

**Islamic Republic of Pakistan
National Grid Company of Pakistan**

**Grid Stability Enhancement Project
Phase 1 of Boosting Energy Security Through
Transmission in Pakistan (BEST-PAK) Multi-Phase
Programmatic Approach (MPA) Program
(P504536)**

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

Negotiated on June 08, 2026.

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Islamic Republic of Pakistan (the Borrower) will cause National Grid Company of Pakistan Limited (NGC) to implement the Boosting Energy Security through Transmission in Pakistan (BEST-PAK) Multi-Phase Programmatic Approach (MPA) Program Phase 1 (the Project), with the involvement of the Ministry of Energy-Power Division, as set out in the Loan Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower's Representative specified in the Agreement. The Borrower shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	ORGANIZATIONAL STRUCTURE a. Maintain a qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project, including an environmental specialist, a health and safety specialist, and a social specialist for the project. b. Supervision consultant and contractor shall appoint qualified E & S Specialists with all necessary material resources, who will provide support in environmental and social screening, supervision and monitoring including the assessment of the Contractor ESMP etc. as required. c. Project will execute Third-Party Validation (TPV) exercises for annual monitoring of Environment and Social compliance progress during the Project implementation and will share their reports with the Bank.	a. Hire or appoint the specialists no later than thirty (30) days of Effective Date and thereafter maintain the PMU and these positions throughout Project implementation. b. Before commencement of the project civil works c. Annually throughout the project lifecycle	NGC
B	CAPACITY BUILDING PLAN/MEASURES Prepare and implement the annual capacity building plan following capacity building measures: • Training for PMU staff, Statcom, Switched Capacitor Bank and bus-connected reactors Operators, Project workers on Stakeholder mapping and engagement, other stakeholders and subcontractors of the electricity sector, on specific aspects of environmental and social assessment, Occupational Health and Safety (OHS), emergency preparedness and response, community health and safety, grievance mechanism (GM), Sexual Exploitation and Abuse (SEA)/Sexual harassment (SH), incident response and reporting labor management procedures, code of conduct, pollution prevention and control, waste management (hazardous and non-hazardous), monitoring and reporting. • The capacity building plan is to be updated from time to time based on the outcomes of training needs analysis.	Prior to initiation of Project activities and then conducted regularly throughout Project implementation and operation.	NGC
MONITORING AND REPORTING			
C	REGULAR REPORTING Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include: • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.	Submit quarterly reports to the Bank throughout Project Implementation. Submit each report to the Bank no later than 15 days after the end of each reporting period.	NGC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	- E&S performance of contractors and subcontractors as reported through monthly contractors' and supervision firms' reports. - Number and status of resolution of incidents and accidents reported under action E below.		
D	CONTRACTORS' MONTHLY REPORTS Require contractors and supervising firms to provide monthly monitoring reports on E&S performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the Bank.	Submit the monthly reports to the Bank upon request.	NGC
E	INCIDENTS AND ACCIDENTS Notify the Bank of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Bank upon request. Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request. Provide a Root Cause Analysis (RCA) and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.	NGC
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS - Finalize and implement an Environmental and Social Management Plan (ESMP) for the Project, consistent with the relevant ESSs. - Site-specific instruments for the civil works carried out by the contractors (e.g., C-ESMPs) shall be developed and implemented. - Assess potential environmental and social downstream risks and impacts resulting from TA activities and define measures and actions to manage those risks and impacts in accordance with ESSs.	- Finalize the ESMP no later than 60 days after the Effective Date and thereafter implement the ESMP throughout Project implementation. - The site-specific instruments (C-ESMPs) for the civil works are developed prior to commencement of physical work and implemented throughout the project life cycle. - Same timeframe as for the ESMP.	NGC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.2	MANAGEMENT OF CONTRACTORS Incorporate the relevant aspects of the ESCP, including, inter alia, the ESMP, the Labor Management Procedures, and code of conduct, into the E&S specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter ensure that the contractors and supervising firms comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Bank.	As part of the preparation of procurement documents and respective contracts. Supervise contractors throughout Project implementation. Implement and maintain these measures throughout the project implementation period Copies of relevant contracts provided upon request.	NGC
1.3	TECHNICAL ASSISTANCE Carry out the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with terms of reference acceptable to the Bank, and that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference and are consistent with the ESSs.	Throughout Project implementation.	NGC
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Ensure that the workers are engaged in the implementation of the Project Activities in accordance with ESS2. To this end, ensure that the following measures are carried out: a) Provide workers with information and documentation that is clear and understandable regarding their terms and conditions of employment through written contracts setting out their rights, including, inter alia, rights related to hours of work, wages, overtime, compensation, and benefits, as well as written notice of termination of employment, and details of severance payments, as applicable. b) Implement occupational health and safety management plans, procedures and processes, taking into account the General Environmental, Health and Safety Guidelines (EHSGs), OSHA or any other internationally acceptable standards, ILO guidelines and any relevant Good International Industry Practice (GIIP) and, as appropriate, the industry-specific EHSGs, and ESMP. c) Implement measures, as applicable, to, inter alia: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, inter alia, access to grievance and redress mechanisms without fear of retaliation; and effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions.	30 days after Effective Date and prior to any procurement of services or goods and engagement of any project worker and implemented throughout Project implementation.	NGC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	d) Develop a code of conduct for workers, which shall include measures to prevent and respond to SEA and SH cases. e) Incorporate the relevant requirements above in the E&S specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Activities.		
2.2	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN 1. Require contractors and subcontractors to prepare and implement OHS Management systems in accordance with the ESMP, the General Environmental, Health and Safety Guidelines (EHSGs), and other relevant Good International Industry Practice (GIIP) and, as appropriate, the industry-specific EHSGs and other Good International Industry Practice (GIIP). Structure of the OHS management system must be based upon the following structure: a) Policy that sets the vision and overarching framework b) Manual that provides a roadmap of how the system operates c) Procedures for defining how specific processes are managed d) Instructions to give detail specific actions for tasks or situations e) Records that capture data for analysis, reporting, and improvement 2. Require contractors and subcontractors to prepare and implement OHS Management Plan. Ensure OHS provisions as required under OHS Systems and Management Plan are included in all bidding documents	Contractor's OHS System comprising of MP, processes and procedure to be effective prior to the mobilization of the contractor at site and thereafter implement the plan throughout Project implementation.	NGC
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Establish and operate a grievance mechanism for Project workers, equipped to handle GBV/SEA/SH incidents and consistent with ESS2.	Establish the grievance mechanism Within 60 days after the Effective Date and prior to engaging any project workers and maintained throughout Project implementation.	NGC
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	WASTE MANAGEMENT PLAN The Recipient shall ensure that the contractors of the project develop and implement a waste and hazardous materials management plan (common and specific waste) in all facilities of the site as part of the Contractor's ESMP.	Adopt the waste and hazardous materials management plan before the start of the works and maintained throughout the implementation of the project.	NGC
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT	Same timeframe as for the preparation and implementation of the ESMP.	NGC

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Incorporate resource efficiency and pollution prevention and management measures in the ESMP to be prepared under action 1.1 above.		
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Incorporate measures to manage traffic and road safety risks as required in the ESMP to be prepared under action 1.1 above.	Same timeframe as for the preparation and implementation of the ESMP.	NGC
4.2	COMMUNITY HEALTH AND SAFETY Assess and manage specific risks and impacts to the community arising from Project activities, including, inter alia, behavior of Project workers, risks of labor influx, response to emergency situations, and include mitigation measures in the ESMP to be prepared under action 1.1 above.	Same timeframe as for the preparation and implementation of the ESMP.	NGC
4.3	SEA AND SH RISKS Adopt behavioral SEA/SH standards clearly stating zero-tolerance for SEA and SH with associated consequences and communicate to all project workers. Specific actions that may be taken to address and/or mitigate SEA/SH risks include codes of conduct, sensitization, and strengthening the project GM to be responsive to GBV, SEA/SH incidents. Include SEA and SH prevention Code of Conduct clauses to prevent the occurrence of SEA/SH incidents in bidding documents and measures in the ESMP to manage the SEA and SH risks.	Adopt the SEA/SH standards no later than 60 days after the Effective Date and prior to the carrying out of project activities requiring these measures and implemented the SEA/SH measures throughout Project implementation.	NGC
4.4	SECURITY MANAGEMENT Assess and implement measures to manage the security risks of the Project, including the risks of engaging security personnel to safeguard project workers, sites, assets, and activities as set out in the Security Management Plan.	Security risk management plan developed, disclosed, consulted upon, and adopted within 60 days from the Effective Date and prior to commencement of project activities and engaging security personnel and thereafter implemented throughout Project implementation.	NGC
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
ESS 5 is not relevant to Phase-1 of the Project. However, it is important to assess potential environmental and social downstream risks and impacts resulting from TA activities and define measures and actions to manage those risks and impacts in accordance with ESS5 if necessary.		Same timeframe as for activities as for the ESMP.	NGC
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.1	BIODIVERSITY RISKS AND IMPACTS Adopt and implement Biodiversity Management measures as part of the ESMP to assess potential downstream impacts on biodiversity and habitats for TA activities and include measures and actions to manage those risks and impacts in accordance with the mitigation hierarchy and consistent with ESS6.	Same timeframe as for activities as for the ESMP.	NGC
ESS 8: CULTURAL HERITAGE			
8.1	CHANCE FINDS Describe and implement the chance finds procedures, as part of the ESMP of the Project under action 1.1 above.	Same timeframe as for the preparation and implementation of the ESMP.	NGC
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Update and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.	The SEP was disclosed on 26 November 2025 and shall be updated no later than 90 days after the Effective Date and thereafter implemented throughout Project implementation.	NGC
10.2	PROJECT GRIEVANCE MECHANISM NGC shall publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. The first tier will be at the PMU level which is to be operationalized. The second tier already exists at the HQ level of NGC to promptly address complaints related to social, resettlement, and environmental aspects of projects The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner. The existing grievance mechanism shall be updated and strengthened to ensure it is transparent, accessible, and responsive, including the capacity to handle issues during the implementation.	Update and maintain the existing Grievance Mechanism no later than thirty (30) days after the Effective Date and thereafter maintain and operate the mechanism throughout project implementation.	NGC
INDICATORS FOR IMPLEMENTATION READINESS			

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
The following actions are indicators for implementation readiness: i) Establishment of E&S risk management section in the PMU ; ii) Recruitment, maintaining and training of dedicated E&S staff within PMU; iii) Submission of quarterly E&S reports; iv) Submission of annual E&S capacity building plan at the onset of fiscal year; v) Insertion of E&S requirements of the ESMP in bidding documents; vi) Update GM to manage sensitive SEA/SH complaints; vii) Disclosure of E&S documents.		