



GREEN FOR  
GROWTH FUND

## GGF Environmental & Social Policy

January 2026



## Introduction

1. The founding documents of the Green for Growth Fund (GGF) ('the Fund') highlight the importance attached to responsible investment by the Fund. The GGF's strategic focus is to support investments in renewable energy, energy efficiency and related fields. The Fund's Partner Institutions (PIs) include financial institutions, energy service companies, renewable energy companies, companies, municipal entities and renewable energy and energy efficiency service and supply companies<sup>1</sup>. Environmental and social sustainability are central to the GGF's overall objectives.
2. The Fund therefore places a priority on the effective management of environmental and social (E&S) risks and impacts associated with its investments. Key factors include, but are not necessarily limited to, pollution prevention and control; protection of biodiversity; natural habitats and cultural heritage; occupational and community health & safety; labor standards and working conditions; indigenous peoples rights; involuntary resettlement; gender equality; and human rights.
3. The Fund makes sustainable investments with an environmental objective in accordance with Art. 9 Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). The Alternative Investment Fund Manager (AIFM)<sup>2</sup> considers Principal Adverse Impacts of its investment decisions on sustainability factors and integrates sustainability risks into its investment decision-making process and has published respective disclosures on its website, in line with SFDR requirements.
4. The Fund also works toward aligning a share of its investments with the requirements of the EU Taxonomy Regulation (EU) 2020/852, including the relevant Do No Significant Harm and Minimum Social Safeguard criteria, and in line with the minimum commitment set out in the GGF Issue Document.
5. Furthermore, the Fund's investment objectives are in line with the long-term goals of the Paris Agreement, and in undertaking its operations, the Fund works toward making investments that are aligned with the objectives of the Paris Agreement, guided by the respective Joint Multilateral Development Bank Paris Alignment Approach<sup>3</sup>.
6. Avoiding, minimizing and mitigating such E&S impacts and risks requires careful governance by the Fund's PIs and by the GGF itself. This Environmental and Social Policy defines the GGF's commitments in this regard and explains how they are implemented. The Fund's Board of Directors has overall responsibility for approving this policy and overseeing the Fund's E&S performance via

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<sup>1</sup> The provision of financing (debt and equity) to a financial institution (FI) is termed FI investment. The provision of direct financing (debt and equity) to a non-financial institution (NFI), such as a company, municipal entity or project finance vehicle, is termed NFI investment.

<sup>2</sup> The entity appointed by the Board to act as investment manager of the Fund.

<sup>3</sup> Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment:  
<https://www.worldbank.org/en/publication/paris-alignment/joint-mdb-paris-alignment-approach>



scrutiny of periodic management reports. Primary responsibility for day-to-day implementation rests with the GGF's AIFM.

## Key policy commitments

7. The GGF is committed to maintaining, implementing and continuously improving a formal Environmental & Social Management System (ESMS)<sup>4</sup> to support implementation of this policy. The Fund's ESMS includes an E&S categorization system (A, B, C and FI)<sup>5</sup> that is consistent with the equivalent practices of IFC, EBRD and other development finance institutions.
8. The GGF is also committed to respecting human rights as defined by the International Bill of Human Rights and to the fundamental conventions of the International Labor Organization (ILO).<sup>6</sup>
9. The Fund applies the IFC Performance Standards and applicable principles of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as reference frameworks for assessing and monitoring the E&S risks associated with its investments.
10. Certain types of activities are excluded from GGF financing due to their inherent E&S impacts and/or the Fund's investment strategy (see GGF Exclusion List, Annex 1).
11. The Fund requires its PIs (a) to carry out their activities in compliance with the national laws and regulations, and in conformance with the ILO fundamental conventions and the relevant requirements of IFC Performance Standard 2, and (b) to use the financing from the Fund (i) in compliance with the GGF Exclusion List<sup>7</sup> and (ii) in conformance with the relevant IFC Performance Standards and good international industry practices, including relevant World Bank Group EHS Guidelines and the principles and standards contained in the EU environmental legislation, where applicable.
12. For investments with higher E&S risks<sup>8</sup>, including Category A investments and higher risk Category B investments, the Fund requires an Environmental and Social Impact Assessment (ESIA) and/or

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<sup>4</sup> An ESMS is a set of policies, procedures, tools and internal capacity to manage an organization's exposure to the environmental and social risks and impacts of its activities.

<sup>5</sup> An investment is categorized "A" when it could result in potentially significant adverse future environmental and/or social impacts which, at the time of categorization, cannot readily be identified or assessed. An investment is categorized "B" when its potential adverse future environmental and/or social impacts are typically site-specific, and/or readily identified and addressed through mitigation measures. An investment is categorized "C" when it is likely to have minimal or no potential adverse future environmental and/or social impacts. An investment is categorized as "FI" if the financing structure involves the provision of funds through financial intermediaries, which undertake the task of subproject appraisal and monitoring.

<sup>6</sup> "ILO fundamental conventions" means the conventions stemming from the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 (as amended in 2022), covering: (i) freedom of association and the right to collective bargaining, (ii) the elimination of forced and compulsory labour, (iii) the abolition of child labour, (iv) the elimination of discrimination in the workplace, and (v) a safe and healthy working environment.

<sup>7</sup> In syndicated loans the PI may be required to comply with the exclusion list of another financial institution, which is in line with the GGF Exclusion List.

<sup>8</sup> Investments or subprojects with higher E&S risk include those with one or more of the following environmental and social risks (1) involuntary resettlement, (2) risk of adverse impacts on indigenous peoples, (3) adverse risks to, or significant adverse impacts on, the environment, community health and safety, biodiversity and/or cultural heritage, and/or (4) significant adverse occupational health and safety risks.



other studies to be undertaken in accordance with the relevant IFC Performance Standards. The ESIA must include meaningful stakeholder participation and consultation carried out by the PI. Where an ESIA or similar study is required, a satisfactory report(s) must be provided to the GGF for review prior to the Fund's final investment decision. Typically, such ESIA will be used to draw up an appropriate E&S action plan.

13. For Category FI investments, the Fund requires PIs to establish and maintain a satisfactory E&S Management System (ESMS) commensurate with the level of E&S risks in the prospective business activities that would be financed with GGF's support. The ESMS should incorporate relevant components to ensure an adequate identification and assessment of E&S risks, including but not limited to, an assessment of subproject's environmental and social management, and labor practices<sup>9</sup>. All subprojects must comply with the GGF Exclusion List and national law. In addition, IFC Performance Standards and good international industry practice, including relevant World Bank Group EHS Guidelines and the principles and standards contained in the EU environmental legislation, must be applied to all Category A subprojects and to any higher risk Category B subprojects, as appropriate. Inclusion of Category A subprojects and higher risk Category B subprojects in the GGF financed portfolio is also subject to GGF's prior review. For the avoidance of doubt, all subprojects with higher E&S risks<sup>5</sup> shall meet the IFC Performance Standards as applicable.
14. The Fund may from time to time issue supplementary guidance to help PIs understand and achieve the E&S requirements summarized above. Where appropriate, the Fund may also consider providing a PI with access to its Technical Assistance Facility to develop and/or improve the PI's capacity to manage E&S risks.

## GGF's ESMS

15. The GGF maintains a formal ESMS including this E&S policy, procedures, tools, guidance materials and reporting protocols; well-defined roles and responsibilities; and appropriate allocation of human and financial resources. The Fund's E&S procedures are fully integrated with the Fund's overall investment cycle. Implementation of the Fund's E&S procedures on individual transactions is the responsibility of the relevant transaction team. The AIFM is responsible for maintaining and updating the GGF's ESMS and for supporting stakeholder reporting and engagement on E&S matters. Staff involved in running and administering the Fund receive E&S training appropriate to their roles and responsibilities in the ESMS.
16. In accordance with the ESMS, all prospective investments undergo E&S due diligence by the AIFM. E&S due diligence results, conclusions and recommendations are summarized in the investment proposal and are a formal element in the AIFM's decision making. The Fund will only make an investment in a proposed PI if (a) identified adverse E&S impacts/risks have been mitigated/resolved or (b) the proposed PI has agreed to an E&S action plan to address such

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<sup>9</sup> The assessment will be understood to cover the applicable requirements of IFC PS 1 (Assessment and Management of Environmental and Social Risks and Impacts) and IFC PS2 (Labor and Working Conditions) that are relevant to the lending activities and target subprojects of the PI.



impacts/risks within a reasonable time period and the investment agreement includes appropriate terms and conditions with respect to such action plans and other E&S requirements.

17. The Fund's E&S categorization system is applied at an early stage in the investment cycle. Categories A, B and C relate to the Fund's direct investments into Non-Financial Institutions (NFIs), e.g., companies, municipal entities and project finance vehicles, supporting renewable energy, energy efficiency and related fields, whereby the Fund's PI is the owner/developer/operator of the project(s) concerned or is a service provider. Category FI relates to the Fund's indirect investments in these sectors, where the Fund's PI is a financial institution (for example, a GGF credit line to a bank for on-lending to support eligible subprojects).
18. The Fund's due diligence procedures for NFI investments (Categories A, B and C) will be commensurate with the nature and scale of the financed project(s) and the NFI's business activities, and with the level of environmental and social risks and impacts. The GGF may retain external consultants to assist in the appraisal of specialized issues. The scope of the E&S due diligence will be defined on a case-by-case basis and will include the consideration of the PI's capacity and commitment to meet the requirements set out in this policy.
19. The Fund's due diligence procedures for Category FI investments include an assessment of the E&S risk profile of the prospective subproject portfolio and the PI's existing ESMS, as well as the identification of any measures necessary to strengthen the PI's ESMS. The AIFM continues to maintain close contact with the PI on the E&S aspects of transaction appraisal and portfolio monitoring when the PI puts the proceeds of GGF's investment into use.
20. The Fund's procedures for post-investment E&S monitoring provide for various mechanisms depending on each investment's specific requirements. At a minimum, each PI is required to provide the GGF with an annual report on its E&S compliance status and performance<sup>10</sup>. PIs with E&S action plans are normally required to provide more detailed reports, which may be needed more frequently than once a year or may be linked to the phased disbursement of the GGF's financing. In some cases, monitoring may involve the use of third parties. Monitoring can also involve periodic site visits by the AIFM and/or retained consultants, through media monitoring and other methods.
21. The Fund's procedures also set out arrangements for E&S monitoring and internal reporting at a portfolio level.

## Reporting and accountability

22. The GGF's Board of Directors and shareholders receive periodic reports on the implementation and effectiveness of the Fund's ESMS and its compliance with this Environmental and Social Policy.

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<sup>10</sup> In cases where the Fund participates in a multi-party syndicated debt transaction (involving DFIs or IFIs) or if the Fund becomes a bondholder, GGF's E&S monitoring can rely on other information than an annual report to the Fund, such as ESG documentation shared by other transaction parties (e.g., an IFIs or DFIs being the A lender) and/or PI's public E&S disclosures (if deemed of sufficient detail and quality).



23. The Fund makes relevant E&S information available to the public via its website and publications including: (a) the Fund's E&S Policy published on the website (b) regulatory disclosures, particularly in relation to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), (c) project level disclosures for any syndicated Category A investment financed by the Fund during the previous quarter, including where available, a downloadable copy of (or external web link to) the relevant ESIA report that was disclosed by the PI in accordance with GGF's requirements, and (d) project level disclosures for any bilateral Category A or B investment financed by the Fund during the previous quarter, including a summary of the due diligence and to the extent available, a downloadable copy of the relevant E&S assessment and/or ESIA report.
24. The AIFM maintains a complaints mechanism to enable third parties to raise any concerns about GGF's compliance with this policy and/or the environmental and social impact of GGF-financed projects and PIs. The complaints mechanism can be accessed via email ([AIFMComplaints@finance-in-motion.com](mailto:AIFMComplaints@finance-in-motion.com)) or on the [GGF's](#) or the [AIFM's](#) public website, where the process for submitting and handling complaints is described.



## Annex 1

### GGF Exclusion List

In accordance with its Environmental and Social Policy, the Green for Growth Fund (GGF) maintains the following list of activities that are excluded from financing by the Fund. The GGF Exclusion List is divided into two parts:

- Part 1 is in accordance with the harmonized exclusion list agreed by Association of European Development Finance Institutions (EDFI) (September 2011), and includes certain additions to reflect the policy requirements of other GGF shareholders. Part 1 identifies activities that are excluded because their inherent environmental and social impacts are inconsistent with the Fund's sustainable development mission.
- Part 2 sets out additional activities which are not necessarily inconsistent with sustainable development but are excluded from GGF financing because their environmental and social profile does not fit with the Fund's investment strategy.

#### Part 1

GGF will not finance any activity, production, use, distribution, business or trade involving:

1. Forced labor<sup>11</sup> or child labor<sup>12</sup>.
2. Activities or materials deemed illegal under national laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - ozone depleting substances, PCBs (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
  - wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
  - unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5km in length).
3. Destruction of High Conservation Value areas<sup>13</sup>.
4. Commercial logging operations for use in primary tropical moist forest.
5. Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations.

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<sup>11</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

<sup>12</sup> Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

<sup>13</sup> 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. High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see [www.hcvnetwork.org](http://www.hcvnetwork.org)).



6. Radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is trivial and/or adequately shielded).
7. Production or trade in unbounded asbestos fibers (excluding the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 per cent).
8. Pornography and/or prostitution.
9. Racist and/or anti-democratic media.
10. Production or trade in<sup>14</sup>: (i) weapons or munitions; (ii) alcoholic beverages (excluding beer and wine); (iii) tobacco; and (iv) gambling, casinos and equivalent enterprises.

## **Part 2**

### **Biomass**

11. Business activities involving the production of bio-liquids or bio-fuels from non-waste sources (for the avoidance of doubt, the PI may invest in biogas or biomass projects).
12. Co-firing of biomass with fossil fuels, peat or hazardous waste (including waste wood that has been treated with wood preservation chemicals).
13. Sourcing of biomass from primary moist tropical forests or from natural forests.

### **Hydropower**

14. Hydropower plants with a dam height of greater than 15 meters (from the fundament) or 5-15 meters dam height and a water reservoir of more than 3 million m<sup>3</sup>.

### **Coal, oil and gas**

15. Prospection, exploration, mining, distribution, refining and storage of coal; land-based means of transport and related infrastructure essentially used for coal; power plants, heating stations and cogeneration facilities essentially fired with coal, as well as associated stub lines.
16. Prospection, exploration, extraction, distribution, refining and storage of oil and natural gas.

### **Other Exclusions**

17. Hazardous waste incineration and/or processing (other than landfill gas waste-to-energy schemes or flaring).
18. Nuclear power projects.

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<sup>14</sup> This does not apply to project/subproject sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project/subproject sponsor's primary operations.



19. Activities prohibited by national legislation or international conventions relating to the protection of, or activities which could have significant adverse risks and/or impacts<sup>15</sup> on, biodiversity resources or cultural heritage<sup>16</sup>
20. Shipment of oil or other hazardous substances in tankers which do not comply with IMO requirements<sup>17</sup>.
21. Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.
22. Oil palm derived products must only come from plantations which already existed in the year 1994 or before.
23. Production or trade in wood or other forestry products other than from sustainably managed forests, projects in critical habitat if there are negative impacts<sup>18</sup> and conversion of primary forests.
24. Production or activities that could have significant adverse risks and/or impacts<sup>5</sup> related to involuntary resettlement or to indigenous peoples, and/or that impinge on the lands owned, or claimed under adjudication, by indigenous people, without full documented consent of such peoples.
25. Extraction of peat and electricity generation from peat.

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<sup>15</sup> Unless the risks and potential impacts are assessed by a qualified expert and the Partner Institution can contractually agree to properly address and mitigate the risks identified.

<sup>16</sup> Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity and Protocols.

<sup>17</sup> This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU) and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used.

<sup>18</sup> Critical habitats are defined according to the following attributes: presence of critically endangered (extremely high risk of extinction), endangered (very high risk) or vulnerable (high risk) species, as defined by the IUCN Red List of Threatened Species and in relevant national legislation; importance to the survival of endemic or restricted-range species; or unique assemblage of species; required for the survival of migratory species or congregatory species; required for the maintenance of biological diversity with significant social, economic or cultural importance to local communities; required for the maintenance of ecosystem functioning and the provision of key ecosystem goods and services; and, key scientific value.