGM and above (RSH/ ZSH) from Corporate Business Group (CBG). <p><u>Quorum of ESMS Committee</u></p> <p>3 members are required to convene the ESMS Committee meeting. In the absence of any of the existing members, any member from the same department having similar or above scale can participate in the ESMS Committee. In order to ensure faster disposal, in the absence of the ESMS Committee Head, the other member (other than the representative from CBG) in the ESMS committee (AGM & above) can act as ESMS Committee Head.</p> <p><u>Functions of ESMS Committee</u></p> <p>The Committee ensures the integration of economic, social and environmental considerations while developing new business strategies for the Bank. The following are the other functions of the committee:</p> <ul style="list-style-type: none"> • To review the ESMS clearance sanctioned by ESMS committee head on a quarterly basis.

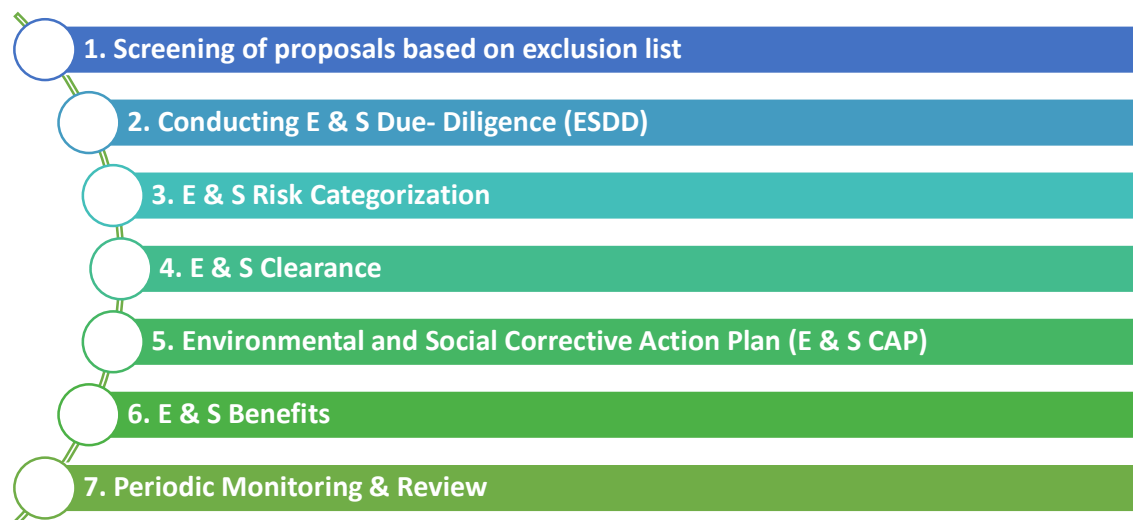
	<ul style="list-style-type: none"> • To review the E & S CAP sanctioned by ESMS committee head on a quarterly basis. • To ensure the conduct of periodic E & S monitoring. • To handle the deviation management of the policy. • To review and modify the exclusion list. • To review and modify the format for ESDD and periodic monitoring & review. • To recommend the RMCB and Board Committee notes.
ESMS Team	<p>The ESMS team ensures the successful implementation of the policy and supports for the smooth functioning of the ESMS committee.</p> <p>The other responsibilities of the team are as follows:</p> <ol style="list-style-type: none"> a. To develop policy/ prepare notes for modification of the policy. b. To conduct annual review of the policy to Board Committee. c. All types of reporting under the purview of the policy. d. Handling all internal and external queries/ concerns/ customer complaints related to the policy or lending activities of Bank. e. Preparation of the RMCB and Board Committee notes. f. To conduct E&S risk assessment for the proposals submitted to the Bank. g. Formulation/Modification of grading model for the E & S risk categorization. h. To submit the quarterly review of the ESMS clearance to the ESMS committee. i. To submit the periodic monitoring & review report to the ESMS committee. j. To formulate Standard Operating Procedures related to ESMS policy and prepare its modification. k. To ensure conduct of training and awareness program on the importance of sustainable financing activity and encouraging certifications on Sustainable finance from external institutions for employees.
Business Head	Business Heads to ensure that the lending practices in their department are aligned with the goals of the Policy.
Relationship Manager/ Business Team	Responsible for conducting E&S Due Diligence (<i>Unit visit, collection of documents and data</i>) for the proposals submitted to

	the Bank. Ensures the borrowers adhere to the stipulations and undertakings given to the Bank as per the action plan.
Credit Analyst	Responsible for capturing the E & S grading in the sanction order and to ensure that the E & S Risk Assessment is conducted for the borrower as per the policy guidelines.
Legal Department	The Legal Department is involved in incorporating Bank's ESMS requirements in legal documentation for each loans extended to the borrowers coming under the purview of ESMS policy. The legal documentation also includes the guidelines on the noncompliance/ deviations with the ESMS guidelines/ CAP by the borrower.
CMOG	To monitor the conduct of periodic reviews and to collect the periodic monitoring & review report. The report should be submitted to ESMS committee through ESMS team.

V. E & S Risk Assessment Framework

ESMS policy covers the entire credit life cycle. The officers handling the loan proposal from sourcing to credit sanctioning process should confirm that the end use of the fund is in line with the ESMS policy.

The procedures involved in the E & S risk assessment is as below:



1. Screening of proposals based on exclusion list

If the end use of the loan involves an excluded activity as listed in the exclusion list, it will not be considered for financing.

Exclusion List:

The following activities will not be financed by Bank:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB¹s, wildlife or products regulated under CITES² etc.
- Production or trade in weapons and munitions restricted by domestic law.
- For setting up of new production unit of alcoholic beverages³ (excluding beer and wine).
- For setting up of new production unit of tobacco³.
- Gambling, casinos and equivalent enterprise³.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Bank considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- Production or activities involving harmful or exploitative forms of forced labour⁴ / harmful child labour⁵.
- Illegal logging.
- Businesses owning factories or workplaces that have inadequate safety mechanism when dealing with known industrial carcinogens.
- Production or trade in biological and chemical weapons.
- Production and distribution of pornographic materials.
- For setting up of new Production unit of fireworks and or explosives primarily meant for non-industrial use.

The exclusion list can be reviewed and modified by ESMS committee as and when required.

For customers with multiple lines of business, in which any of the line of business fall within the exclusion list, the loan to the line of business not falling under the exclusion list can be permitted in following cases:

- If the excluded activities form less than 20% of the company's overall revenue, or
- If funding can be clearly established towards an activity which is not on the excluded list.

Note:

1. Polychlorinated biphenyls
2. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
3. 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.
4. Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.
5. Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

2. Conducting E & S Due- Diligence (ESDD):

ESDD involves the identification, quantification and evaluation of E & S risks. The scope of ESDD shall be to cover the critical E&S risks, understand how the same are being managed by the borrower and the residual risks which are not capable of cure. The due- diligence to be conducted by the RSM/ RM/ SM and the same should be submitted to CPCs as per the format attached as Annexure-1.

The following should be ensured while conducting ESDD:

1. Conduct site visit
2. Confirm and collect all the necessary permits/ approvals are obtained by the borrower (If not, borrower to obtain and submit all necessary permits before proceeding with financing)
3. Check the action plans undertaken by the borrower to address the identified potential environmental and social risks.
4. Identification of history of any environmental and social incidents, if any.

3. E & S Risk Categorization:

E & S risk categorization is a crucial aspect in the assessment of the risks associated during the lending activities of the Bank. The risk categorization is based on the grading of the borrowers falling under the purview of ESMS policy as per the approved grading model.

- The grading to be done during the processing of the file by ESMS team.
- The E & S risk categorization should be captured in the sanction order and CBS.

The guidelines for categorization is as per the following:

Category	Parameters
Low Risk	Minimal or no adverse social or environmental impacts from the borrower activity.

Medium Risk	Moderate social or environmental impacts from the borrower activity.
High Risk	High social or environmental impacts from the borrower activity.

The following shall be considered for the categorization:

1. Climate Risk (Physical risks, Transition risk)
2. Climate risk resilience of the borrower.
3. Green Finance applicability*.
4. Impact on natural ecosystems and biodiversity.
5. Environmental impact assessment study or any other similar study carried out by the borrower (only for Green field projects).
6. Environmental license, approval, clearances obtained.
7. Health and safety incident data available.
8. Any other relevant environmental or social risk factors.

Green Finance* means loans to any borrower that meets the criteria detailed in the table below. Lending in green finance can be considered for raising green deposit by the bank.

Renewable Energy	<ul style="list-style-type: none"> • Solar/wind/biomass/hydropower energy projects that integrate energy generation and storage • Incentivizing adoption of renewable energy.
Energy Efficiency	<ul style="list-style-type: none"> • Design and construction of energy-efficient and energy-saving systems and installations in buildings and properties. • Supporting lighting improvements (e.g. replacement with LEDs). • Supporting construction of new low-carbon buildings as well as energy-efficiency retrofits to existing buildings.
Clean Transportation	<ul style="list-style-type: none"> • Projects to reduce electricity grid losses. • Projects promoting electrification of transportation. • Adoption of clean fuels like electric vehicles including building charging infrastructure.
Climate Change Adaptation	<ul style="list-style-type: none"> • Projects aimed at making infrastructure more resilient to impacts of climate change.

Sustainable Water and Waste Management	<ul style="list-style-type: none"> • Promoting water efficient irrigation systems. • Installation/upgradation of wastewater infrastructure including transport, treatment and disposal systems. • Water resources conservation. • Flood defence systems.
Pollution Prevention and Control	<ul style="list-style-type: none"> • Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy/emission-efficient waste-to-energy.
Green Buildings	<ul style="list-style-type: none"> • Projects related to buildings that meet regional, national or internationally recognized standards or certifications for environmental performance.
Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> • Environmentally sustainable management of agriculture, animal husbandry, fishery and aquaculture. • Sustainable forestry management including afforestation/reforestation. • Support to certified organic farming. • Research on living resources and biodiversity protection.
Terrestrial and Aquatic Biodiversity Conservation	<ul style="list-style-type: none"> • Projects related to biodiversity preservation, including conservation of endangered species, habitats and ecosystems. • Projects relating to coastal and marine environments.

The risk categorization of the borrower to be captured in the sanction order and also the same should be captured in CBS as separate label under E & S risk categorization. The loans under the high risk category can be funded only after obtaining all environmental clearances from the competent authorities.

4. ESMS Clearance

ESMS clearance is a significant step while processing the loan proposal. The clearance to be obtained for all proposals coming under the purview of ESMS policy before sanctioning and can be obtained simultaneously/ parallelly during the processing of loan at CPC. By considering the ESDD and E & S risk categorization of the borrower, the clearance to the proposal will be sanctioned by the Head of ESMS committee based on the grading of the borrower given by ESMS team. In the absence of the ESMS Committee Head, the other member (other than the representative from CBG) in the ESMS committee (AGM & above) can act as ESMS Committee Head and can sanction the clearance. ESMS Committee may review all clearances on a quarterly basis.

The ESMS team will place the proposals to ESMS committee for the review.

5. Environmental and Social Corrective Action Plan (E & S CAP)

The E & S CAP is critical process under ESMS clearance. In the case of **High risk borrowers**, based on the ESDD and E & S risk categorization, the ESMS committee head will recommend an appropriate E & S CAP to be undertaken by the borrower in the stipulated time along with ESMS clearance. In the absence of the ESMS Committee Head, the other member (other than the representative from CBG) in the ESMS committee (AGM & above) can act as ESMS Committee Head and can recommend E & S CAP. ESMS Committee may review all E & S CAP recommended on a quarterly basis. The E & S CAP is to be included in the sanction order as Pre disbursement/ post disbursement condition.

6. E & S Benefits

The compliance of E & S CAP by the borrower is a huge responsibilities of the customer and it requires large amount of investment of money and time. By considering the same the borrower can be extended with E & S benefits such as reduction in rate of interest or concession in processing fees/ renewal charges. The E & S benefits will be included in the E & S CAP. The benefits will be imparted to the customer only after the compliance of the E & S CAP as per the periodic monitoring & review report.

7. Periodic Monitoring & Review

Periodic E & S monitoring of the accounts coming under purview of the ESMS policy should be completed by the respective RSM/ RM/ SM as per the below:

- Half yearly review is mandatory for all accounts coming under High risk category.
- Annual review should be done for all accounts coming under Medium and Low risk.
- Fresh E & S assessment to be conducted along with the renewal/ continuance/ enhancement/ reduction of the loan facility as the E & S issues and compliance status may have undergone changes since the last assessment. CPCs should ensure the conduct of the same.

The monitoring should be conducted by considering the following:

1. Site visit
2. Should check whether the E & S CAP as per sanction is complied.
3. Should find out any new E & S risks raised, if any and should be intimated to ESMS committee.
4. Review of account categorization.
5. Stakeholder complaint /feedback received (if any)

The **Credit Mid Office Group (CMOG)** monitors the conduct of reviews and collects the periodic monitoring & review report. The report should be submitted to ESMS committee through ESMS team.

The format for periodic monitoring & review is attached as Annexure-2.

VI. Deviation Management

The following are the deviations that may arise from the ESMS policy guidelines:

- a. Deferral of ESMS policy
- b. Loans in which ESMS policy is applicable but the guidelines are not followed
- c. Borrower not agreeable to E & S CAP
- d. Noncompliance of ESMS guidelines/ E & S CAP by the borrower

a. Deferral of ESMS policy

The deferral of ESMS policy should be discouraged. However, on a case to case basis deferral can be allowed during a genuine business exigency by the ESMS committee. The maximum deferral period that can be allowed by the committee is 90 days from the date of sanction of deferral.

b. Loans in which ESMS policy is applicable but the guidelines are not followed

There are possibilities that the application of the ESMS policy guidelines are not assessed for the eligible borrowers. Whenever such instances are identified by any of the offices or branches, the same should be reported to the ESMS committee through ESMS team and as per the direction of the committee it should be completed not later than 90 days from the date of identification of the lapse.

c. Borrower not agreeable to E & S CAP

If the borrower is not agreeable to the prescribed E & S CAP, the request should be submitted to ESMS committee for the waiver/ relaxations in the CAP by considering the impacts of E & S risks identified and the risks that may arise in future.

The following should be submitted to the committee:

1. Request from the borrower and it should include the proposed compensating mitigants by the borrower.
2. Recommendation from the respective Business Head

d. Noncompliance of ESMS guidelines/ E & S CAP by the borrower

The noncompliance of E & S CAPs and guidelines included in the legal documentation and accepted by the borrower is a major issue and may cause potential risks. Such instances should be reported to ESMS committee.

- The waiver/ relaxations for E & S CAP can be allowed by the Management Committee (MC) as per the recommendation from ESMS committee.

- ESMS committee is delegated with power for recall of the account if any noncompliance is identified.

The following should be submitted to the committee and Board:

1. Request from the borrower and it should include the proposed compensating mitigants by the borrower.
2. Recommendation from the respective Business Head and ESMS committee.

ESMS committee is delegated with power for the following in case of the above mentioned all four deviations, if required:

- **Recall of the account**
- **Reduction of limit**
- **Hike in ROI**

VII. Positive/Preferred Sectors

Certain sectors and activities are identified as Positive/Preferred Sectors, considering their beneficial environmental and social impact. Financing to these sectors is encouraged, subject to applicable laws and internal credit and risk assessment norms.

The following sectors are identified as positive/preferred sectors.

- 1) **Renewable Energy** (e.g., solar, wind, hydro, biomass, etc)
- 2) **Energy Efficiency and Conservation** (e.g., efficient lighting, HVAC upgrades, EV charging infrastructure, etc)
- 3) **Sustainable Water Management** (e.g., water reuse, wastewater treatment, etc)
- 4) **Pollution Prevention and Waste Management** (e.g., recycling systems, composting facilities, waste-to-energy, etc)
- 5) **Green Buildings & Eco-Housing** (e.g., green certified design, energy-efficient materials, etc)
- 6) **Sustainable Agriculture and Land Use** (e.g., agroforestry, soil conservation, sustainable crop systems, etc)
- 7) **Clean and Low-Carbon Transportation** (e.g., electric vehicles, low-emission vehicles)
- 8) **Education** (Eg: Schools and colleges, teacher training and capacity building, educational infrastructure, etc)
- 9) **Healthcare** (eg: (Hospitals, clinic, etc)

VIII. External Communication Mechanism

External communications are the process responsible for communicating with people and entities outside the Organization. Bank's ESMS policy is also intended to provide a means for the public to submit queries or concerns related to Bank's Environmental & Social Management Policy or lending activities of Bank. Bank will respond to these in a timely manner, if the enquiries are found genuine by ascertaining the circumstances behind such enquiries and after proper identification of the enquirer. A person, community or other external stakeholder, such as a civil society organization, can submit their questions or concerns to the Bank by sending an e-mail to esms@sib.bank.in and will be handled by a designated officer from the ESMS team. Such queries should be replied within 7 working days.

IX. Capacity Building

To Provide training and awareness program on the importance of sustainable financing activity and encouraging certifications on Sustainable finance from external institutions for employees.

X. Conclusion

ESMS policy will enable Bank to minimise negative environmental and social impact posed by the lending activities. The policy proposes to ensure funding to the borrowers whose business activities are sustainable and environment friendly. This will be achieved through meticulous risk categorisation of the borrowers and by ensuring that the funds lent by Bank will be used for purposes / activities which have minimal impact on the environment and the society.

Annexure-1
Format for conducting E & S Due- Diligence (ESDD)

Name of the Business entity		
Address		
Line of business and its details		
Greenfield/Brownfield Nature of Project	<input type="checkbox"/> Greenfield <input type="checkbox"/> Brownfield	
Location of proposed Project (States)		
Any history of environmental and social incidents identified	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, provide the details
ENVIRONMENTAL FACTORS - CLIMATE RISK		
Does the firm monitor and disclose the quantity and quality of Green House Gas emission/ air quality details?	YES/NO	
If yes, details of Carbon Emission by the company for Last FY (Latest Audited): <ul style="list-style-type: none"> • Scope 1 (Direct GHG emissions from sources that are controlled or owned) • Scope 2 (Emissions caused indirectly from purchased energy) 	Emission	Year 202_
	Scope 1	
	Scope 2	
Does the firm have GHG Emission Reduction Commitment target in alignment with National target? If yes, details.	YES/NO (If yes, details.)	
Whether the company was able to reduce the Carbon Emission Intensity ¹ in the current FY (latest audited) compared to previous FY?	YES/NO	
OTHER ENVIRONMENTAL FACTORS		
Has the firm conducted Environmental Impact Assessment for the New Project? (Attach the same)	YES/NO (Attach the same)	
Has the firm obtained all requisite Environmental license, approval, clearances?	YES/NO	

Does the Project cause deforestation?	YES/NO
Does the Project Cause Hazardous ⁱⁱ Waste Generation ?	YES/NO
Does the Project Cause Pollution?	<input type="checkbox"/> Air Pollution <input type="checkbox"/> Water Pollution <input type="checkbox"/> Land Pollution <input type="checkbox"/> Noise Pollution
Has the project adopted Pollution Treatment Measures in the Project Plan?	YES/NO
Has the project adopted Water Conservation Measures in the Project Plan?	YES/NO
Does the project pose Threats ⁱⁱⁱ to biodiversity and ecosystem?	YES/NO
Does the project affect Critical habitat ^{iv} adversely?	YES/NO
SOCIAL FACTORS	
Does the Project involve Land Acquisition ?	YES/NO
Does the Project involve Land Use Change?	YES/NO
Does the Project involve Voluntary Relocation / Involuntary Relocation ?	Voluntary Relocation / Involuntary Relocation ^v
If Involuntary Relocation, is the same Physical/Economic/Both in nature?	Physical/Economic/Both
Is the Affected Community provided compensation for loss of assets at replacement cost?	Above Replacement Cost At Replacement Cost Below Replacement Cost
Has the company met with protests from the Affected Communities ?	YES/NO
Does the project significantly impact critical cultural heritages ^{vi} ?	YES/NO
Does the project affect the health of the community members adversely (exposure of Community to Hazardous Chemicals/Pollutants)?	YES/NO
Has the company created Job Opportunity for the affected community?	YES/NO

Customer Acknowledgement (Signature of authorised signatories to be obtained)	
It is hereby declared that: <ul style="list-style-type: none"> • Forced labour and child labour are not used in connection with the project. • Occupational health and safety (OHS) measures are applied to establish and maintain a safe and healthy working environment. 	
Name of the signatories: Place: Date:	Signature
RM Comments (for office use only)	
Details of the identified potential environmental and social risks and action plans to mitigate the same.	
Additional comments, if any	
Date of site visit	
Name and signature of the officer conducted site visit with designation	

Business team may obtain the data directly from the company and fill the format.

- i. Metric Tons of CO2 Emissions per Rs. 1 crores of Sales
- ii. Hazardous waste is defined in the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, amended from time to time. “Hazardous waste” means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. The detailed list is mentioned in the aforementioned Rule.
- iii. Habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution.
- iv. Habitat of significant importance to (i)Critically Endangered and/or Endangered species , (ii) importance to endemic and/or restricted-range species, (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species, (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes
- v. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement
- vi. Cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles. Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.

Annexure-2
Format for conducting Periodic Monitoring & Review

Name of the account with account number	
Address	
Line of business and its details	
Name of the project undertaken	
Brief description of the project	
Details of the last E & S risk assessment	
E & S risk category allotted as per last assessment	High Risk <input type="checkbox"/> Low Risk <input type="checkbox"/> Medium Risk <input type="checkbox"/>
Whether all E & S CAP as per sanction is complied	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If no, provide the reason and timeline provided by the borrower.
Details of noncompliance, if any	
Details of new risks identified	
Additional comments, if any	
Date of site visit	
Name and signature of the officer conducted site visit with designation	