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**AGROS PTE. LTD.**
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# Agros Environmental & Social (E&S) Guideline

Applicable period: Until further update

Last updated: July 2026

Version: V.2

**Lead department:** Finance and HR

**Other departments involved:** All

**Process objective:** This guideline operationalizes Agros's commitment to environmental and social sustainability across the lifecycle of solar pump products, including R&D, sourcing, manufacturing (if applicable), sales, installation, service, and end-of-life management. It adapts the IFC Performance Standards (2012) for practical use in a distributed, last-mile solar irrigation business model.

**Review frequency:** Quarterly management reviews; annual E&S report (see 1.15 Implementation Roadmap & KPIs)

**Process description:**

## 1.1 Scope

- Audience: Agros executives, E&S team, HR, procurement, sales/marketing, after-sales service, and contractors, including EPC (Engineering-Procurement-Construction) contractors and other partners operating under the Business Partner Agros (BPA) program.
- Geographies: Applicable to all Agros markets (Indonesia, Cambodia, Myanmar); where host-country law differs, apply the more stringent requirement. Myanmar operations are currently limited to service and warranty activity on existing installations, not new project deployment.
- Standards baseline: IFC Performance Standards 1-8, World Bank Group Environmental, Health & Safety (EHS) Guidelines, and Good International Industry Practice (GIIP).

## 1.2 Company Context

Agros manufactures and deploys solar-powered irrigation pumps for smallholder and commercial farmers. Core sustainability benefits include avoided diesel use, reduced irrigation

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costs, and improved climate resilience. Commercial focus is currently on B2B and B2G channels, including sales that route through government programs and NGOs to generate broader impact, with direct B2C limited to inbound cash-paying customers. Agros is increasingly selling larger-capacity pumps (up to 15HP) in Indonesia and Cambodia, and, given the geographic spread of B2B/B2G projects, working with a growing number of EPC contractors and Business Partners for installation. Key E&S risk areas include product and electrical safety, sustainable abstraction of groundwater/surface water, working conditions in dispersed field operations and among third-party installation contractors, and equitable access for vulnerable groups.

## 1.3 Applicable Requirements & References

- IFC Performance Standards 1-8 (2012) and associated Guidance Notes.
- World Bank Group EHS General Guidelines and any relevant sector guidelines (renewable energy, manufacturing, retail/warehousing).
- Host-country laws: environment, labor, OHS, cultural heritage, and data privacy.
- International instruments referenced by IFC (e.g., UN Guiding Principles on Business & Human Rights).

## 1.4 Governance, Roles & Responsibilities

Agros must establish an Environmental & Social Management System (ESMS) consistent with the Plan-Do-Check-Act cycle. The ESMS must be risk-proportionate and integrated into core business processes (procurement, sales, after-sales, HR, finance).

| Role | Responsibilities | Evidence/Outputs |
|---|---|---|
| Board / CEO | Approve E&S policy, set targets, review performance quarterly. | Signed policy, board minutes, KPIs. |
| Head of Product & Engineering | Maintain ESMS; risk screening; audits; incident investigation; reporting; EPC/Business Partner pre-qualification. | Risk register, audit reports. |
| Head of HR in Each Country | Implement PS2-compliant labor & OHS programs; contractor oversight. | Training logs, OHS plan, PPE matrix. |
| Operation Manager / Supply Chain in Each Country | Supplier due diligence, responsible sourcing. | Supplier code, assessments, take-back contracts. |

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| | | |
|---|---|---|
| Local Product and Engineering Staff | Stakeholder engagement, grievances, permits, local monitoring. | Engagement plan, grievance log, permits. |
| Commercial (National B2B2G KAM) | Ensure E&S/safety clauses are included in every B2B/B2G/EPC/Business Partner agreement before signing. | Signed agreements with clauses. |

## 1.5 Environmental & Social Management System (ESMS)

- Policy: Public commitment to comply with law and IFC-aligned standards; human rights; non-discrimination; climate resilience.
- Risk & Impact Identification: Project screening, E&S risk register, ESIA where warranted.
- Management Programs: Topic SOPs (OHS; see companion OHS Policy V2; water sustainability (in progress); security (in progress); community health & safety (in progress)).
- Organizational Capacity & Competency: Training matrices; contractor management; budget.
- Emergency Preparedness & Response: Fire, electrical, first aid, severe weather.
- Stakeholder Engagement: Disclosure, consultation, inclusive participation, grievance mechanism; see companion Stakeholder Mapping, Grievance Channels & Community Engagement Schedule.
- Monitoring & Review: KPIs; internal audits; incident learning; management review; reporting.

## 1.6 E&S Risk & Impact Assessment

- Screen new projects/markets using the ESIA Screening Checklist (Annex C).
- Consider cumulative water use impacts at watershed/aquifer level; assess environmental flow needs.
- Evaluate product safety hazards: electrical shock, arc flash, noise, moving parts, installation at heights, confined spaces (wells), including for larger-capacity (up to 15HP) installations.

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- Assess social risks: affordability, equitable access (gender, youth, vulnerable groups), data privacy for PayGo models, community health & safety.
- Identify legal permits (water abstraction, electrical works, waste transport/disposal).

## 1.7 Stakeholder Engagement & Grievance Management

- Map stakeholders including farmers, water user associations, local authorities, community leaders, vulnerable groups, distributors, recyclers, and financing/development partners (see companion Stakeholder Mapping document for current status by country).
- Disclose clear, non-technical info (product risks, safe use, water sustainability, service & take-back).
- Hold inclusive consultations (venue accessibility, language, timing).
- Establish a legitimate, accessible, predictable grievance mechanism with multiple intake channels (hotline, WhatsApp/SMS, in-person, online form).
- Acknowledge within 5 business days; resolve within 30 days; track KPIs (Annex E).

This community/stakeholder grievance mechanism is distinct from the internal employee Grievance Policy and the customer complaint channels in the Consumer Protection and Welfare Safeguards document; see the companion Stakeholder Mapping document for the full comparison.

## 1.8 Performance Standard 2 - Labor & Working Conditions

Objective: To safeguard workers' rights, ensure a safe and healthy working environment, and promote fair treatment of all employees and contracted workers across Agros' operations and supply chain. This standard applies to direct employees, contractors (including EPC contractors and Business Partners), suppliers, and other stakeholders engaged in Agros activities.

**1. HR Policy Alignment**

- Non-Discrimination & Equal Opportunity: Hiring, promotion, and compensation decisions are based on merit and job-related criteria, with no tolerance for discrimination based on gender, ethnicity, religion, age, disability, or political affiliation.
- No Child or Forced Labor: Strict adherence to ILO standards and national regulations prohibiting child labor, bonded labor, or coercion.

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- Freedom of Association: Workers may organize and bargain collectively where permitted by law, with no retaliation against participants.
- Non-Retaliation & Whistleblowing: Employees and contractors have access to confidential grievance and whistleblowing channels without fear of reprisal.

**2. Employment Terms & Transparency**

- Written Contracts: All employees and contractors must receive formal contracts in line with local labor laws.
- Compensation & Benefits: Transparent pay structures and benefit packages aligned with each country's regulations (Indonesia, Cambodia, Myanmar).
- Working Hours & Leave: Compliance with government regulations and company-specific SOPs on annual leave, business trips, remote working, and overtime.
- Relocation Policy: In the event of natural disasters (earthquakes, floods, etc.), staff will be offered relocation to the nearest operational hub where possible. Roles and responsibilities will be aligned with the employee's profile to ensure continuity of employment and safety.

**3. Occupational Health & Safety (OHS) Program**

- Aligned with Agros' OHS Policy and each country's government regulation (Indonesia: annual audits under UU No. 1/1970; Cambodia: Labour Law & Prakas; Myanmar: Factories Act & WSH Law 2019, applicable to service/warranty activity).
- Key components: Hazard Identification (JSA for field and operational tasks); Hierarchy of Controls (engineering, administrative, PPE); PPE Matrix.
- Special Safety Programs: Electrical Safety (LOTO), Heat Stress Management, Driving Safety, Manual Handling & Working at Height, First Aid, Natural Disaster Preparedness.

**4. Contractor & Supplier Management (EPC / Business Partner Agros)**

- Pre-qualification: All contractors and Business Partners undergo safety and compliance checks before engagement; see companion OHS Policy Sec. 1.8 for the specific EPC/BPA framework, including the distinction between partner-executed and Agros-supported installations.
- EHS Clauses: Mandatory inclusion of OHS requirements in all contracts, including Business Partner Agreements.
- Toolbox Talks & Supervision: Daily or task-based safety briefings for field teams.
- Incident Reporting: Report accidents, occupational illnesses, dangerous occurrences, and near misses to Agros within 2 x 24 hours (48 hours), consistent with OHS Policy Sec. 1.7/1.8.

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- Business Partners performing installation or commissioning activities must maintain compliance with the Agros Field Safety Standard and provide evidence of worker competency, training, certifications, and required inspections upon request by Agros.

**5. Supply Chain & Procurement Standards**

- Code of Conduct: Suppliers must comply with Agros' Code of Conduct covering labor rights, fair wages, and OHS standards.
- Risk-Based Audits: Periodic assessments of suppliers with higher risk exposure.
- Corrective Action Plans: Timelines and accountability mechanisms for addressing non-conformities.

**6. Worker Grievance & Remedy**

- Confidential Reporting Channels: Anonymous hotlines and email channels are available; see Grievance Policy and Whistleblowing Policy for full procedure.
- Anti-Harassment & Anti-Bullying: Strict disciplinary measures for violations.
- Remedy Framework: Issues raised must be investigated and resolved in a transparent, timely manner.
- Recordkeeping: All grievances and resolutions are logged and monitored for continuous improvement.

## 1.9 Performance Standard 3 - Resource Efficiency & Pollution Prevention

Objective: Improve efficiency of energy, water, and materials; prevent and control pollution; and manage wastes, including e-waste and batteries from solar pumps. Tied into the companion Waste Management Guidelines.

- Product Resource Efficiency: Prioritize high-efficiency pump motors, MPPT controllers, and solar modules with robust warranties, across the full range including larger-capacity (up to 15HP) units.
- Operations Efficiency: Reduce fleet fuel use (route planning), office energy/water use, and packaging materials; see Waste Management Guidelines Sec. 1.8 for the reusable wooden packaging initiative.
- E-waste & Batteries: Establish reverse logistics and approved recyclers; track serial numbers; safe storage/transport; recycling/disposal certificates; customer education for safe handling. See Waste Management Guidelines for the Cambodia panel-reuse practice as a current early-stage example.
- Pollution Prevention: Control noise, dust, spills during transport/installation; segregate waste; avoid hazardous substances where feasible.

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- GHG Accounting: Quantify Scope 1 & 2 if emissions could be material; track avoided diesel use for impact reporting; use recognized protocols.
- Compliance with EHS Guidelines: Apply the more stringent of host-country law or WBG EHS levels; justify any deviations via risk assessment.

## 1.10 Performance Standard 4 - Community Health, Safety & Security

- Product Safety by Design: IP-rated enclosures; grounding; RCD/GFCI use where required; lockable disconnects; clear labeling.
- Safe Installation & Handover: Commissioning checklists, user training, pictorial manuals in local languages; applicable to both Agros-executed and EPC/Business Partner-executed installations.
- Water Quality & Environmental Health: Avoid cross-contamination of wells; manage oily residues; protect from stagnant water breeding.
- Traffic & Transport: Journey management for rural roads; load securement; community awareness near depots.
- Emergency Preparedness: Fire extinguishers, first aid kits, spill kits; drill schedule; contact lists.
- Security Personnel: Vetting, training on Voluntary Principles; proportional, lawful conduct; incident logging.

## 1.11 Performance Standard 5 - Land Acquisition & Involuntary Resettlement

- Avoid land acquisition; prioritize customer-owned land or rooftops and public right-of-way with permits.
- If land access is needed: secure voluntary land-use agreements with clear consent and compensation.
- No physical or economic displacement. If unavoidable, prepare a plan consistent with PS5 and applicable law.
- Restore/maintain livelihoods for any affected users; document consultations and agreements.

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## 1.12 Performance Standard 6 - Biodiversity Conservation & Sustainable Management of Living Natural Resources

- Screen sites against protected/critical habitats; avoid critical habitat; implement mitigation hierarchy in modified/natural habitats.
- Water Sustainability: Set abstraction thresholds based on aquifer recharge and environmental flows; coordinate with water user groups.
- Agronomic Practices: Promote efficient irrigation (drip/scheduling), soil moisture monitoring, and crop-appropriate pumping to avoid over-extraction, particularly relevant as larger-capacity (up to 15HP) pumps increase potential abstraction volumes.
- No net loss in natural habitats; restoration measures where impacts occur; monitor biodiversity indicators where relevant.
- See Annex L (Solar Pump Water Over-Use Mitigation Plan) for the detailed framework, and the companion Waste Management Guidelines for plastic-usage mitigation measures.

## 1.13 Performance Standard 7 - Indigenous Peoples

- Identify Indigenous Peoples presence via screening; map customary lands and water rights.
- Engage using culturally appropriate methods; provide benefits that are culturally compatible.
- Obtain Free, Prior, and Informed Consent (FPIC) for impacts on land, resources, relocation, or cultural heritage.
- Include Indigenous languages in materials and ensure accessible grievance channels.

## 1.14 Performance Standard 8 - Cultural Heritage

- Pre-construction screening for known heritage sites; consult authorities and communities.
- Implement Chance Find Procedure (Annex I): stop work, cordon off, notify authorities, expert evaluation, document actions.
- Avoid visual impacts on heritage vistas where feasible; adjust siting or design.

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## 1.15 Implementation Roadmap & KPIs

- Month 0-1: Approve policy; appoint Head of Product & Engineering; publish Supplier Code; launch grievance system.
- Month 1-3: Complete risk screening; deliver core trainings; sign take-back agreements with recyclers; pilot monitoring forms.
- Month 3-6: Publish first E&S dashboard.
- Ongoing: Quarterly management reviews; annual E&S report; update targets; refresh training.

**REFERENCES**

Agros OHS Policy V2

Agros Waste Management Guidelines

Agros Consumer Protection and Welfare Safeguards V3

Agros Field Safety Standard

Agros Grievance Policy V2

Agros Whistleblowing Policy

Agros Non-Discrimination Policy

Agros Stakeholder Mapping, Grievance Channels & Community Engagement Schedule V0.5

Agros Labor Practices Review; IFC PS2 V0.3

Agros B2B2G Deforestation Due Diligence Guideline

Peraturan Perusahaan PT Agros Global Indonesia (2025-2027); Indonesia labor-law source underlying Sec. 1.8

Agros Decision Escalation Matrix (AGROS-GOV-001, v1.0); governance/escalation source underlying Sec. 1.4

| **Policy Owner** | **Policy Enforcer** |
|---|---|
| Signed by: Max Nelen FFEA9CA8FF2A4C8... | Signed by: Raisa Hosin 44164EEBC43D487... |
| **Name:** Max Jean H Nelen<br>**Title:** President Director / CEO<br>**Date:** 8/14/2026 | **Name:** Raisa Rossellini Hosin<br>**Title:** Finance & HR Director<br>**Date:** 8/14/2026 |