

ANNEX
San Miguel - Environmental and Social Action Plan

No	Action Item	Due Date	Indicator of Completion
1	<p><u>Environmental and Social Assessment and Management System:</u> San Miguel will establish, implement and maintain an Integrated Quality, Environmental, Social and Health and Safety (QESHS) Management System at corporate level, establishing close coordination between the E&S, OHS and HR departments to ensure consistent ESHS performance at all operations. The Integrated QESHS Management System will include general plans and procedures applicable to processes at all locations. Specific QESHS management systems will be established, implemented and maintained by San Miguel at each country, and such management systems will be fully aligned with the requirements of IFC PS1. As part of the implementation of an integrated QESHS, San Miguel will also enunciate an Integrated QESHS Policy that reflects the adoption of the company's values and principles.</p>	<p>(i) 03/29/2019 (ii) 12/31/2019 (iii) 08/30/2020 (iv) 12/31/2020</p>	<p>(i) Corporate ESHS Policy, signed by the CEO, and evidence of disclosure (ii) Implementation plan with associated schedule and costs (iii) Identification and evaluation matrices (iv) Evidence of implementation</p>

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	San Miguel will implement a methodological approach to identify and to evaluate potential E&S impacts, OHS risks and legal aspects by a structured manner and on an ongoing basis, through the preparation and implementation of identification and evaluation matrices.		
2	<u>Organizational Capacity and Competence:</u> The company will ensure that each country will have sufficient number of qualified environmental, social, occupational health and safety (ESHS) and human resources personnel to implement the company's policies and procedures in a consistent manner to ensure full compliance with in-country requirements and E&S performance. Personnel responsible for ESHS management will report directly to the Directors of the company.	(i) 11/30/2018 or COD - (ii) 03/30/2019 (iii) 12/31/2019	(i) Assessment of ESHS needs in terms of staffing (ii) Evidence of appointment of Corporate ESHS personnel (iii) Evidence of appointment of ESHS personnel in country operations (local)
3	<u>Emergency Preparedness and Response:</u> San Miguel will: (i) update its risk analyses for job functions and major equipment; and (ii) improve and update existing emergency preparedness and response plans for each facility, based on site-specific emergency scenarios. Updated plans will incorporate results of	(i) 08/31/2019 (ii) 05/29/2019 (iii) 11/30/2019 (iv) 11/30/2020	(i) risk analyses for all facilities (ii) preliminary revised emergency preparedness and response plan for ammonia facilities based on the results of the Safety Assessment of all ammonia refrigeration systems (Action #8) (iii) revised emergency

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	specific studies conducted for implementing preventive maintenance and managing ammonia facilities and for improving firefighting facilities.		(iv) preparedness and response plan for all facilities where no or non-significant investment needed revised emergency preparedness and response plan for all facilities where significant investment is needed
4	<u>Human Resources (HR) Policies and Procedures:</u> San Miguel will develop a set of corporate HR policies fully aligned with the objectives of PS2 that will be cascaded down to all subsidiaries. Furthermore, all subsidiaries will update or develop a HR Manual, in local language and following the company's Code of Conduct, to account for the corporate HR policies and procedures including: (i) labor sourcing and recruitment procedures, with measures to identify and prevent the risk of modern slavery - including human trafficking, forced and compulsory labor, debt bondage, slavery, servitude, worst forms of child labor and slavery; (ii) induction procedures; (iii) terms and conditions of employment, aligned to national legislation requirements; (iv) reference to the Corporate E&S policies; (v) OHS	(i) 02/28/2019 (ii) 05/31/2019 (iii) 03/31/2020	(i) Global HR Policy and country-level HR Manuals; (ii) Evidence of dissemination of the new HR policies and procedures. (iii) Annual compliance assessment against HR policy.

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	<p>requirements; (vi) performance management; (vii) procedures for workers representation or committees; (viii) disciplinary procedures including explicit provisions for sexual harassment; (ix) the labor grievance mechanism; and (ix) termination of contract and dismissal. These policies and procedures will apply to all categories of employment across all San Miguel operations. They will be made accessible and will be displayed at prominent areas where workers may gather at the start and end of the day and at the offices. All workers, including seasonal and migrant workers, will be trained during the induction session and through additional sensitization training provided to all existing employees and third-party workers, on all aspects of the updated HR policies and procedures. San Miguel will verify annually, through internal audits and other verification channels, the compliance of all its operations against with its HR policy, country labor law, and IFC PS2 requirements. .</p>		
5	<u>Working conditions:</u> San Miguel will conduct a gap	(i) 01/31/2019 (ii) 03/31/2019	(i) Worker accommodation gap

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	analysis of all worker accommodation provided by the company to its workers (own staff, contractors and eventual personnel) against the PS2 requirements, so as to identify shortfalls and implement appropriate corrective measures, prioritizing drinking water, adequate sanitation facilities, minimum space, and fire protection systems.		(ii) analysis and corrective action plan; Evidence of implementation of Corrective action plan
6	<u>Grievance Mechanism:</u> San Miguel will update its labor grievance policy and mechanism and operationalize it across all its sites, in line with PS2 requirements. The mechanism will allow the submission and resolution of anonymous complaints, protect the confidentiality of workers, ensure expertise to handle sexual harassment, enable for timely response and feedback and keep a register of all grievances. An appropriately structured committee will be set up to address grievances. Furthermore, the labor grievance mechanism will be made accessible to all third-party workers. San Miguel will also inform and sensitize its workforce of the grievance mechanism during the induction session and through additional training and information sessions	(i) 02/28/2019 (ii) 04/30/2019	(i) Consolidated Workers Grievance Mechanism aligned with PS2 requirements; (ii) Evidence of dissemination of the grievance mechanism

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	provided to all existing employees and third-party workers.		
7	<u>Occupational Health and Safety:</u> San Miguel will develop and implement a set of corporate OHS plans and procedures, which will be operationalized across all its sites and aligned with GIIPs covering the activities associated with industrial facilities and field operations. At a minimum, this will include: (i) physical hazards management, such as exposure to noise and vibrations, moving objects, machinery and vehicles, ergonomics, confined space entry and extreme weather conditions; (ii) risk of fire and explosion; (iii) biological hazards, such as venomous animals; (iii) chemical hazards, such as exposure to pesticides; (iv) use of comprehensive PPE; and (v) induction, training and emergency drills. The plans and procedures shall apply broadly across San Miguel organization, including contractors and primary suppliers.	(i) 06/30/2019 (ii) 12/31/2019	(i) Corporate OHS plan and procedures (ii) Action plan for country-level operationalization with firm implementation schedule and associated costs
8	<u>Occupational Health and Safety:</u> San Miguel will hire qualified ammonia refrigeration system specialist to conduct safety assessments of all industrial scale ammonia refrigeration systems, including in facilities that	(i) 01/31/2019 (ii) 03/29/2019 (iii) 09/30/2019	(i) Safety Assessment of all industrial facilities (prioritize Novacore) (ii) Detailed action plan and monthly reports (iii) Evidence of implementation of improvements/upgrade s

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	are under joint venture ownership, and compare the results against local regulatory requirements and applicable international standards (such as those of the International Institute of Ammonia Refrigeration - IIAR). Based on the results of the safety assessment, San Miguel will identify opportunities and implement measures to improve the ammonia systems' safety consistent with international safety standards. The maintenance of the ammonia refrigeration system will be performed by qualified personnel.		
9	<u>Occupational Health and Safety:</u> San Miguel will conduct in-depth audits to verify the conditions of all systems and equipment (e.g. electrical systems, surface drainage system around areas that store chemicals and fuels, boilers, chemical storage tanks, fire protection systems, pumps, etc.) at older facilities and will develop action plans to improve conditions or upgrade systems and equipment in a phased manner. Follow up audits will be performed every year until all gaps are closed and corrective measures implemented.	(i) 03/31/2019 (ii) 06/30/2019	(i) Safety Assessment of all industry facilities (including Novacore) (ii) Detailed action plan and monthly report with evidence of implementation of improvements/upgrade s
10	<u>Occupational Health and Safety:</u> San Miguel will	(i) 03/30/2019 (ii) 05/31/2019	(i) Develop procedure to manage risks

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	develop and implement a procedure to manage risks associated with subcontractor's drivers, including: (i) defensive driving trainings; (ii) visual inspections of truck conditions; and (iii) requirements of drivers' qualifications/certifications .		(ii) associated with subcontractor's drivers Defensive driving courses and safety inspections records	
11	<u>Water Management:</u> San Miguel will develop integrated water management plans for each facility. Such plans will be based on site-specific water balances that take into consideration all activities performed at each site and will aim at: (i) Consider opportunities for reuse, recycling of treated water, where feasible, (ii) Consider the potential impact to the water balance prior to commencing new activities; (iii) minimize impact to natural systems by managing water use, avoiding depletion of aquifers, and minimizing impacts to other water users.	(i) 07/31/2019	(i) Integrated Water Management Plan for each facility	
12	<u>Wastewater Management Review and Implementation - Treatment, Disposal and Monitoring:</u> San Miguel will conduct an environmental impact assessment of current and proposed effluent disposal options at the company's Famailla facility. As part of	(i) Before Disbursement (ii) Before Disbursement (iii) 04/30/2019 (iv) 12/31/2020 (v) 07/31/2019	(i) TOR for environmental assessment (ii) Hire consultant (iii) EIA (iv) Implement action plan for disposal of effluent to achieve compliance with regulatory requirements and PS3 objectives (v) Implement monitoring	

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	<p>the impact assessment, the company's wastewater treatment system capacity/performance and disposal options will be reviewed. San Miguel will hire an external qualified consulting firm with proven international experience in undertaking similar work elsewhere.</p> <p>Scope of work will be phased and include: (i) San Miguel will develop a TOR, in consultation with IFC, to conduct a detailed environmental impact assessment related to potential impacts for disposal options being considered. This TOR will be drafted based on the result of a Rapid Assessment performed by a Consultant managed by IFC and hired by the Company and to be delivered to the company no later than October 26th.</p> <p>Disposal of treated effluent to surface water or land application must comply with regulatory requirements and PS3 objectives; where land application is considered, establish specific criteria that take into account the assimilative capacity of the receiving environment (consideration of hydrologic, agronomic and seasonal conditions included) with the objective of protection of</p>		<p>program First report</p>

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	<p>human health and environment; (ii) hire an external qualified consulting firm with proven international experience in undertaking similar work elsewhere (iii) Undertake the environmental impact assessment as per (i). Develop a costed and time-bound action plan (in consultation with IFC) to achieve compliance with regulatory requirements and PS3 objectives and allocate appropriate human and financial resources to implement this action plan; (iv) Implement action plan for disposal of effluent to achieve compliance with regulatory requirements and PS3 objectives; and (v) Develop and implement a comprehensive long-term monitoring program for the receiving surface water bodies located downstream of the Famailla processing plant as well as soil and groundwater at locations where effluents are applied.</p>		
13	<u>Wastewater Quality:</u> Conduct a full assessment of Novacore's WWTP adequacy and capacity to treat existing effluent streams and to prepare a corrective action plan to improve the WWTP and to ensure that treated effluent	(i) 05/31/2019 (ii) 08/31/2019	(i) WWTP assessments (ii) Corrective action plans

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	quality is compliant with national requirements. The same requirement applies to Ponders End in South Africa.		
14	<u>Wastewater Quality:</u> The new processing plant in Uruguay will have an associated WWTP. This plant will be designed with proven technologies and capacity to treat maximum effluent volumes at projected peak production and ensure compliance with WBG's EHS Guideline values for food and beverage processing and national requirements.	(i) 05/31/2019	(i) Technical studies that demonstrates the equipment's capacity and efficiency
15	<u>Hazardous Materials:</u> San Miguel will ensure that hazardous materials storage areas are designed and built in accordance with good industry practices at all locations where the company operates. The company will conduct audits and develop a prioritized action plan to bring hazardous materials storage and handling areas to good industry standards at all locations. The corporate audits will also assess the pesticide storage facilities and will develop a plan to improve or build new storage facilities are locations where such facilities are non-compliant with in-country requirements and GIIPs.	(i) 06/31/2019 (ii) 12/31/2019	(i) Technical assessment of the company's hazardous material storage areas; (ii) Evidence of implementation of Corrective action plan
16	<u>Community Health and Safety:</u> San Miguel will	(i) 02/28/2019	(i) Procedure for the aerial spraying of chemicals.

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	formalize a procedure for aerial spraying of chemicals in accordance with the FAO Guidelines. The procedure will include weather conditions monitoring during aerial spraying, pro-active communications with neighbors and safety buffer zones from towns, small villages or households.		The procedure will be reviewed and approved by the IFC.
17	<u>Security Personnel:</u> San Miguel will establish clear security protocols, including the interface with the police force, and train its security guards accordingly. Furthermore, the approach will include the ability by the communities to raise complaints (including anonymous ones) regarding security personnel and security provision as part of the external grievance mechanism.	(i) 02/28/2019 (ii) 06/30/2019	(i) Security protocol (ii) Evidence of trainings and dissemination
18	<u>Stakeholder Mapping/Analysis and Stakeholder Engagement Plans:</u> Map all stakeholders at/near each of San Miguel's sites, including an identification of how the company's operations might affect each group and develop a Stakeholder Engagement Plan (SEP) for each facility.	(i) 06/30/2019 (ii) 12/31/2019	(i) Stakeholder mapping (ii) Stakeholder Engagement Plan