

1. Project Overview

JAKS CP Solar One Sdn Bhd and JAKS CP Solar Two Sdn Bhd are developing two co-located large-scale solar photovoltaic (PV) projects at **Ladang Bukit Bidong, Setiu, Terengganu, Malaysia**.

Each project will have an installed capacity of **99.99 MWac**, giving a combined capacity of approximately **200 MWac**. The projects will comprise ground-mounted, single-axis solar PV systems together with associated electrical, balance-of-plant and grid connection infrastructure. Electricity will be connected to the Tenaga Nasional Berhad (TNB) grid through the PMU Batu Rakit.

The Project has been classified as **Category B under the Equator Principles and IFC Performance Standards**. This reflects environmental and social risks that are expected to be site-specific, largely reversible and manageable through appropriate mitigation and management measures.

The Project has been assessed through a suite of environmental and social studies and management plans, including the Environmental Impact Screening, Social Impact Assessment and Social Impact Management Plan, Environmental and Social Management Plan, Biodiversity Management Plan, Land and Livelihood Screening, Human Rights Impact Assessment, Labour and Working Condition Assessment, Climate Change Risk Assessment and GHG assessment.

The Department of Environment (DOE) has confirmed that the Project is **not subject to the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015**. The Project remains subject to applicable Malaysian environmental requirements and good environmental management practices.

2. Key Environmental and Social Risks and Mitigation

The main potential impacts are associated primarily with the construction phase. These include land disturbance, vegetation clearance, erosion and drainage, construction traffic, waste, worker welfare, community health and safety, biodiversity, access and livelihood impacts.

The Project will manage these risks through the Environmental and Social Management System (ESMS), project-specific ESMP, Contractor ESMP, Social Impact Management Plan and supporting management plans.

Key issue	Main potential impact	Key mitigation / management measures
Vegetation clearance and land disturbance	Soil disturbance, erosion and impacts to existing vegetation	Limit clearing to approved areas; implement erosion and sediment controls; maintain buffers around sensitive areas and watercourses.
Drainage, flooding and water quality	Waterlogging, flooding, sedimentation and potential effects on downstream users	Integrate drainage and flood-management measures into design; maintain drainage routes; implement erosion and sediment controls and water-quality monitoring.

Key issue	Main potential impact	Key mitigation / management measures
Construction traffic	Increased heavy vehicle movements, road safety and potential road deterioration	Traffic management planning, designated routes, monitoring of access roads and community notification.
Dust and noise	Temporary nuisance to nearby receptors	Dust suppression, good housekeeping, equipment controls and monitoring.
Waste and hazardous materials	Pollution from construction waste, spills or improper disposal	Waste segregation and disposal controls, hazardous-material management, spill response and contractor controls.
Worker health and safety	Construction-related injuries and occupational hazards	HIRARC/JSA, permit-to-work controls, PPE, training, toolbox meetings, emergency preparedness and incident reporting.
Community health and safety	Traffic, construction activities, worker influx and emergency situations	Community Health, Safety and Security Plan, traffic controls, emergency arrangements, communication and grievance mechanism.
Worker accommodation and welfare	Risks associated with accommodation, hygiene and migrant-worker welfare	Accommodation standards, health screening, hygiene controls, labour monitoring and contractor requirements.
Biodiversity	Wildlife disturbance, vegetation clearance and wildlife encounters	Pre-clearance screening, No-Go/buffer areas, wildlife encounter and stop-work procedures, worker training and biodiversity monitoring.
Land and livelihood	Temporary/restricted access and disruption to users	Passage survey, engagement with affected users, maintaining or providing alternative access where required, drainage safeguards and grievance channels.

The DNV review identifies these risks as generally manageable through the Project's ESMS, ESMP, CESMP and supporting management plans, subject to implementation of the identified actions before and during construction.

3. Stakeholder Engagement

Stakeholder engagement is being undertaken to understand community concerns, communicate Project activities and identify measures to manage potential impacts.

The Social Impact Assessment included household surveys, focus group discussions and interviews with affected communities, agricultural operators and relevant government agencies. Issues raised include:

- construction traffic and heavy vehicles;
- road condition and road safety;
- flooding and drainage;
- potential foreign-worker influx;
- access disruption;

- community safety; and
- expectations regarding local employment.

The Project's stakeholder engagement framework includes a **Community Liaison Officer (CLO)**, stakeholder register, engagement programme and Community Consultative Committee (CCC) arrangements.

Engagement will continue throughout construction and operation, particularly where activities may affect access, drainage, traffic, community safety or local livelihoods. DNV has identified the need to maintain records of consultations, CCC meetings, stakeholder engagement and related monitoring.

4. Grievance Mechanism

A Project grievance mechanism has been established for both **community and worker concerns**.

The mechanism provides a structured process for:

1. receiving a complaint or concern;
2. registering and acknowledging the complaint;
3. investigating the matter;
4. providing a response;
5. implementing corrective action where required;
6. closing the grievance; and
7. escalating unresolved matters where appropriate.

The mechanism will cover matters such as construction activities, access, drainage, traffic, security conduct, labour issues and other environmental or social concerns.

The grievance mechanism will be communicated to affected communities, workers and contractors before main construction activities commence and will be supported by a centralised grievance register and periodic review.

5. Human Rights and Labour

The Project recognises the importance of respecting internationally recognised human rights and applicable labour standards.

A Human Rights Impact Assessment, Human Rights Policy, Code of Conduct, Labour and Working Condition Assessment, HR policies and worker-management procedures have been developed.

Key areas of focus include:

- fair and lawful employment practices;
- prohibition of forced and child labour;
- non-discrimination and equal treatment;
- worker health and safety;
- appropriate working and living conditions;
- migrant-worker management;
- responsible recruitment;
- worker grievance mechanisms; and
- requirements applicable to contractors and subcontractors.

The Project will require relevant environmental, social, labour and human-rights requirements to be flowed down to contractors and suppliers.

Implementation will include monitoring of workforce arrangements, recruitment practices, worker accommodation and contractor compliance.

6. Climate Change Risks

The Project is located in a relatively low-lying area of Setiu and has considered physical climate risks relevant to the Project.

The principal risks identified include:

- flooding and waterlogging;
- drainage and sedimentation;
- geotechnical stability;
- extreme weather and wind loading; and
- corrosion and material durability.

The preliminary assessment identifies flooding/waterlogging, drainage/sedimentation and extreme weather/wind loading as significant considerations for Project design. Proposed measures include engineered drainage, retention ponds, site grading, erosion controls, appropriate foundation design, wind-resistant design and corrosion-resistant materials.

The formal CCRA, hydrology/drainage review and confirmation of integration of the relevant measures into the final design remain implementation actions identified by DNV before construction.

7. Biodiversity Management

The Project is located predominantly within an existing **oil palm plantation / modified land environment**. Nevertheless, the surrounding area may retain biodiversity value and may provide habitat or movement routes for wildlife.

Species identified as potentially occurring in or around the area include the dusky leaf monkey, long-tailed macaque, pig-tailed macaque, sun bear, Malayan tapir, saltwater crocodile, false gharial and several bird species.

The Project's Biodiversity Management Plan provides for:

- pre-construction biodiversity screening;
- biodiversity baseline surveys;
- identification of sensitive areas;
- No-Go and buffer zones;
- controls over vegetation clearance;
- wildlife encounter and stop-work procedures;
- prohibition of hunting, capture or possession of wildlife;
- worker biodiversity awareness training;
- engagement with PERHILITAN where required;
- biodiversity incident recording;
- weekly patrols;
- camera-trap monitoring; and
- monthly biodiversity monitoring and reporting.

The pre-clearance biodiversity screening, formal baseline survey and associated No-Go/buffer demarcation are to be completed before vegetation clearance and main construction.

8. Land and Livelihood Safeguards

The Project is being developed on leased land and the land and livelihood assessment has considered potential impacts on people who may use or depend on areas affected by Project activities.

The PS5 Land and Livelihood Screening has identified **no physical displacement targets**. The principal residual risk relates to potential **localised and reversible economic displacement or restricted use**, including:

- shortcut users;
- drainage-dependent users;
- plantation interfaces; and

- access-control arrangements.

The Project will therefore undertake measures such as passage/access surveys, engagement with affected users, maintenance or provision of alternative access where necessary, drainage safeguards, advance notification of restrictions and grievance management.

Any future Project change that results in physical or economic displacement will be assessed and managed in accordance with the applicable land and livelihood safeguards.

9. Greenhouse Gas (GHG) Summary

A GHG assessment has been undertaken for the Project covering estimated direct and indirect GHG emissions.

The assessment indicates that the Project is **not expected to exceed 100,000 tonnes CO₂e per year of operational emissions**. Accordingly, the mandatory annual public GHG reporting requirement under the Equator Principles is not triggered based on the assessment reviewed by DNV.

The solar PV development is expected to generate renewable electricity during operation, while GHG emissions during the Project lifecycle will be monitored and managed in accordance with the Project's E&S management and monitoring arrangements.

Recommendation: If the underlying GHG assessment is approved for public disclosure, the website summary could include the actual estimated **Scope 1, Scope 2 and relevant Scope 3 figures** rather than only the 100,000 tCO₂e/year threshold. The DNV LESA report itself does not reproduce those detailed figures.

10. Monitoring and Reporting Commitments

The Project will monitor E&S performance throughout construction and operation through the ESMS, ESMP, EHSS monitoring programme, contractor monitoring procedures and supporting specialist plans.

Monitoring will cover, as applicable:

- environmental quality and pollution controls;
- erosion, sedimentation and drainage;
- waste management;
- occupational health and safety;
- community health and safety;
- traffic and access;
- stakeholder engagement;
- grievances and corrective actions;
- labour and worker welfare;
- biodiversity;
- land and livelihood safeguards;
- contractor and subcontractor compliance; and
- E&S incidents and corrective actions.

The Project will maintain records and report E&S performance to the relevant stakeholders and lenders in accordance with the applicable financing and monitoring requirements.

DNV's review identifies independent monitoring before vegetation clearance/main construction, **semi-annual monitoring during construction**, and at least one monitoring visit during the first year of operation, subject to final lender/EPFI requirements and the construction programme.

11. Commitment to Continuous Improvement

The Project is committed to implementing its E&S management framework throughout the Project lifecycle and to addressing identified risks through mitigation, monitoring and corrective action.

The Project will maintain a consolidated E&S commitments tracker to monitor outstanding actions, responsible parties, implementation timelines, monitoring requirements and evidence of completion.

Before main construction, particular attention will be given to:

- biodiversity pre-clearance screening and baseline survey;
- No-Go and biodiversity buffer demarcation;
- formalisation of climate, hydrology and drainage assessments;
- implementation of land and livelihood safeguards;
- stakeholder engagement and grievance arrangements;
- worker accommodation and labour controls;
- contractor E&S management and flow-down;
- supplier due diligence and traceability; and
- implementation of the Contractor Environmental and Social Management Plan.

This summary is intended to provide the public with an accessible overview of the Project's environmental and social considerations. It does not replace the detailed environmental and social assessments, management plans, permits or applicable legal requirements.