

APPENDIX - 12

Environment and Social Management System Framework

1 PROJECT OVERVIEW

Morava Corridor Motorway Project runs east/west in the West Morava River valley and is seen as a key enabler of the economic corridor to the industrial city of Kruševac and Kraljevo, and its ultimate international connections to Bosnia, Montenegro and Macedonia. The motorway will boost international and local connectivity by linking pan-European Corridors 10 and 11 and all major towns and cities in a central Serbian region that has a population of around 500,000 and includes Čačak, Kraljevo, Vrnjačka Banja, Trstenik, *Kruševac* and *Čičevac*.

The Project is expected to create around 10,000 jobs during construction, utilizing mainly Serbian workforce, which will prevent the flow of non-skilled and skilled Serbian workforce to outside of Serbia. During the implementation of the Project, numerous workers will be trained in very specific construction fields, contributing to their technical skills considerably. In addition to reducing the travel time, the motorway will also enable a much safer means of travel in the region and contribute to the revitalization of the industry in the central Serbia.

The Project is not only a motorway construction, but also features extensive flood protection measures along the West Morava River. The current river infrastructure will undergo significant improvement to assure protection of the settlements against flooding. The improvement will include new riverbed arrangements improving the hydrological and flow characteristics of West Morava River and construction of dykes forming the most important flood protection measure.

The Project will provide social, environmental and economic benefits to the country and as such it is classified as “project of importance for the Republic of Serbia” by The National Assembly of the Republic of Serbia.

The Government of the Republic of Serbia adopted the Special Law “Law on Establishing Public Interest and Special Procedures for the Implementation of the Project for Construction of the Infrastructure Corridor of E-761 Highway, Section Pojate-Preljina”. Following a tender process for the construction of the Morava Corridor Motorway, Bechtel ENKA UK Limited was selected as Strategic Partner to implement the Project. The Construction Contract between the Government of the Republic of Serbia and Koridori Srbije d.o.o. Beograd collectively as the Employer (referred to the the Project Owner within the ESIA) and Bechtel ENKA UK Limited as the Contractor was signed in December 2019.

2 ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM OVERVIEW

This document provides a description of the Environmental and Social Management System (ESMS) framework for Morava Corridor Motorway Project. It identifies the policies, processes and plans which will be used to manage environmental and social (E&S) impacts related to the project. It is based on the Plan-Do-Check-Act cycle (PDCA), an ongoing process of reviewing, correcting and improving the system to drive continual improvement in environmental and social performance.

The ESMS has been developed by Corridors of Serbia as the project owner. It will be implemented through an integrated framework of the projects overall management systems, which address organizational structure, responsibilities, practices and resources necessary for managing the project, including specific environmental and social commitments during the construction and operational phases of the proposed Motorway.

The Management Systems which the Project Owner, the Construction Contractor and Project Operator have in place, which will be used as part of the integrated framework for ESMS, are shown in the table below.

Organisation	Management Systems
Project Owner (Construction Phase) - Corridors of Serbia	Operates an integrated management system (IMS) which covers quality, health & safety and environment and energy. Certifications: <ul style="list-style-type: none"> • SRPS ISO 9001: 2015 Quality Management • SRPS ISO 14001: 2015 Environmental Management • SRPS ISO 45001: 2018 Safety and Health Management • SRPS EN ISO 50001: 2012 Energy management
Construction Contractor - BEJV	The JV partners both operate certified management systems for quality, health & safety and environment and sustainability. The JV will develop project policies, plans and procedures which enable them to implement the ESMS and ESMMP requirements.
Project Operator – Roads of Serbia	Operates an integrated management system (IMS) which covers quality, health & safety, environment and community. Certified to: <ul style="list-style-type: none"> • ISO 9001:2015 Quality Management System • ISO 45001:2018 Occupational Health and Safety Management

The Environmental and Social Management and Monitoring Plan (ESMMP) has been prepared to implement the ESMS. It will be used to avoid, minimise and reduce negative impacts, and to ensure opportunities for the enhancement of positive impacts are realised. The ESMMP is a key document of the ESMS and is supported by a series of management plans and procedures implemented at Company and Contractor levels – it identifies the DCA activities. See Fig. 1. All obligations to be flowed down to the Contractor through the commercial contract.

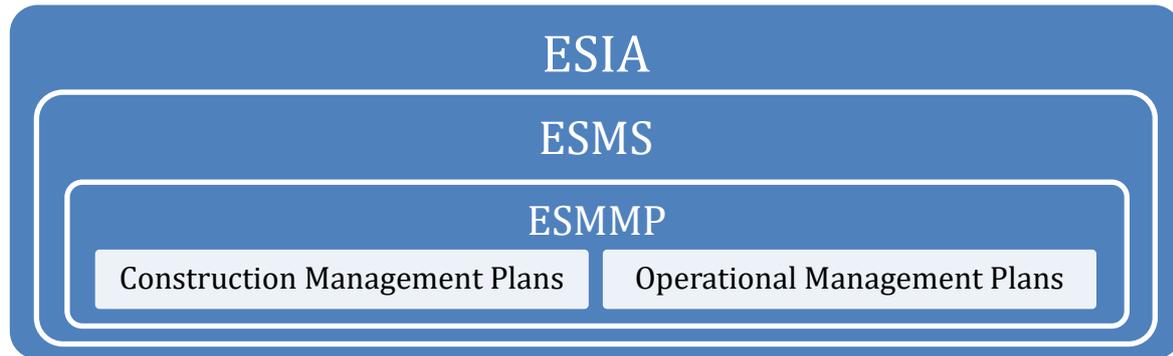


Figure 1. Relationship between ESIA, ESMS and Plans

2.1 ESMS Objectives

The ESIA and EIA have identified potential impacts to the physical, natural and social environments. The objective of the ESMS is to implement and fulfil commitments as identified in EIA and ESIA and to meet regulatory requirements. It is also to comply with the IFC standards for social and environmental management. As such, the ESMS is implemented to:

- Assist management in establishing priorities for environmental and social impacts;
- Provide a mechanism for ensuring that measures identified in the ESIA and listed in each management plan are addressed and implemented;
- Track changes in Serbian legislation and/or Lender standards so that they can be addressed in a timely manner;
- Provide a framework for compliance with auditing and inspection programs;
- Ensure that environmental and social commitments continue to be integrated into business decisions;
- Provide a framework for mitigating impacts that may be unforeseen or unidentified until construction or operation is underway;
- Encourage and achieve appropriate environmental and social performance and raise awareness from all employees and contractors; and
- Provide assurance to regulators, stakeholders and lenders that their requirements with respect to environmental and social performance are being managed.

2.2 ESMS Contents

The ESMS will incorporate the following elements, aligned to requirements in IFC Performance Standard 1: (i) policy; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review.

- Policy Statement – describes the environmental and social objectives which will guide the Project in achieving environmental and social performance.
- Process for Risk Identification – which, in addition to the ESIA, shall include a defined process for evaluating and managing environmental and social risks through life of Project.
- Management Programs – for environmental and social performance execution which are detailed, in part, within the ESMMP.
- Organisation Capacity/Competency – demonstrated through clear division of responsibility and vetting of individual roles holding responsibility and accountability for environmental and social performance execution.
- Emergency Preparedness and Response – a plan which addresses how potential risk impacts resulting in emergency response will be managed for life of Project.
- Stakeholder Engagement – describes how the project will undertake stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanisms, and ongoing reporting to Affected Communities through life of Project.
- Monitoring and Review – the processes by which the Project will monitor and measure the effectiveness of the management program, including compliance with any requirements and obligations - in part, detailed within the ESMMP.

3 POLICY

The overall Project Environment & Social Policy defines the environmental and social objectives and principles and commitment to applicable laws and regulations. The policy identifies the persons responsible for its execution and is communicated to all levels of its project. It will be developed by the Project Owner and reviewed at regular intervals to ensure relevance, consistency and effectiveness. *(Policy to be developed)*

There are a number of additional policies which give definition to the environmental and social objectives at different levels and parts of the project. Some of these are already prepared and others will be developed as the project proceeds through various phases, as and when applicable. Policies which form part of the ESMS are shown in the table below.

Organisation	Policies
Project Owner (Construction Phase) - Corridors of Serbia	1. Project E&S Policy – developed for Morava Corridor Motorway 2. Corridors of Serbia Policies : <ul style="list-style-type: none"> ● KS.100.01 Integrated Management System Policy - covers Quality, Environment, Health and Safety ● Employment Rulebook - covers recruitment, working conditions, payment, equal treatment, non-discrimination, benefits, etc
Construction Contractor - BEJV	1. Morava ES&H Policy – part of Construction Emergency Management Plan (EMP), and Contractor’s Environment, Safety and Health (ES&H) Management Plan 2. Human Resources/Employment Policies – cover working conditions: recruitment, fair and equitable pay, benefits and opportunities, Worker Grievance Mechanism Further details provided in ESMMP
Project Operator – Roads of Serbia	1. Roads of Serbia Policies are part of their IMS: <ul style="list-style-type: none"> ● Quality Policy ● Health and Safety Policy ● Human Resources Policies Further details provided in ESMMP

4 IDENTIFICATION OF RISKS AND IMPACTS

Risks and impacts which inform the ESMS have been identified through ESIA and EIA. Chapter 6 of the ESIA describes the risk identification and assessment process and provides a summary of the major, moderate and positive impacts identified during the ESIA study for the construction and operation of the Project. The ESIA was prepared by competent professionals and includes all risks and impact issues identified in IFC Performance Standards 2 – 8.

Change management is addressed through the existing management systems and plans of the Project organisations. The Project Owner has documented the approach to change management in the IMS Manual (**RULES OF PROCEDURE KS-001**). The Management of change at design and construction phase is managed by Project Owner and the Contractor. Changes may result from: design refinement or detailed design outcomes, changes in construction methodologies; chance find obstacles during construction; results of further field surveys and monitoring; stakeholder comments/concerns; changes in regulations or requirements by regulatory bodies.

Identifying the environmental and social risks and impacts of the project during project construction and operation and managing change are part of management systems, procedures and plans shown in the table below.

Organisation	Risks and impacts
Project Owner (Construction Phase) - Corridors of Serbia	1. Environmental and social risks and impacts of the Morava Corridor Motorway - ESIA, EIA 2. Management system (IMS) procedures for risk identification: <ul style="list-style-type: none"> ● KS-001 Rules of Procedure - IMS Manual ● KS.802 Risk and opportunity management procedure ● KS.805 Procedure for the identification and evaluation of environmental aspects ● KS.806 Procedure for Hazard Identification, Risk Assessment and Risk Management ● Resettlement Action Plan 3. IMS procedures: Change management: <ul style="list-style-type: none"> ● KS.802 Procedure for handling risks and opportunities ● KS.803 Procedure for conducting SWOT analysis ● KS.804 FMEA procedure ● KS.805 Procedure for identifying and evaluating environmental aspects ● KS.806 Procedure for hazard identification, risk assessment and risk management ● KS.824 Occupational safety and health and fire safety procedures ● KS.808 Procedure for identifying and evaluating compliance with legal and other requirements
Construction Contractor - BEJV	1. Environmental and social risks and impacts of the Morava Corridor Motorway - ESIA, EIA 2. During construction project plans describe how identification of risk & impacts will take place:

Organisation	Risks and impacts
	<ul style="list-style-type: none"> ● Project Environmental Management Plan and others e.g. waste management, biodiversity management (all detailed in ESMMP) ● Environment, Safety and Health (ES&H) Management Plan ● Stakeholder Engagement Plan ● Security Management Plan ● Infrastructure and Utility Management Plan ● Traffic Management Plan ● Labour Relations Plan ● Design Management Plan <p>3. During construction project plans describe how change impacting environment, safety, health and social aspects will be managed and integrated:</p> <ul style="list-style-type: none"> ● Contractor's ES&H Management Plan ● Design Management Plan - internal Design Review Team that will include any proposed changes addressed in Chapter 8 of the ESMMP <p>Further details provided in ESMMP</p>
Project Operator – Roads of Serbia	<p>1. Environmental and social risks and impacts of operating the Morava Corridor Motorway - ESIA, EIA</p> <p>2. Organizational processes for identification of risks and impacts, and for change management are part of the Roads of Serbia IMS – these will be used during operation of the Morava Corridor Motorway</p> <p>Further details provided in ESMMP</p>

5 MANAGEMENT PROGRAMS

The Environmental and Social Management and Monitoring Plan presented in Chapter 8 of the ESIA has been prepared for the pre-construction, design, and construction and operation phases of Project. Compliance with applicable laws and regulations and meet the requirements of Performance Standards 1 through 8. The ESMMP describes mitigation and performance improvement commitments, measures and actions that address the identified environmental and social risks and impacts of the project. It identifies relevant performance and compliance criteria as well as resources, responsibility for mitigations. The Project Owner, Construction Contractor and Project Operator will use their management systems to manage the implementation of the mitigations and commitments using relevant procedures, processes, plans and tools. This includes ongoing assessment and review of performance and compliance. The framework for Management Programs is shown in the table below.

Organisation	Management programs
Project Owner (Construction Phase) - Corridors of Serbia	<ol style="list-style-type: none"> Environmental and Social Action Plan lists the necessary actions/items that are required by the Project Owner, Contractor and Operator to achieve compliance with the lenders Applicable Standards. Resettlement Action Plan (RAP) Environmental and Social Management and Monitoring Plan (Construction) – in the ESMMP (Chapter 8 ESIA) IMS processes and procedures for Management Programs <ul style="list-style-type: none"> KS-001 Rules of Procedure - IMS Manual KS.802 Risk and opportunity management procedure KS.805 Procedure for the identification and evaluation of environmental aspects KS.806 Procedure for Hazard Identification, Risk Assessment and Risk Management
Construction Contractor - BEJV	<ol style="list-style-type: none"> Environmental and Social Management and Monitoring Plan (Construction) – in the ESMMP, Chapter 8 ESIA. During construction – management program requirements will be incorporated into project plans which cover: implementation (DO), evaluation (CHECK) and improvement (ACT) <ul style="list-style-type: none"> Project Environmental Management Plan and others as per ESMMP e.g. waste management ES&H Management Plan and specific procedures Stakeholder Engagement Plan Security Management Plan Infrastructure and Utility Management Plan Traffic Management Plan Labour Relations Plan <p>Further details provided in ESMMP</p>
Project Operator – Roads of Serbia	<ol style="list-style-type: none"> Environmental and Social Management and Monitoring Plan (Operation Phase) – in the ESMMP, Chapter 8 ESIA. Organizational processes and procedures for management programs are part of the Roads of Serbia IMS – these will be used during operation of the Morava Corridor Motorway <p>Further details provided in ESMMP</p>

6 ORGANIZATIONAL CAPACITY AND COMPETENCY

Environmental and social roles and responsibilities and resource provision requirements for the key parties involved in delivery and operation of the motorway are described in the Chapter 8 of ESIA: ESMMP. Table 8-1 shows the key roles identified to achieve effective and continuous environmental and social performance, as well as the approach to ensure knowledge skills and experience required for these roles.

Each of the Project organisations define capacity and competency requirements as part of their management systems and management plans. This includes defining the competency (knowledge, skills, and experience) necessary to manage E&S performance and implement measures and actions in ESMMP. This includes the use of external consultants where necessary. The ESIA was prepared by competent external experts as described in IFC Performance Standard 1. The resources identified to manage E&S are shown in the table below:

Organisations	Capacity and Competency
Project Owner (Construction Phase) - Corridors of Serbia	<p>1. Overall responsibilities for ESMS within Corridors of Serbia are identified in the ESMMP: Chapter 8 of the ESIA.</p> <p>2. Roles with Direct responsibility for the project's environmental and social performance are as follows:</p> <ul style="list-style-type: none"> - Project Specific for Morava Corridor Project: <ul style="list-style-type: none"> ● Project Manager – within Construction Department. ● Health & Safety Coordinator - Corridors of Serbia Organisations Resources <ul style="list-style-type: none"> ● Environmental Specialist - technical support and management of environmental issues for CoS ● Land acquisition and Social team - legal and social compliance with international standards ● Human Resources - competency development and training on compliance with IFI standards ● Legal & Finance - management of expropriation and compliance with international finance institutions ● Quality – management of QMS <p>3. Process to define competency detailed in:</p> <ul style="list-style-type: none"> ● KS-001 Rules of Procedure – IMS Manual ● KS.810 Competence, training and awareness procedures. ● Competency requirements to manage E&S performance are included in relevant job descriptions.
Construction Contractor - BEJV	<p>1. Overall responsibilities for ESMS within BEJV are identified in the ESMMP: Chapter 8 of the ESIA</p> <p>2. Construction project plans address capacity and competence:</p> <ul style="list-style-type: none"> ● Construction Execution Plan – includes E&S roles and responsibilities for key positions, Project Director, Construction Manager, ES&H Manager, Environment Manager, Sustainability & Social Performance Manager ● ES&H Training Plan – project induction includes ES&H standards, environment mitigation measures, community relations.

Organisations	Capacity and Competency
Project Operator – Roads of Serbia	1. Overall responsibilities for ESMS within Roads of Serbia are identified in the ESMMP: Chapter 8 of the ESIA. 2. Specific roles and competence requirements in the Roads of Serbia organizations will be confirmed prior to handover on completion of construction.

7 EMERGENCY PREPAREDNESS AND RESPONSE

Potential emergencies related to construction of the project were identified in the ESIA (Chapter 6), alongside actions and mitigations to avoid, prepare and respond to them (Chapter 8). The project emergency preparedness and response systems enable all parties to appropriately respond to accidental and emergency situations associated with the project. The project owner and operator have emergency management processes as part of their management systems. In collaboration with the project owner, the contractor will develop a project specific Emergency Preparedness and Response Plan for construction activities. Emergency Preparedness and Response procedures and plans as shown in the table below:

Organisation	Emergency preparedness and response
Project Owner (Construction Phase) - Corridors of Serbia	1. Potential emergencies related to construction of the project were identified in the ESIA and described in the Chapter 6 Impact Assessment 2. Management system procedures for Emergency preparedness and response: <ul style="list-style-type: none"> ● KS.802 Risk and opportunity management procedure ● KS.805 Procedure for the identification and evaluation of environmental aspects ● KS.806 Procedure for Hazard Identification, Risk Assessment and Risk Management ● KS820 - emergency management process ● KS821 - incident review procedure safety and health at work ● KS.824 Occupational safety and health and fire protection procedures
Construction Contractor - BEJV	1. Potential emergencies related to construction of the project were identified in the ESIA and described in the Chapter 6 Impact Assessment 2. Emergency Response Plan developed which details project preparations and actions Emergency preparedness and response; Reporting arrangements; Security interface 3. Other project plans describe approach to specific emergencies: <ul style="list-style-type: none"> ● Project Environmental Management Plan ● ES&H Management Plan ● ES&H Emergency Response Plan ● Crisis and Contingency Management Plan ● Pandemic Preparedness Plan Further details provided in ESMMP
Project Operator – Roads of Serbia	1. Potential emergencies relative to the operation of the project were identified in the ESIA and described in the Chapter 6 Impact Assessment. 2. Organizational processes for Emergency preparedness and response are part of the Roads of Serbia IMS – these will be used during operation of the Morava Corridor Motorway Further details provided in ESMMP

8 STAKEHOLDER ENGAGEMENT

As described in the ESIA, the Project could result in potentially significant and diverse adverse future environmental and social impacts and issues which will be identified and managed through a comprehensive approach to stakeholder engagement. A Stakeholder Engagement Plan (SEP) was prepared as part of the Environmental and Social Impact Assessment for the *Morava Corridor Motorway Project*. The plan details how the project will meet the requirement described on the IFC Standards during design, construction and operation. It addresses: **Stakeholder Analysis and Engagement Planning** (Disclosure of Information; Consultation; Informed Consultation and Participation) and **External Communications and Grievance Mechanisms** (External Communications; Grievance Mechanism for Affected Communities; Private Sector Responsibilities Under Government-Led Stakeholder Engagement; Ongoing Reporting to Affected Communities). It describes that where required a formalized and participatory assessment process, *Informed Consultation and Participation*, will be carried out by independent consultants. The SEP includes: (i) the identification of stakeholders for the Project; analysis of relationships of the stakeholders with the Project; details of consultation methodologies; activities carried out to-date and those planned for the future of the Project; details of the process for managing stakeholders' concerns and grievances and explains how the stakeholder engagement process will be recorded, monitored, evaluated and reported.

The Project Owner, Construction Contractor and Project Operator will use their management systems to manage the implementation of the SEP, using procedures and plans as shown in the table below:

Organisation	Stakeholder engagement
Project Owner (Construction Phase) - Corridors of Serbia	1. Appendix 3 of ESIA - Stakeholder Engagement Plan for Morava Corridor Motorway Project 2. Environmental and Social Management and Monitoring Plan (Construction) in the ESMMP, Chapter 8 ESIA – describes specific stakeholder engagement actions which will be implemented 3. Resettlement Action Plan (RAP) 4. Management system procedures: Stakeholder engagement <ul style="list-style-type: none"> ● KS.801 Procedure for determining context and stakeholders ● KS.811 Procedure for communication ● KS.303 Procedure for drafting opinions and responding to requests from third parties
Construction Contractor - BEJV	1. Appendix 3 of ESIA - Stakeholder Engagement Plan for Morava Corridor Motorway Project 2. Environmental and Social Management and Monitoring Plan (Construction) in the ESMMP, Chapter 8 ESIA – describes specific stakeholder engagement actions which will be implemented 3. Contractor Management Plans and Procedures: <ul style="list-style-type: none"> ● Contractor Stakeholder Engagement Plan, including communication, public relations ● Construction Execution Plan, including division of responsibilities ● Community Relations Plan, including procedures for complaints/grievances from project affected people, performance targets.

Organisation	Stakeholder engagement
	<ul style="list-style-type: none"> ● Labour Relations Plan including worker grievances <p>4. Other contractor plans cover approach to key issues and related stakeholders and interested parties</p> <ul style="list-style-type: none"> ● Project Environmental Management Plan ● ES&H Management Plan ● Security Management Plan <p>Further details provided in ESMMP</p>
Project Operator – Roads of Serbia	<p>1. Appendix 3 of ESIA - Stakeholder Engagement Plan for Morava Corridor Motorway Project</p> <p>2. Environmental and Social Management and Monitoring Plan (Operation) in the ESMMP, Chapter 8 ESIA – describes specific stakeholder engagement actions which will be implemented</p> <p>3. Organizational processes for Stakeholder Engagement are part of the Roads of Serbia IMS – specific plans will be developed to be used during operation of the Morava Corridor Motorway</p>

9 MONITORING AND REVIEW

The Environmental and Social Management and Monitoring Plan presented in Chapter 8 of the ESIA has been prepared for the pre-construction, design, and construction and operation phases of the Project. It describes how the mitigation commitments made through the ESIA process will be managed and monitored and provides the monitoring/verification and reporting program. It identifies the responsibilities of the Project Owner, Construction Contractor and Project Operator for monitoring and review. These organisations will follow their management system processes and procedures to monitor the effectiveness of the management program – these cover monitoring, audit, inspection, assessment of compliance, corrective and preventive action, management review and improvement, as shown in the table below.

Organisation	Monitoring and Review
Project Owner (Construction Phase) - Corridors of Serbia	<ol style="list-style-type: none"> 1. Environmental and Social Management and Monitoring Plan (Construction) – in the ESMMP (Chapter 8 ESIA) 2. Project Owner Representative Team in place throughout construction to undertake compliance monitoring of the contractor (ESIA/ESMMP and ESAP) 3. Resettlement Action Plan (RAP) 4. Management system procedures: Monitoring and Review <ul style="list-style-type: none"> • KS.808 Procedure for identification and evaluation of compliance with legal and other requirements • KS.822 Monitoring and Measurement Procedure, and regarding occupational safety and health in accordance with documented information • KS.823 Procedure for monitoring and measuring the performance of safety and health at work. • KS.825 ISM Internal Verification Procedure • KS.826 ISM Review Procedure • KS.819 Non-compliance management procedure and corrective action • KS.401 Procedure for monitoring the implementation of construction contract • KS.402 Procedure for monitoring the implementation of the contract of professional supervision services for the execution of construction works. environmental protection and archaeological works
Construction Contractor - BEJV	<ol style="list-style-type: none"> 1. Environmental and Social Management and Monitoring Plan (Construction) – in the ESMMP (Chapter 8 ESIA) 2 Contractor Environmental and Sustainability Monitoring Plan 3. Contractor Plans which document monitoring and review requirements for the specific issues: <ul style="list-style-type: none"> • Project Environmental Management Plan and others as per ESMMP e.g. waste management • ES&H Management Plan • Contractor Stakeholder Engagement Plan • Security Management Plan • Community Relations Plan 3. Contractor Procedures - describe monitoring, review and auditing program to monitor implementation of the ESMMP requirements/ commitments during construction

Organisation	Monitoring and Review
	<ul style="list-style-type: none"> ● ES&H Inspections, Monitoring and Corrective Actions Procedure ● ES&H Incident Notification and Assessment Procedure ● ES&H Committee and Program Review Procedure
Project Operator – Roads of Serbia	<ol style="list-style-type: none"> 1. Environmental and Social Management and Monitoring Plan (Operation) – in the ESMMP (Chapter 8 ESIA) 2. Organizational processes for Emergency preparedness and response are part of the Roads of Serbia IMS – these will be used during operation of the Morava Corridor Motorway

APPENDIX - A

Environmental and Social Policy

Environmental and Social Policy

Morava Corridor Motorway Project



The Morava Motorway Project is located in the West Morava Region of Serbia, the 112-kilometer (70-mile) dual carriageway will be the second major transport artery in Serbia, connecting communities and businesses from Pojate in the East to Preljina in the West, and linking the country's North-South motorway to the Hungarian and North Macedonian borders. The Project is expected to be completed and commissioned in 2023, with 22 years of operation period. The project will connect more than half a million citizens living in the area and be the link for more than 20,000 small and medium-sized enterprises with the largest traffic corridors - creating jobs, connecting communities and growing the local economy.

Corridors of Serbia, the project owner, is committed to delivering environmental and social benefits as a result of the Morava Motorway Project. This policy sets out Corridors of Serbia's ambition to build a motorway in a way which protects the environment and enhances the wellbeing of the local communities and the project workforce. CoS is committed to fulfilling all relevant compliance obligations and to preventing pollution. The overall environmental and socio-economic objectives of the Morava Motorway project are:

- Reduce flood risk in the region;
- Economic development of the Morava Valley,
- Increase tourism potential of the Morava Valley,
- Development of the telecommunication system
- Reduce traffic accidents over 50%.

Corridors of Serbia has identified environmental and social impacts of the project through an Environmental and Social Impacts Assessment, aligned to national and international guidelines and regulations. The greatest environmental impacts by the Project are to water quality, air quality, noise and terrestrial and freshwater ecology. Social impacts include changes to land use causing economic displacement and physical resettlement; influx of additional people during construction; potential health and safety impacts during operation and construction phases.

To drive continuous improvement, a range of environmental and social commitments to manage the impacts are included in project plans which provide a framework for implementing this policy and for setting objectives. Specific commitments which Corridors of Serbia has made include:

- Ensure that effects of physical and economic displacement are minimized, and that people affected by the Project will be compensated appropriately
- Prioritise local people and businesses during construction- provide opportunities for employment of local workforce and to maximise local procurement of goods and services
- Deliver long-term employment opportunities for the municipal, district and national workforce and for local and national suppliers, contractors and subcontractors for operation and maintenance activities
- Build a telecommunication corridor alongside the motorway to allow for future 5G fibre and tower installations.
- Manage noise and emissions levels to meet World Health Organisations environmental limits
- Minimize noise and air quality related complaints and grievances
- Deliver extensive flood mitigation system to strengthen the resilience against extreme weather conditions for the motorway and local communities – no up or down stream impacts, prevention of erosion and sedimentation
- Protect biodiversity especially sensitive areas minimize fragmentation of habitats
- Targeting zero accidental spillages reaching surface or groundwater during construction, meeting stringent water quality standards for discharge

Executive Owner: The Technical Director is the Executive Owner of this policy and is responsible for maintaining the accuracy and relevance of its contents and for periodic review and update to reflect the changing circumstances.

Signature..... DATE