

CHECKLIST FOR ENVIRONMENTAL AND SOCIAL REVIEW OF TRANSACTIONS – Existing Project, Non- Project or Bond

1 Aim

This is an Export Finance Australia tool used by the Technical, Environmental and Social (TES) Team for confirming that the Procedure for environmental and social review of transactions was implemented. It is through the Procedure that Export Finance Australia's Policy for environmental and social review of transactions is applied.

This checklist aims are to:

- ensure consistent application of the Policy and Procedure.
- aid external reviewers.

Completed checklists for transactions are not made public.

This checklist does not apply to transactions where a general facility review is applicable or transactions assessed by use of the SBEL or SME environmental and social screen as those transactions are, by definition, determined to have low environmental and/or social risk. Only relevant sections of this template are required for the completed checklist. Sections may be removed from the template if not needed.

2 Transaction information

2.1 Request Description

Information matching the opportunity details from EXFOS submitted as part of a Request for Tech, E&S Review. The TES Team is not responsible for generating this information.

Client:	
Transaction name:	
Is Facility?	
Facility type:	
Supply chain transaction?	
Transaction value:	
Industry sector:	
Country location of transaction or project:	
Known export destinations (as provided in EXFOS):	

Other transaction information

Information provided or relevant to the transaction that supported the review.

Transaction description:		
For reporting purposes, do the Common Approaches apply?		
Modern Slavery Statement Required:		Only required when annual revenue greater than \$100million.

Military Equipment:		If yes , the review is completed in line with the Military Policy and conclude in Section 4 – Military Equipment .
Energy Efficiency Related:		
Main reference reviewed:		
Client discussions / meetings / site visit:		

2.2 Screening

Select the type of transaction, existing project, non-project or bond.

Type of transaction: Choose an item.

Attachment 1 provides explanatory guidance for the screen below.

	Yes/No/NA	Comments
Step 1 – Australian Goods and Services The goods and/or services are substantially produced and exported from Australia? <ul style="list-style-type: none"> • If “YES”, proceed to step 2. • If “NO”, then the transaction may have potential¹ environmental and social impact, proceed to step 2 		
Step 2 – Australian Supply Chain or Tourism Is the transaction part of an Australian supply chain (i.e. used at an Australian project or delivered to an exporter based in Australia) or is it a tourism transaction? <ul style="list-style-type: none"> • If “YES”, proceed to step 6. • If “NO”, proceed to step 3. 		
Step 3 – Existing Project or Known Destination Does the TES Team know the ultimate destination of the export? i.e. does the TES Team know the location of the associated project to which the export is destined? <ul style="list-style-type: none"> • Proceed to step 4. 		
Step 4 – Country Screening Is the project to which the goods or services are ultimately to be exported located in an EP designated country ² ? <ul style="list-style-type: none"> • Proceed to step 5. 		
Step 5 – Industry and Sector Screening		If yes, select the applicable sector:

¹ Note the transaction requires further assessment to determine the potential for risk.

² List of countries as defined by the Equator Principles as those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment (<https://equator-principles.com/designated-countries/>).

	Yes/No/NA	Comments
<p>Are the goods or services related to an industry sector³ listed below?</p> <ul style="list-style-type: none"> ➤ Communications or communications technology ➤ Chemical manufacturing ➤ Clothing and footwear manufacturing ➤ Dams for water supply or hydro power ➤ Live animal exporting or animal farming ➤ Mining and smelting ➤ Oil and gas ➤ Non-Renewable Power generation ➤ Pulp and paper manufacturing ➤ Security forces, private and/or state ➤ Waste processing or disposal of hazardous wastes <ul style="list-style-type: none"> • If “YES”, then the transaction may have potential environmental and social impact, proceed to step 6. • If “NO”, proceed to step 6. 		
<p>Step 6 – Human Rights including Modern Slavery</p> <p>Does the country, sector, specific industry or company have credible evidence of human rights issues or modern slavery?</p> <ul style="list-style-type: none"> • If “YES”, then the transaction may have potential environmental and social impact. 		

2.3 Screening Results

Note where Export Finance Australia is supporting an SME whose export is a minor component of a larger undertaking, the export is likely to have low potential for environmental and social impacts (but could give rise to reputation risks due to association with the larger undertaking).

Based on available information, if the screen has **not** identified as “may have potential environmental and social impact”, no further action is required, and the transaction has **Low Potential** for environmental and social risk.

Transaction with low potential for environmental and/or social impact	<input type="checkbox"/>	Go to Part 4
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Commentary on the final determination to be provided in Section 4, with supporting information contained in the transaction folder.

If a transaction is identified under the screen above as “may have potential environmental and social impact”, the transaction should be further assessed to determine the potential risk. Note that this review could still lead to the conclusion that a transaction has **Low Potential** for environmental and social impacts. After further review:

Transaction with low potential for environmental and/or social impact	<input type="checkbox"/>	Go to Part 4
Transaction with potential for environmental and/or social impact	<input type="checkbox"/>	Go to Part 3

³ Risk sectors are chosen based on the projects/activities listed as Category A Projects in ANNEX I of the Common Approaches ([http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/ecg\(2016\)3](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/ecg(2016)3)).

Commentary on the final determination to be provided in Section 4, with supporting information contained in the transaction folder.

3 Risk evaluation

3.1 Applicable Environmental and/or Social Standards

Select appropriate E&S Standards and complete all relevant sections for the transaction.

Which standard is the project designed to comply with?	Yes/No/Unknown/Not Relevant
<ul style="list-style-type: none">Host country	
Is the host country an EP Designated country?	
<ul style="list-style-type: none">IFC Performance Standards	
<ul style="list-style-type: none">Other internationally recognised standards	
<ul style="list-style-type: none">Good international industry practice	

If other key information sources were used these should be described in the review document. That information may include information from others such as affected communities, civil society organisations, and the Australian public, etc.

3.2 Transaction associated with a transaction with potential for impact.

Export Finance Australia’s usual benchmark is the IFC Performance Standards. Indicate which Performance Standards were relevant for the project risk evaluation in the Table below. Attachment 2 provides additional guidance for the risk evaluation. The risk evaluation should consider each relevant Performance Standard.

Provide a ✓ where appropriate within the tables and complete all relevant sections for the transaction.

Performance Standard	Relevant	Discussion
1 Assessment and Management of Social & Environmental Risks and Impacts		
2 Labour and Working Conditions		
3 Resource Efficiency and Pollution Prevention		
4 Community Health, Safety, and Security		
5 Land Acquisition and Involuntary Resettlement		
6 Biodiversity Conservation and Sustainable Management of Living Natural Resources		
7 Indigenous Peoples		
8 Cultural Heritage		

Benchmarking may identify a need for further studies, many of which can be required as conditions of support. Some factors, those involving human rights, may require further work prior to making a decision and the Performance Standard benchmarking should generally identify the need for such work.

Some additional factors to consider are presented in the following table:

Characteristic	Relevant?	Adequately addressed in Project Documentation?
Export Finance Australia’s Country Risk Assessment identifies human rights issues relevant to the transaction		
Located in a conflict or post conflict area		
Large-scale influx of workers		

Characteristic	Relevant?	Adequately addressed in Project Documentation?
Use of armed security or a security force not managed by the project sponsor		
Host country with any of the following characteristics: <ul style="list-style-type: none">large migrant workforcedocumented repression of minorities		

Additional assessment is required when:

- a “Yes” response is provided to any characteristic, and the issue is not adequately addressed in the documentation, or
- Export Finance Australia’s due diligence identifies human rights concerns that are not adequately addressed in the documentation.

The additional assessment must address the identified risks, including any adversely affected human rights.

Note for transactions which have completed a review under Part 3, provide commentary in Section 4, with supporting information contained in the transaction folder.

4 Consideration

Provide a summary of the rationale for determining the transaction’s level of potential environmental and/or social impact below (with supporting information contained in the transaction folder):

4.1 Background

4.2 Risk Assessment

4.3 Conclusion

Based on the available information, we categorise this transaction:

Environmental and/or social risk evaluation report prepared:

By:

Date:

Approval for this type of transaction is made in accordance with Board delegated credit approvals.

The review for this transaction is now complete.

5 Checklist amendments

Checklist version	Date and details
05 February 2024	Original E&S Checklist template.
01 July 2025	New checklist template that covers only Existing Projects, non-projects or bond transactions.

ATTACHMENT 1 Explanatory Guidance for Non-Project Transactions

Step 1 – Australian Goods and Services

The goods and/or services are produced in and exported from Australia (i.e. manufactured in Australia or the services are provided from Australia). Australian businesses are subject to robust environmental and social governance, legislative systems and institutional capacity, as such are considered **low potential**.

Step 2 – Australian Supply Chain or Tourism

As the transaction is Australian domiciled, subject to Step 6, it has **low potential**.

Step 3 – Existing Project or non-project but Known Destination

This question addresses whether the transaction is associated with an existing project or the ultimate destination of the commercial, industrial or infrastructure undertaking is in a known location.

Step 4 – Country Screening

The destination of the export is known and if that location is a designated country, then absent other information to the contrary, the transaction has **low potential** for environment and social impact.

List of countries as defined by the Equator Principles as those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment (<https://equator-principles.com/designated-countries/>). Designated Countries are:

Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States

Step 5 – Industry and Sector Screening

The sector/industry list is an amalgamation of business or project types into Sectors that are known to have the potential for environmental and/or social impacts or are based on the projects/activities listed as Category A Projects in ANNEX I of the Common Approaches

([http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/ecg\(2016\)3](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?doclanguage=en&cote=tad/ecg(2016)3)).

Step 6 – Human Rights including Modern Slavery Screening

Search country, sector, specific industry or company for identified human rights issues. If any human rights issue is identified via online searches, then undertake an appropriate assessment (websites to assist:

<https://www.globallslaveryindex.org/> or <https://www.hrw.org/> or <https://www.amnesty.org/en/> or <https://www.ohchr.org/EN/Pages/Home.aspx>).

ATTACHMENT 2: Examples of E&S RISK Indicators for transaction with Potential for E&S Impacts.

Examples Of Transaction Characteristics*	Assessment	Likely E&S Risk Range	Result
<ul style="list-style-type: none"> ESIA publicly available MLFI(s) are supporting the Project Project located in a Designated country No adverse information from internet search Not in a sensitive area Not an industry sector of potential concern No Modern Slavery risk 	Satisfies Export Finance's benchmark	LOW to MODERATE	Transaction subject to normal delegations.
<ul style="list-style-type: none"> Aware that an ESIA exists, but not available to Export Finance (either publicly or through client) Support provided by other OECD ECAs or EPFI's No adverse information from internet searches Not in a sensitive area Country where E&S standards are legislated with acceptable implementation 	Likely to meet Export Finance's benchmark but only indirect information available to support this view.	LOW to HIGH	<p>If risk LOW or MODERATE transaction subject to normal delegations.</p> <p>Refer to Export Finance Executive if risk greater than MODERATE.</p>
<ul style="list-style-type: none"> Aware that an ESIA exists, but not available to Export Finance (either publicly or through client) No other EPFI, MLFI or OECD ECAs involved Not in a Designated country Country where E&S standards are legislated but poor implementation Limited adverse information from internet search Not in a sensitive area 	<p>Lack of information limits E&S assessment.</p> <p>Unlikely to meet Export Finance's benchmark</p>	HIGH to EXTREME.	Refer to Export Finance Executive.
<ul style="list-style-type: none"> No evidence that an ESIA was prepared No other EPFI, MLFI or OECD ECAs involved Not in a Designated country Country where little E&S legislation exists Adverse information from internet search and CSO/NGO negative reports Project located in a sensitive area 	Cannot meet Export Finance's benchmark	EXTREME	Refer to Export Finance Executive.

* Not all the listed examples need to apply to a transaction