

Environmental and Social Commitment Plan

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Maldives: Energy Security Emergency Assistance Project

Prepared by the Ministry of Finance and Public Enterprises of the Republic of Maldives for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 13 July 2026)

Currency Unit	–	Maldivian rufiyaa (MVR)
MVR1.00	=	\$0.06567
\$1.00	=	MVR15.23

ABBREVIATIONS

ADB	–	Asian Development Bank
E&S	–	environmental and social
ESCP	–	environmental and social commitment plan
ESF	–	Environmental and Social Framework
ESS	–	environmental and social standard

NOTE

In this report, "\$" refers to United States dollars unless otherwise stated.

This Environmental and Social Commitment Plan is a document of the borrower. The views expressed herein do not necessarily represent those of the Board of Directors, Management, or Staff of the Asian Development Bank (ADB), and may be preliminary in nature. Your attention is directed to the [“terms of use”](#) section of ADB’s website.

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ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Asian Development Bank (ADB) has agreed to provide financing for the Energy Security Emergency Assistance Project (the project) (60245-001), which the Government of Maldives (the borrower) will implement with the support of the State Trading Organization, as set out in the project's Loan Agreement.
2. This Environmental and Social Commitment Plan (ESCP) is part of the project's Loan Agreement. The borrower will ensure that the project is carried out in accordance with ADB's Environmental and Social Standards (ESS), this ESCP, and in a manner and within a timeframe acceptable to ADB. Unless otherwise defined in this ESCP, terms used in this ESCP have the meanings ascribed to them in the project's Loan Agreement and ADB's Environmental and Social Framework (ESF). The borrower will ensure adequate financial resources are allocated to implement this ESCP.
3. This ESCP sets out measures and actions that the borrower will carry out or cause to be carried out, including, as applicable, the timeframes of the measures and actions, institutional, human and financial resources, training, monitoring and reporting arrangements, and grievance management.
4. As agreed with ADB, this ESCP may be revised from time to time during the implementation phase of the project cycle to reflect adaptive management in response to changes in project circumstances, unforeseen events, regulatory changes, and the results of monitoring and review. In such circumstances, ADB and the borrower will agree to update the ESCP to reflect these changes as necessary, setting out any additional measures and actions to be implemented by the borrower through an exchange of letters signed between ADB and the borrower. The borrower will promptly disclose the updated ESCP.

Definitions

- (a) "Implementation" refers to the execution of the measures, actions, and commitments set out in the approved assessment and management documents. This includes the allocation of adequate financial, human, and technical resources; establishment and operation of institutional and management arrangements; application of mitigation, management, and monitoring measures; and systematic monitoring and documentation of performance. Implementation also includes regular reporting to the ADB in accordance with agreed reporting requirements and timelines, and the application of adaptive management, whereby measures are adjusted, strengthened, or supplemented in response to monitoring results, changes in project conditions, non-compliance, or unforeseen impacts, subject to ADB review and agreement, where required.
- (b) "Milestones" refer to key reference points or significant events that mark progress across the project cycle, serving as measurable indicators of achievement and decision-making triggers. They typically include stages such as disbursement, completion of feasibility studies, issuance of bidding documents, contract award, commencement of construction, completion of major works, commissioning, decommissioning, and handover and are used to track performance, ensure accountability and provide checkpoints for E&S actions and measures, as well as reviews throughout the project cycle. Some key milestones are defined as follows:

- (c) "Loan effectiveness" declared by ADB after the signing of the legal agreement between ADB and the borrower and the satisfaction of conditions to effectiveness as set out in the legal agreement.
- (d) "Project completion" as defined in the ESF, refers to the time when ADB prepares a project completion report.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	INSTITUTIONAL STRUCTURE		
1.1.1	Maintain a project coordinator at MOFPE (as executing agency) and a project E&S focal at STO (as implementing agency) tasked to ensure project-financed marine gas oil procurement, shipping, handling, and storage at K. Funadhoo fuel terminal is conducted in accordance with the requirements of the applicable ESSs and this ESCP. The project E&S focal will be a qualified and experienced staff assigned to the project by STO, whose curriculum vitae will be shared with ADB prior to assignment. MOFPE and STO will undertake best efforts to retain the same project coordinator and E&S focal for the entire duration of the project.	By loan effectiveness and until project completion.	MOFPE, STO
1.1.2	Maintain adequate institutional capacity and qualified and experienced personnel at the corporate level within STO, with respect to HR, ESG, stakeholder redress, and procurement, as well as on board the STO vessels registered in Maldives and Panama, and at the K. Funadhoo fuel terminal, to ensure the continued implementation of existing policies, processes, systems, and procedures related to the applicable ESSs and this ESCP. Inform ADB of any significant changes in the existing STO-related management, organizational structure, and staff positions.	From 4 May 2026 and until project completion.	STO
1.1.3	Maintain under MOFPE and STO annual work plans sufficient financial resources, office space, facilities, equipment, travel, support staff and information management systems to support management of the project's E&S risks and impacts, the E&S roles and responsibilities of the project coordinator and project E&S focal, and any E&S consultant appointed under ADB technical assistance to support STO in capacity development.	From 4 May 2026 and until project completion.	MOFPE, STO
1.2	CAPACITY DEVELOPMENT AND TRAINING		
1.2.1	The MOFPE project coordinator and the project E&S focal will complete ESF online training.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO
1.2.2	MOFPE project coordinator, the project E&S focal and relevant STO staff, including those managing fuel procurement, shipping, handling, and storage, will participate in any additional trainings delivered at the request of STO to support its capacity development on the ADB's ESF (2024, as amended to date) and its application to the project in respect of the following ESSs: - ESS1 implementation of the ESCP and preparation of ESMRs - ESS2 labor management (direct employees and supply chain)	From 4 May 2026 and, as required, until project completion.	MOFPE, STO

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	- ESS3 resource conservation and pollution prevention - ESS4 health and safety - ESS6 biodiversity (supply chain and invasive species) - ESS10 information disclosure and grievance mechanism		
1.2.3	Continue to deliver existing STO training and awareness raising programs related to the applicable ESSs and this ESCP to staff employed at the corporate level including HR department, ESG and Sustainability Unit, stakeholder redress, and procurement functional areas, in the energy department, in the logistics department, on board the STO vessels registered in Maldives and Panama, and at K. Funadhoo fuel terminal.	From 4 May 2026 and until project completion.	STO
1.3	COMPLIANCE WITH GOOD PRACTICE ON ADDRESSING SEXUAL EXPLOITATION, ABUSE, AND HARASSMENT (SEAH)		
1.3.1	Comply with all Maldivian laws and regulations in relation to SEAH.	From 4 May 2026 and until project completion.	MOFPE, STO
1.3.2	Continue to implement existing STO policies, processes, systems and procedures related to SEAH, including reporting mechanisms to manage the SEAH risks related to the project.¹ The procured fuel eligible for project financing will only be shipped to Maldives on board STO-owned vessels, ensuring that STO requirements apply to the on-board staff. Facilitate access to psychological consultancy services and coordinate with relevant national agencies for survivor referral and support. Report on the number of SEAH incidents reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion.	STO
1.3.3	Submit copies of STO's sexual harassment prevention policy and related procedural documentation, the scope of the Sexual Harassment Prevention and Gender Equality Committee, as well as statistics on the number of SEAH incidents reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in the 12 months preceding 4 May 2026 as part of the project due diligence requirements.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

¹ SEAH risks are high due to the emergency nature of the project, but project-community interactions are minimal, only existing activities are supported, no new facilities or activities are supported by the project, and all project workers will be direct employees. These risks can be managed under the existing policies, processes, systems and procedures of STO related to SEAH such that an SEAH action plan is not required. To manage SEAH risks, STO has a written Sexual Harassment Prevention Policy overseen by a Sexual Harassment Prevention and Gender Equality Committee; SEAH incidents can be reported by submitting the Sexual Harassment Reporting Form available on the intranet directly to the Director, HR, or by submitting a complaint in writing directly to the Director, HR. Confidentiality shall be maintained, and all reports shall be taken seriously and acted upon promptly by Director, HR. The Whistleblower Procedure allows any employee to report to the Audit Committee openly, confidentially, or anonymously any allegation; if sexual harassment cases are raised then these will be heard by the Audit Committee.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.4	EXISTING ACTIVITIES		
1.4.1	Existing activities of the STO vessels registered in Maldives and Panama and the K. Funadhoo fuel terminal shall continue to be undertaken by STO in accordance with shipping and terminal operations policies, processes, systems,² and procedures related to the applicable ESSs and this ESCP including:³ (i) conducting assessment, management, monitoring and reporting in line with existing policies, processes, systems, and procedures,⁴ Maldivian laws and regulations, and international obligations; (ii) undertaking in a timely manner corrective action for all non-compliances and observations raised by the internal and external auditors in the most recent audit reports; and (iii) implementing the already planned fuel terminal EHS enhancement projects (outside the scope of the project) in respect of upgrading the firefighting system to be commissioned in July 2026 and the sewage treatment plant, which is in approval phase as of June 2026 and subject to environmental impact assessment preparation and approval by the environment regulatory authority. Report on implementation of the above and the outcome of internal and external audits conducted during project implementation in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion.	STO
1.4.2	Submit as part of the project due diligence requirements documentation related to the shipping and terminal operations policies, processes, systems, and procedures including: (i) a list of all the Maldivian environmental, labor, health and safety national and international legislation that applies to the STO oil tankers and fuel terminal operations (compliance register, as the project activities, including international standards for terminals and vessels and the International Labor Organization); (ii) a list of regulators and non-governmental organizations which STO engages with in respect of labor and EHS (including Labor Regulatory Agency, Environmental Regulatory Agency and Utility Regulatory Agency); (iii) a list and copies of related national and international clearances and permits held for the STO vessels and fuel terminal;	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

² Systems have been developed by STO to be aligned with ISO standards ISO 14001 and ISO 45001 but are not certified as such.

³ Project-community interactions are minimal, only existing activities are supported, no new facilities or activities are supported by the project, and all project workers will be direct employees of STO such that overall low EHS risks can be managed under the existing policies, processes, systems and procedures of STO related to the ESSs; since existing systems are in place and are audited internally and externally on at least an annual basis (such that project-specific environmental and social audit is not required given the low risk) the measures set out in this ESCP are sufficient to manage the minimal E&S risks and impacts anticipated.

⁴ Including (i) corporate level: environmental management manual, safety manual; (ii) for STO vessels: procedure and operational manual of the logistics department, company procedures manual, shipboard operational procedure manual, emergency procedures manual, related to the STO vessels; (iii) for fuel terminal: six QHSE manuals energy, operations manual energy, port facility security plan, terminal operation manual, terminal oil pollution response plan, related to the fuel terminal.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(iv) copies of the most recent labor and EHS system related internal and external audit reports, and details of any corrective actions already taken prior to 4 May 2026 to close out non-compliances and observations; (v) supporting documentation to demonstrate the application of the policies, processes, systems and procedures; (vi) STO corporate organogram with respect to labor and EHS management (positions, numbers of staff assigned to ESHS roles and responsibilities) and details of all relevant corporate labor and EHS related-committees with their scope or TORs; (vii) STO oil tankers and fuel terminal organograms with respect to labor and EHS management (positions, numbers of staff assigned to ESHS roles and responsibilities at different levels e.g., management to safety officers and supervisors) and list of relevant shipping and terminal-level labor and EHS related-committees; (viii) written clarification on the scope covered by the new corporate ESHS policy and procedure which is currently being drafted as of June 2026 and plans for its adoption in due course; and (ix) written clarification on how STO is institutionalizing the new freedom of association and collective bargaining laws.		
1.4.3	STO will obtain written confirmation that the supplier of the fuel to be procured under the project will comply with good international practice as elaborated under ESS2 and ESS6. ⁵	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

⁵ The contract between STO and its fuel supplier, under which the marine gas oil will be procured for the project, was established prior to the project being conceived. The contract was secured through a limited competitive bidding process run by STO and involving six potential suppliers. Due to the emergency nature of the project and as fuel prices have escalated, it is not feasible to negotiate a new contract under which contractual controls could be introduced. The project therefore relies on the existing contract and per paragraph 46 of ESS2 and paragraph 36 of ESS6, there is limited ability to control or influence the supplier since the contract is already signed. Further, the supplier is a state-owned enterprise owned by the Sultanate of Oman and incorporated in the United Arab Emirates, and thus outside the legal and regulatory jurisdiction of Maldives, and there are only a few alternative suppliers within reasonable geographical reach of STO vessels since the ESF also requires transportation impacts to be minimized.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.5	MONITORING, ADAPTIVE MANAGEMENT, AND REPORTING		
1.5.1	Prepare and submit to ADB annual ESMRs on the project's E&S performance including grievance management, incident and accident reporting, status of zero-oil spill commitment, status of corrective actions and planned EHS enhancement projects, supporting documentation to demonstrate application of the policies, processes, systems and procedures including renewed EHS clearances, permits, or certificates received in the reporting period, conduct of and outcome of internal and external audits, and STO capacity development.	Submit reports to ADB annually until project completion. The first report will cover the period from 4 May 2026 to 31 December 2026 and will be submitted no later than 15 days after the end of the reporting period.	MOFPE, STO
1.5.2	In case of changes in the relevant corporate structure of STO or fuel procurement, shipping, handling, and storage arrangements and/or unforeseen impacts, immediately report these to ADB to agree on the need to update the ESCP and/or to take corrective action to address the project's E&S risks and impacts in accordance with the requirements of the applicable ESSs.	Throughout project implementation, as required, upon becoming aware of changes and/or unforeseen impacts. Implement corrective actions as per agreed schedule.	MOFPE, STO
1.6	INCIDENTS AND ACCIDENTS REPORTING AND MANAGEMENT		
1.6.1	Maintain an accident and incident register on the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in accordance with existing policies, processes, systems and procedures related to the applicable ESSs and this ESCP.	From 4 May 2026 and until project completion.	STO

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.6.2	Immediately report and notify ADB of any incident or accident related to the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal which has, or is likely to have, a material adverse effect on the environment, project workers, or the public, including but not limited to: (i) SEAH incidents including allegations, (ii) accidents that result in fatalities or significant injuries, (iii) acts of violence, (iv) unforeseen impacts on biodiversity, (v) significant pollution of the environment, (vi) forced or child labor, and (vii) disease outbreaks.	Notify ADB within 72 hours of an accident or incident or when MOFPE or STO becomes aware of the incident or accident.	MOFPE, STO
1.6.3	Submit detailed report of STO on the incident or accident detailing the root cause analysis, time-bound measures and actions to address it and prevent recurrence.	Provide a detailed report on the incident or accident to ADB within 21 days.	MOFPE, STO
1.6.4	Submit daily, monthly, or quarterly report(s) as agreed with ADB on the implementation of the time-bound measures and actions related to any incident or accident.	Submit regular implementation updates per the timeframe agreed with ADB and include status in E&S monitoring reports.	MOFPE, STO
ESS2: LABOR AND WORKING CONDITIONS			
2.1	MANAGING THE RELATIONSHIP WITH PROJECT WORKERS		
2.1.1	Comply with all Maldivian laws and regulations and international obligations applicable to the borrower, including ILO Fundamental Conventions and the Maritime Labour Convention, in relation to labor management, including on employment contracts, working hours, overtime, annual leave, sick leave, fair compensation, antidiscrimination, diversity, sexual harassment and prevention, gender equity, child (under 18 years old, due to hazardous work) and forced labor exclusion, migrant workers, worker grievance, freedom of association and collective bargaining under recently introduced legislation, and safety management. For migrant staff with employment agency and STO contracts these will state freedom of association and collective bargaining is with respect to Maldivian legislation or the laws and regulations of the country from which they are recruited.	From 4 May 2026 and until project completion.	STO

MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
2.1.2 Continue to implement existing STO policies, processes, systems, and procedures, as amended from time to time, related to labor management (including existing worker accommodation), including reporting mechanisms and in doing so, ensure the project complies with ESS2 requirements in respect of all direct workers, including the migrant workers employed on the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal.⁶ Procured fuel eligible for project financing will only be shipped to Maldives on board STO owned vessels in order that STO requirements apply to the on-board staff. Coordinate with relevant national agencies including the Labor Relations Authority for resolution of grievances in relation to labor management.	From 4 May 2026 and until project completion.	STO
2.1.3 Submit, as part of the project due diligence requirements, in addition to 1.4.2, documentation related to the HR policies, processes, systems, and procedures related to labor management including on: (i) employment contracts; (ii) working hours; (iii) overtime; (iv) annual leave; (v) sick leave; (vi) fair compensation; (vii) antidiscrimination; (viii) diversity; (ix) sexual harassment and prevention; (x) gender equity; (xi) child (under 18 years old) and forced labor exclusion; (xii) migrant workers;⁷ (xiii) worker grievance; (xiv) freedom of association and collective bargaining; (xv) staff code of conduct; and (xvi) staff breakdown of (i) vessel staff, (ii) fuel terminal staff (numbers, split of male, female; split of Maldivian, migrant worker; and confirm staff are all direct employees of STO).	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

⁶ Labor risk is low given that all project workers will be direct employees of STO, and it can be managed under the existing policies, processes, systems and procedures of STO such that a project-specific labor management plan is not required.

⁷ Copy of migrant worker staff contracts with employment agency and STO and checks shall be undertaken by both parties prior to employment within STO.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.1.4	STO will obtain written confirmation that the supplier of the fuel to be procured under the project will comply with good international practice notably that all fuel sourcing and related services applicable to fuel deliveries provided by the supplier and pursuant to their contract (i) excludes the employment of children under 18, (ii) excludes the employment of forced labor, and (iii) are subject to the policies and procedures of a health and safety management system aligned with international good practice such as ISO 45001 to manage and monitor significant safety risks. ⁸	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO
2.2	WORKERS' GRIEVANCE MECHANISM		
2.2.1	Maintain the existing WGM of STO per existing policies, processes, systems and procedures, and continue to operate it consistent with ESS2, i.e., ensuring it is accessible to all direct workers, including migrant workers, employed on the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal, allowing grievances to be submitted in a language and format understood by them, including confidential channels for SEAH-related complaints, and protection against retaliation. STO's HR department and others responsible for stakeholder redress to immediately report any grievances raised from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal to the E&S focal, except in the case of any confidential grievances which must remain such. E&S focal to provide the contact details to the grievant to support with resolution and inform them of the ongoing ADB project and the availability of ADB MGRS and the Accountability Mechanism to escalate their grievance to in case of inadequate resolution by the WGM at STO. Report on the number of SEAH incidents reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion.	STO
2.2.2	Submit, in addition to 1.4.2, as part of the project due diligence requirements: (i) written confirmation of grievance receipt and time-bound resolution process for the WGM per the grievance policy; (ii) details of composition and copies of the scope or TORs of the Grievance Committee related to the WGM; (iii) written clarification on how confidentiality is maintained and reprisal are avoided under the WGM; and (iv) statistics on the number of labor grievances reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in the 12 months preceding 4 May 2026.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

⁸ Sustainability Report of the primary supplier confirms that their workplace policies promote non-discrimination, fair labor practices, and safe working conditions with controls designed to prevent modern slavery, forced labor, and human trafficking. It reports compliance with national labor laws of Oman and operations in alignment with the ILO fundamental conventions.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2.3	E&S focal to carry out an awareness raising activity (such as email or poster drive) to remind all direct workers, including migrant workers, employed on the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal of the WGM, including how to access it, types of grievances that may be submitted, confidentiality arrangements, SEAH-sensitive reporting channels, and protection from retaliation, and inform that for the duration of the ADB project grievances will be reported to the E&S focal (contact details to be given) to support with resolution unless requested otherwise.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	STO
ESS3: RESOURCE CONSERVATION AND POLLUTION PREVENTION			
3.1	RESOURCE CONSERVATION AND EFFICIENCY		
3.1.1	Continue to implement resource conservation and efficiency measures to address efficient use of energy, including marine gas oil⁹ and water¹⁰ in accordance with the existing Environmental Management System and related policies, processes and procedures to ensure the project complies with ESS3 requirements in relation to STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal. Procured fuel eligible for project-financing will only be shipped to Maldives on board STO owned vessels in order that STO requirements apply to vessel operations. Report on energy (marine gas oil) and water use of the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion.	STO
3.1.2	Complete the Scope 1 and Scope 2 greenhouse gas emissions baseline by end of 2026 and continue to implement resource conservation and efficiency measures under the corporate strategy,¹¹ including those towards the KPI targets of 25%–30% Scope 1/2 greenhouse gas emission reductions by 2030 from a 2025 baseline, logistics department Vessel Carbon Intensity Indicator rating $\geq$ C, and logistics department low emission fleet rising from $\geq$ 5% in 2026 to $\geq$ 10% by 2030. Report in annual ESMRs and the project completion report on progress made to baseline establishment and the implementation of measures, as related to the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal.	From 4 May 2026 and until project completion.	STO

⁹ Diesel fuel is used to power the STO vessels and at the fuel terminal power house.

¹⁰ STO vessels use desalinated seawater; the fuel terminal uses deep groundwater which is saline; raw water is subject to reverse osmosis treatment and dolomite filter to meet drinking water standards.

¹¹ STO's greenhouse gas emission reductions strategy, and energy initiatives and water conservation strategy are in the EVOLVE Strategic Plan 2026–2030.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
3.1.3	In addition to 1.4.2, submit (i) GHG emissions baseline assessment and targets (or TORs of this consultancy) and GHG calculations and emissions reports (certification) for the STO vessels, and (ii) water conservation strategy and statistics on the energy (marine gas oil) and water use (not for vessels) reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in the 12 months preceding 4 May 2026 as part of the project due diligence requirements.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO
3.2	PREVENTION AND MANAGEMENT OF POLLUTION		
3.2.1	Comply with all Maldivian laws and regulations and international obligations in relation to pollution prevention and control including MARPOL (all six Annexes), ISGOTT 6, OCIMF MTMSA, ISM Code, BWM Convention (Regulation D-2), and ISPS Code. ¹²	From 4 May 2026 and until project completion.	STO
3.2.2	Maintain existing zero oil spill commitment at the fuel terminal (tracked as an absolute non-negotiable KPI) and fuel testing, with quality assurance of fuel quality by GeoChem. ¹³	From 4 May 2026 and until project completion.	STO
3.2.3	Continue to implement pollution prevention and control measures in accordance with the existing EMS and related policies, processes and procedures to ensure the project complies with ESS3 requirements in relation to STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal. These measures include emergency preparedness and response (by first responders at the STO fuel terminal whilst the Maldives National Defense Force, based on the adjacent island, is notified and immediately mobilizes) and cover, air emissions, process and sanitary wastewater, solid and hazardous waste generation and disposal of waste, fuel, lubricant, chemical and oil storage and spills, and address potential risks to and impacts on surface water, groundwater, and the marine environment.¹⁴ Particular attention shall be paid at the fuel terminal to the storage of full and empty drums of fuel and lubricants that need to be placed on an impermeable bunded surface, or drip trays if in active use, in case of spills or leaks. Procured fuel eligible for project-financing will only be shipped to Maldives on board STO owned vessels in order that STO requirements apply to vessel operations.	From 4 May 2026 and until project completion.	STO, MNDF

¹² Full MARPOL compliance across all six Annexes—covering oil, noxious liquids, sewage, garbage, and air emissions—is maintained as a non-negotiable standard across STO's vessel fleet and the fuel terminal.

¹³ Fuel distributed is tested before entering circulation to ensure compliance with international environmental standards reducing the risk of contamination and unanticipated emissions to air in end use.

¹⁴ Marine environment is sensitive in respect of biodiversity but pollution risks are low given only existing activities are supported, no new facilities or activities are supported by the project, the track record of STO and since an existing system is in place and audited internally and externally on at least an annual basis, the measures set out in this ESCP are sufficient to manage the minimal E&S risks and impacts anticipated.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Respond to and report on pollution incidents reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and in the project completion report.		
3.2.4	Continue to ensure management of hazardous and non-hazardous waste generated during project activities and the transport, storage, and use of hazardous chemicals, substances, and materials in accordance with existing EMS and related policies, processes and procedures to ensure the project complies with ESS3 requirements in relation to STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal. The wastes shall be segregated, stored, transported, treated, reused, recycled, and/or disposed of through Waste Management Corporation Limited (solid wastes transported for further processing and/or disposal to the Thilafushi waste management center) or licensed third parties (hazardous waste) in accordance with Maldivian regulations and within the limitations of the waste management system in Maldives requiring transboundary disposal of hazardous waste in accordance with the Basel Convention. Procured fuel eligible for project-financing will only be shipped to Maldives on board STO owned vessels, ensuring that STO requirements apply to vessel operations. Report on the volume of waste generated by type and the disposal routes used by STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion, except for reporting on the volume of waste, which applies throughout project implementation and until project completion.	STO
3.2.5	in addition to 1.4.2, submit supporting evidence as part of the project due diligence requirements including: (i) pollution risk assessment document for vessels and the fuel terminal, and description of the main impacts and risks managed by STO team; (ii) soil and groundwater quality test results from the fuel tank redevelopment area to demonstrate no legacy contamination; (iii) information on the disposal routes used by the STO vessels registered in Maldives and Panama (offload directly from the vessel) and K. Funadhoo fuel terminal in the 12 months preceding 4 May 2026 and examples of chain of custody documentation; (iv) details of arrangement with relevant authorities e.g., Maldives National Defense Force in the event of an incident and for emergency drills on event of an oil spill or leak at the fuel terminal; (v) details of the procedure for reporting of incidents and example of an incident report for pollution; (vi) emissions and discharge for oil tankers, internal, third party and/or regulatory, and confirmation of standards to be met in each case and any exceedances observed (copy of the most recent monitoring reports); (vii) drinking water quality monitoring routines for oil tankers and the fuel terminal, internal, third party and/or regulatory, and confirmation of standards to be met in each case and any exceedances observed (copy of the most recent monitoring reports);	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(viii) confirmation no requirement for submission to regulating agencies of environmental monitoring results. If not available and gaps between STO and ESS3 requirements exist, provide a time-bound corrective action plan for completion of the management measures prior to project completion (for subsequent implementation, to be raised as an observation by STO under the environmental management system for tracking purposes).		
ESS4: HEALTH, SAFETY, AND SECURITY			
4.1	HEALTH AND SAFETY MANAGEMENT PLAN		
4.1.1	Comply with all Maldivian laws and regulations and international obligations in relation to health and safety, including MARPOL (all six Annexes), ISGOTT 6, OCIMF MTMSA, ISM Code, BWM Convention (Regulation D-2), and ISPS Code, etc.	From 4 May 2026 and until project completion.	STO
4.1.2	Maintain existing annual zero-fatality rate, with the most recent fatal incident in 2014.	From 4 May 2026 and until project completion.	STO
4.1.3	Continue to implement health, safety and security measures in accordance with the existing health and safety management system¹⁵ and related policies, processes and procedures to ensure the project complies with ESS4 requirements in relation to STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal.¹⁶ These measures include emergency preparedness and response with STO as first responder, hospitalization cases are transferred by waiting speedboat to Malé whilst if required the Maldives National Defense Force, based on the adjacent island, is notified and immediately mobilizes. Ensure fuel terminal staff are trained in the operation and maintenance of the new firefighting system with emergency drills prior to handover from the contractor. Procured fuel eligible for project-financing will only be shipped to Maldives on board STO-owned vessels in order that STO requirements apply to vessel operations. Respond to and report on the health and safety incidents reported from the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.	From 4 May 2026 and until project completion.	STO, MNDF

¹⁵ Including safety and quality manual, ship safety procedures manual and emergency procedures manual, safety and health manual.

¹⁶ Despite risks posed by the sector, the health and safety risks in this project are low given project-community interactions are minimal, only existing activities are supported, no new facilities or activities are supported by the project, all project workers will be direct employees of STO, the strong track record of STO with the last fatality being in 2014 in a high risk sector where health and safety hazards need active management, and since an existing system is in place and audited internally and externally on at least an annual basis the measures set out in this ESCP are sufficient to manage the minimal E&S risks and impacts anticipated.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
4.1.4	Continue to implement security measures in accordance with the STO Security Policy to address potential impacts and risks to project workers, the potential contextual security risks at the fuel terminal and along the STO vessel routes, and/or risks associated with the engagement of security personnel to other staff and to the environment, ensuring the project complies with ESS4 requirements.	From 4 May 2026 and until project completion.	STO, MNDF
4.1.5	In addition to 1.4.2, submit supporting evidence as part of the project due diligence requirements including: (i) quantitative risk assessment for fire and explosion risk at the fuel terminal; (ii) code of conduct for security workers (ensuring appropriate conduct security staff); (iii) details of arrangement with relevant authorities e.g., Maldives National Defense Force in the event of an incident and for emergency drills on event of a fire or explosion at the fuel terminal; (iv) details of the procedure for reporting of incidents and example of an incident report for health and safety; and (v) statistics on incidents and accidents including near misses for the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in the 12 months preceding 4 May 2026. If not available and gaps between STO and ESS4 requirements exist, notably in respect of quantitative risk assessment, provide a time-bound corrective action plan for completion of the management measures prior to project completion (for subsequent implementation, to be raised as an observation by STO under the environmental management system for tracking purposes).	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil, corrective action completed prior to the project completion.	MOFPE, STO
ESS6: BIODIVERSITY CONSERVATION AND SUSTAINABLE NATURAL RESOURCES MANAGEMENT			
6.1	BIODIVERSITY AND INVASIVE ALIEN SPECIES MANAGEMENT		
6.1.1	Comply with all Maldivian laws and regulations and international obligations in relation to STO vessel and fuel terminal biodiversity impact and risk management and invasive species management (unintentional introduction) including MARPOL (all six Annexes), ISGOTT 6, OCIMF MTMSA, ISM Code, 2004 BWM Convention and its Code, ¹⁷ 2023 IMO Biofouling Guidelines, ¹⁸ and ISPS Code, etc.	From 4 May 2026 and until project completion.	STO
6.1.2	Continue to work towards the completion of marine habitat screening for the fuel terminal and fuel import logistics routes. ¹⁹	From 4 May 2026 and until project completion.	STO

¹⁷ International Maritime Organization. [BWM Convention and Guidelines](#) (accessed 9 July 2026).

¹⁸ International Maritime Organization. [Biofouling](#) (accessed 9 July 2026).

¹⁹ Biodiversity assessment for marine-related works in the past 10 years is included in the environmental impact assessment for these activities.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.1.3	Continue to implement pollution prevention and control measures as per ESS3 to protect the marine environment from oil spill and thereby ensure ESS6 requirements are met. ²⁰	From 4 May 2026 and until project completion.	STO
6.1.4	STO will obtain written confirmation that the supplier of the fuel to be procured under the project will comply with good international practice notably that all fuel sourcing and related services applicable to fuel deliveries provided by the supplier and pursuant to their contract (i) are compliant with the national environmental legislation of Oman, (ii) are subject to monitoring and documentation so the source location can be traced, (iii) are not causing significant adverse impacts to natural habitats, priority biodiversity features, critical habitats, protected areas, or internationally-recognized areas and fuel supplies are not from or in Alliance for Zero Extinction sites, United Nations Educational, Scientific and Cultural Organization Natural and Mixed World Heritage Sites, or free-flowing rivers of 500 km or longer in length. ²¹	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO
6.1.5	In addition to 1.4.2, submit supporting evidence as part of the project due diligence requirements including: (i) emergency procedures and protocols in case of wildlife encounter, spill or leak adversely impacting on wildlife; (ii) certification of STO vessels in respect of their compliance with international ballast water and biofouling obligations; and (iii) invasive species risk assessment and management procedures per good international practice.²² If not available and gaps between STO and ESS6 requirements exist, especially in relation to invasive species risk assessment and management procedures, provide a time-bound corrective action plan for completion of the management measures prior to project completion (for subsequent implementation, to be raised as an observation by STO under the environmental management system for tracking purposes).	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

²⁰ The fuel terminal is modified habitat as long established, but marine environment by location is natural and critical habitat. Marine environment is highly sensitive in respect of biodiversity with one protected area (dive site) 1 km away and additional protected areas (reefs) 10 km away (Integrated Biodiversity Assessment Tool screening report) but biodiversity risks as a result of pollution are low given the track record of STO and since an existing system is in place and audited internally and externally on at least an annual basis the measures set out in this ESCP are sufficient to manage the minimal E&S risks and impacts anticipated. Full MARPOL compliance across all six Annexes—covering oil, noxious liquids, sewage, garbage, and air emissions—is maintained as a non-negotiable standard across STO vessels and the fuel terminal.

²¹ The Sustainability Report of the primary fuel supplier confirms they operate under an EMS which is ISO 14001 certified and covers biodiversity protection.

²² The [Convention of Biological Diversity Toolkit for Target 6](#) is available to conduct such a risk assessment whilst management measures should refer to international ballast water and biofouling obligations.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS9: CLIMATE CHANGE			
9.1	CLIMATE RISK ASSESSMENT AND MANAGEMENT		
9.1.1	Continue to implement and strengthen business continuity risk management measures in respect of extreme weather events in order to minimize fuel delivery disruption from climate-related risk. ²³	From 4 May 2026 and until project completion.	STO
ESS10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE		
10.1.1	Convene a stakeholder meeting to convey project information to identified stakeholders, with attendance record kept and minutes documented. Ensure local disclosure of this ESCP and any updates to it on MOFPE's website. ²⁴	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO
10.1.2	Continue to provide identified stakeholders and the public with project information through existing engagement channels of STO during implementation, local disclosure of the ESMRs on MOFPE's website.	From 4 May 2026 and until project completion.	MOFPE, STO
10.2	GRIEVANCE MANAGEMENT		
10.2.1	Comply with all Maldivian laws and regulations in relation to grievance redress notably Whistleblower Protection Act.	From 4 May 2026 and until project completion.	STO
10.2.2	Maintain the existing GM of STO per existing policies, processes, systems and procedures including the Whistleblower Policy and continue to operate it consistent with ESS10, i.e., ensure it is set up in a culturally appropriate manner and accessible to identified stakeholders and the public, includes confidential channels for SEAH-related complaints, and protection against retaliation.	From 4 May 2026 and until project completion.	STO

²³ Climate risk is low with fuel delivery disruption due to extreme weather events identified as the main climate-related risk to be managed, however, since only existing activities are supported, no new facilities or activities are supported by the project, and the project duration is only 11 months, preliminary climate assessment is not required. STO buffers short-term fuel supply disruptions through stocks at the fuel terminal and weather-informed scheduling to avoid offloading in high swell or tropical depressions. In addition, it is working towards completion of the International Financial Reporting Standards Scope 1/2 Gap Analysis and Implementation Facilitation program for STO operations by end of 2026 and in doing so, it will (i) identify and assess climate-related risks and opportunities and (ii) establish a Climate Risk Register aligned with the recommendations from the Task Force on Climate-related Financial Disclosures. Publication of the first International Financial Reporting Standards Scope 1/2 aligned disclosures is planned within the 2026 Sustainability Report.

²⁴ Project is low risk given existing activities and no project affected persons other than project workers (ESS2) therefore a stakeholder engagement plan is not required. Stakeholders at the STO corporate level have been identified and prioritized using the five AA1000SES criteria as part of the 2025 Sustainability Report, key concerns and engagement channels for each stakeholder are also documented. Stakeholders at project level have been identified. These stakeholders were most recently engaged through a consultation related to a parallel World Bank project with similar scope. In relation to the STO vessels and the fuel terminal operations, other than what is already publicly available on the STO website, EHS management documentation cannot be disclosed for national security reasons.

MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Inform project stakeholders about the GM²⁵ in accordance with ESS10. HR department and others responsible for stakeholder redress to immediately report any grievances raised in relation to the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal to the E&S focal, except in the case of any confidential grievances which must remain such. E&S focal to provide their contact details to the grievant to support with resolution and inform them of the ADB project and the availability of ADB MGRS and the Accountability Mechanism to escalate their grievance to in case of inadequate resolution by the GM at STO. Report on the number of grievances reported in relation to the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in annual ESMRs and the project completion report.		
10.2.3	Continue to work towards strengthening the existing GM (Stakeholder Redress) classification through the development of a formal ISO 10002-aligned complaint classification system by the end of 2026.	Classification system in place prior to the project completion.	STO
10.2.4	In addition to 1.4.2, submit as part of the project due diligence requirements: (i) written confirmation of grievance receipt and time-bound resolution process for the GM for stakeholders other than workers; (ii) details of composition and copies of the scope of the Grievance and other committees related to GM (Stakeholder Redress); (iii) written clarification on how confidentiality is maintained and reprisal are avoided under the GM; and (iv) statistics on the number of grievances reported in relation to the STO vessels registered in Maldives and Panama and K. Funadhoo fuel terminal in the 12 months before 4 May 2026.	Prior to the approval of invoices for retroactive financing and first disbursement against procured marine gas oil.	MOFPE, STO

ADB = Asian Development Bank; BWM = Ballast Water Management; E&S = environmental and social; EHS = environment, health, and safety; EMS = environmental management system; ESCP = Environmental and Social Commitment Plan; ESF = Environmental and Social Framework; ESG = environmental, social, and governance; ESHS = environment, social, health, and safety; ESMR = environmental and social monitoring report; ESS = Environmental and Social Standard; GHG = greenhouse gas; GM = grievance mechanism; HR = human resources; ILO = International Labour Organization; IMO = International Maritime Organization; ISGOTT = International Safety Guide for Oil Tankers and Terminals; ISM = International Safety Management; ISO = International Organization for Standardization; ISPS = International Ship and Port Facility Security; km = kilometer; KPI = key performance indicator; MARPOL = International Convention for the Prevention of Pollution from Ships; MGRS = Mission Grievance Redress Service; MNDF = Maldives National Defense Force; MOFPE = Ministry of Finance and Public Enterprises; MTMSA = Marine Terminal Management and Self-Assessment; OCIMF = Oil Companies International Marine Forum; QHSE = quality, health, safety, and environment; SEAH = sexual exploitation, abuse, and harassment; STO = State Trading Organization; TOR = terms of reference; WGM = workers' grievance mechanism.

²⁵ STO provides an avenue for all employees, stakeholders and members of the public to report any improper conduct. The GM is accessible on [STO's website](#) with commitments to confidentiality and avoidance of retaliation. The form to submit a grievance to STO is available on the same website, with a separate option to submit ESG concerns. Other channels for submitting a grievance include the call center, social media, service centers, and direct commercial relationships.