

Annex 6

Environmental and Social Covenant Template

We, [*name of lead tenderer*], shall, and shall ensure that all of our joint venture members and subcontractors, if any, for [*name of the contract*] managed by [*name of the Contracting Authority*] (the “Contract”), comply with all labour and health and safety laws and regulations applicable in the country of implementation of the Contract, as well as all national legislation and regulations and any obligation in the relevant international conventions and multilateral agreements on the environment that are applicable, ratified and in force in the country of implementation of the Contract.

Labour standards

We commit to adhere to the principles of the Fundamental Conventions of the International Labour Organization,¹ and, in particular, we explicitly pledge not to employ child labour or forced labour, in line with Standard 8 of the EIB’s Environmental and Social Standards.²

We will require our subcontractors not to employ child labour or forced labour [*and to cascade these requirements throughout their respective supply chains*].³ We shall:

- (i) pay rates of wages and benefits and observe conditions of work (including working time) that are fair and not lower than those established for the trade or industry where the work is carried out and ensure that wages are paid promptly and regularly; and
- (ii) keep complete and accurate records of employment of workers at the site.

[*for works contracts, insert:*

“Workers relations

We shall, in line with Standard 8 of the EIB’s Environmental and Social Standards, [*insert “have in place”/“develop and implement”*] labour management policy and procedures commensurate to the size and workforce that will be applicable to the project (including a grievance mechanism in line with good international practice to address both labour and occupational health and safety considerations). We will regularly monitor and report on implementation of the grievance mechanism to [*name of the Contracting Authority*], including on any corrective measures deemed necessary.”]

Occupational and public health, and safety and security

We shall:

- (i) comply with all applicable occupational health and safety laws in the country of implementation of the Contract;
- (ii) develop and implement the necessary health and safety management plans and systems commensurate with the project risks and impacts, in accordance with [*in the case of goods, non-consulting services and works, insert “the measures defined in the Project’s environmental and social management plans or equivalent and/or in the relevant studies and”*] International Labour Organization guidelines on occupational safety and management systems;⁴
- (iii) provide workers employed in relation to the Contract access to adequate, safe and healthy facilities as well as living quarters for workers living on-site, if relevant, in line with the EIB’s Environmental and Social Standards;

¹ <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

² <https://www.eib.org/en/publications/eib-environmental-and-social-standards>.

³ Text between brackets to be added in case the Bank’s risk assessment identifies the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse at the primary supplier, or when risks are known or have been reported in lower tiers of the supply chain.

⁴ http://www.ilo.org/safework/info/standards-and-instruments/WCMS_107727/lang--en/index.htm.

- (iv) communicate all occupational health and safety rules, instructions and signage in a language understood by the workforce;
- (v) provide qualified [emergency response/]first aid arrangements at all times;
- (vi) develop and implement a code of conduct and adopt specific measures to prevent and address inter alia gender-based violence, sexual exploitation and human trafficking for all workers, including those of our subcontractors;
- (vii) use security management arrangements that are consistent with international human rights standards and principles⁵ where such arrangements are required for the delivery of the Contract;
- (viii) establish procedures and systems for investigating, recording and reporting any type of accident and incident (whether they happen on-site or within the Contract influence area) that occurs as a direct consequence of the implementation works or Contract activities;
- (ix) report, investigate, document and analyse any environmental and health and safety incidents, accidents or circumstances and their impact or the effect arising or likely to arise from them, including permanent disabilities, ill health or fatalities occurring in relation to the Contract, and take due actions to address and prevent any future similar event, keep the EIB informed of the ongoing implementation of these measures and, where required by national law, notify the relevant authorities of such occurrences and cooperate with them in this respect.

Protection of the environment

We shall take all reasonable steps to protect the environment, biodiversity and ecosystems on and off the site and to limit the nuisance to people and property resulting from pollution, noise, traffic and other outcomes of the operations. [*in the case of **goods, non-consulting services and works**, insert “To this end, emissions, discharges to the surface, ground and marine environments and effluent from our activities will comply with the limits, specifications or stipulations as defined in [insert name of the relevant document]⁶ and the international and national legislation and regulations applicable in the country of implementation of the Contract.”]*

Environmental and social performance

We shall comply with the measures prescribed to us in the Contract and any corrective or preventative actions in the annual environmental and social monitoring report or other environmental and social action plan required by the Contract, if any [*in the case of **works**, insert “and submit [insert the periodicity as indicated in the Contract, if any] environmental and social monitoring reports to [insert name of the Contracting Authority]”*]. [*in the case of **contracts above the thresholds**,⁷ insert “To this end, we shall develop and implement an environmental and social management system commensurate to the size and complexity of the Contract and provide [insert name of the Contracting Authority] with the details of the (i) plans and procedures, (ii) roles and responsibilities and (iii) relevant monitoring and review reports. We further commit to fully cooperate with the staff of the supervision consultant, where applicable.”]*

Our tender price as offered for the Contract includes all costs related to our environmental and social performance obligations under the Contract. We shall:

- (i) reassess, in consultation with [insert name of the Contracting Authority], any changes that may potentially cause negative environmental or social impacts;
- (ii) provide [insert name of the Contracting Authority] with a written notice and in a timely manner of any unanticipated environmental or social risks or impacts that arise during the implementation of the Contract previously not taken into account; and

⁵ For example, the United Nations Voluntary Principles on Security and Human Rights (<https://www.voluntaryprinciples.org/>), the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (<https://www.ohchr.org/en/professionalinterest/pages/useofforceandfirearms.aspx>), the United Nations Code of Conduct for Law Enforcement Officials (<https://www.ohchr.org/EN/ProfessionalInterest/Pages/LawEnforcementOfficials.aspx>) and the International Code of Conduct for Private Security Providers (https://www.icoca.ch/en/the_icoc).

⁶ For instance an environmental and social impact assessment and respective permits.

⁷ See section 3.4.1 of the guide for the thresholds.

- (iii) in consultation with *[insert name of the Contracting Authority]*, adjust environmental and social monitoring and mitigation and/or compensatory and/or remedy measures as necessary to assure compliance with our environmental and social obligations.

[in the case of goods, non-consulting services and works, insert:

“Environmental and social staff

We shall facilitate *[insert name of the Contracting Authority]*'s ongoing monitoring and supervision of our compliance with the environmental and social obligations described above.”]

[in the case of contracts above the thresholds for goods, non-consulting services and works, insert:

“Environmental and social management team

For this purpose, we shall appoint and maintain in office until the completion of the Contract an environmental and social management team (scaled to the size and complexity of the Contract) that shall be reasonably satisfactory to *[insert name of the Contracting Authority]* and to whom *[insert name of the Contracting Authority]* shall have full and immediate access, having the duty and the necessary powers to ensure compliance with this Environmental and Social Covenant.”]

We accord *[insert name of the Contracting Authority]* and the EIB, and auditors appointed by either of them, the right to inspect all our accounts, records, electronic data and documents related to the environmental and social aspects of the current Contract, as well as all those of our joint venture members and subcontractors.

SIGNED by a duly authorised representative with the requisite power and authority to sign on behalf of its company and, in the case of a joint venture, on behalf of each member thereof:

Date:

Name of company:

Name of signatory:

Position of signatory:

Signature:

Note to the promoter: This Environmental and Social Covenant must be sent to the Bank together with the contract in the case of an international procurement procedure (as defined in section 3.3.2). In other cases, it must be kept by the promoter and made available, upon request, to the Bank.