

LAR – Paraguay
Environmental and Social Action Plan
August 2021

No.	Aspect	Action	Deliverable	Date of compliance
PS1: Assessment and Management of E&S Risks and Impacts				
1.1	Integrated Management System	Design and implement an Integrated Environmental, Social and Health and Safety Management System (ESHSMS). The ESHSMS should meet the requirements of the IFC's PS1 and integrate as specific plans or procedures all the plans required by environmental, social, and health and safety enforcement authorities.	Evidence of commitment documented to design and implement the ESHSMS	Prior to the first disbursement
1.2	Environmental, Social, and Health and Safety Management Division	Establish the Environmental, Social, and Health and Safety Management Division of the ESHSMS and appoint a professional to lead the implementation and updating of the ESHSMS.	1. Establishment of the Environmental, Social, and Health and Safety Division 2. Appointment of the ESHSMS leader	Two months after first disbursement
1.3	Environmental, Social, and Health and Safety Policy of the Project	Integrating the LAR's Environmental, Social, and Health and Safety Management Policy into the ESHSMS consistently with the IFC's Performance Standards applicable to the loan transaction.	1. Environmental, Social, and Health and Safety Policy 2. Evidence of inclusion in the ESHSMS	1. 3 months after first disbursement 2. 7 months after first disbursement
1.4	Environmental, Social, and Health and Safety Program	Through an Environmental, Social, and Health and Safety Management Program, establish the annual objectives and goal values for certain key indicator parameters, as well as the actions, responsibilities, and terms to reach such objectives and goals.	1. Preparation of the Program 2. Evidence of implementation	1. 3 months after first disbursement 2. 7 months after first disbursement
1.5	Identification of environmental and social aspects, occupational risks and legal issues	Separately prepare and include the following matrixes in the ESHSMS: 1. Environmental and social aspects identification and assessment matrix.; 2 Occupational risks identification and assessment matrix; 3 Legal aspects identification and assessment matrix.	1. Environmental and social aspects identification and assessment matrix 2. Occupational risks identification and assessment matrix 3. Legal aspects identification and assessment matrix	6 months after first disbursement
1.6	Management Procedures	Prepare and include as part of the ESHSMS operational procedures allowing complying with the environmental, social and occupational health requirements under Paraguayan legislation and the requirements of the contracts signed by the Company with financing entities.	1. Operational procedures of ESHSMS 2. Evidence of its adoption	1. 4 months after first disbursement 2. 8 months after first disbursement
1.7	Training	As an element of the ESHSMS, prepare and implement an annual environmental, social, and health and safety training plan. The Plan	1. First Bi-Yearly Training Plan	1. 4 months after first disbursement

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		should include at least training on the aspects and risks identified as significant in the related matrixes. If necessary, the Plan should include outsourced personnel training.	2. Evidence of implementation	2. 8 months after first disbursement
1.8	Documentation Management	Prepare and implement a documentation management procedure allowing preparing, approving, distributing, preserving, controlling and updating all the documents in the ESHSMS.	1. Documentation management procedure 2. Evidence of implementation	3. 4 months after first disbursement 1. 8 months after first disbursement
1.9	Emergency Management	For each administrative office and for each operational facility, develop and implement an Emergency Preparedness and Response Plan based on specific emergency scenarios for each site.	1. Emergency Preparedness and Response Plans 2. Evidence of implementation	1. 4 months after first disbursement 2. 8 months after first disbursement
		Conduct an emergency drill for each administrative office or operational unit subject to an Emergency Preparedness and Response Plan at least once a year.	Drill reports	In each Environmental and Social Compliance Report
1.10	Accident Management	Develop and implement a specific accident management procedure applicable to the Company's payroll and outsourced employees, which content ensures compliance with legal requirements. The procedure should include assigning responsibilities at least to perform the following: i) actions to be implemented immediately after the accident; ii) instructions and formats to record the nature and seriousness of the accident; iii) instructions and records to meet legal requirements; iv) instructions and formats to prepare the accident investigation report, including the identification of the preventive or corrective measures adopted to prevent it from happening again.	1. Accidents Management Procedures 2. Evidence of implementation	1. 4 months after first disbursement 2. 8 months after first disbursement
1.11	Goods and Service Providers Management	Develop and implement Goods and Service Providers Regulation, to be especially prepared for each supplier based on the nature and scope of its activity. The Regulation should at least include: i) environmental and health and safety requirements for goods and services purchases; ii) the obligation for each supplier to meet all the legal requirements and Performance Standards relevant to its activities; iii) list of programs, plans and procedures of the ESHSMS applicable to the specific activity of each supplier; iv) minimum requirements to be met by suppliers in connection with security training, education and equipment to provide goods or services; v) channels and grievance and claims reception and	1. Goods and Service Providers Regulation 2. Evidence of implementation	1. 4 months after first disbursement 2. 8 months after first disbursement

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		<p>resolution mechanism of the payroll and outsourced personnel of each supplier.</p> <p>For suppliers with agreements effective prior to the loan agreement, LAR will furnish a copy of the Goods and Service Providers Regulation and will require that each supplier provide a written commitment with the compliance thereof. The Regulation will be attached to each new contract. Compliance with the Regulation shall be compulsory in both cases.</p>		
1.12	Environmental, Social, and Health and Safety Monitoring	<p>Develop and implement an Environmental, Social, and Health and Safety Monitoring Plan to follow up at least the parameters below: i) those required by the related environmental licenses; ii) those required by the health and safety authorities; iii) labor noise and labor air quality levels at critical work positions (at least annually with the possibility of changing the frequency based on the result of each measurement) (e.g. grain unloading sites in silos); iii) water quality for human consumption (at least annually with the possibility of changing the frequency based on the result of each measurement); iv) accident frequency and severity rates for payroll and outsourced employees (monthly); v) electric panel grounding resistance values (at least once a year during the first two years and after that every two years with the possibility of changing the frequency based on the result of each measurement); vi) incident records and working conditions verification at firewood handling in kilns (monthly); vii) records of occupational illnesses and COVID-19 cases management (monthly); viii) number of labor claims received and resolved (monthly); ix) number of community claims received and resolved (monthly); x) amount of water, energy and inputs used and waste generated (monthly); and xi) contents and number of training courses taught (monthly). The limit numbers of the parameters measured will be the statutory ones or those of the applicable IFC Guidelines (whichever more demanding)¹. ii) Whenever the values measured exceed the limits of the legislation or IFC guidelines, the Company should file the corrective measures to be adopted to prevent them from happening again.</p>	<ol style="list-style-type: none"> 1. Environmental, Social, and Health and Safety Monitoring Plan 2. Evidence of implementation 	<ol style="list-style-type: none"> 1. 4 months after first disbursement 2. 8 months after first disbursement

¹ The benchmark values for specific parameters are indicated in the General Environmental, Health and Safety Guidelines of the IFC.
<https://www.ifc.org/wps/wcm/connect/eb6fddc1-a3e3-4be5-a3da-bc3e0e919b6e/General%2BEHS%2B-%2BSpanish%2B-%2BFinal%2Brev%2Bcc.pdf?MOD=AJPERES&CVID=nPtgG1>

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1.13	Review and Corrective Action	Establish environmental, social and health and safety supervision formats for administrative offices and silos in order to adopt and follow up the implementation of the related preventive/collection actions. .	<ol style="list-style-type: none"> Supervision formats and preventive/corrective actions implementation and follow up formats Evidence of its adoption 	<ol style="list-style-type: none"> 4 months after first disbursement 8 months after first disbursement
1.14	Third-party Grievance Mechanism	Develop and implement a third-party Grievance Mechanism including the possibility to receive grievances and claims anonymously. The mechanism will clearly establish the responsibilities assigned and the assessment and response times for the statements made.	<ol style="list-style-type: none"> Grievance Mechanism Implementation evidence 	<ol style="list-style-type: none"> 4 months after first disbursement 8 months after first disbursement
PS2: Labor and Working Conditions				
2.1	Human Resources Policy	Develop and implement a Human Resources Policy for the Project applicable to payroll as well as outsourced personnel.	<ol style="list-style-type: none"> Project Human Resources Policy Evidence of implementation 	<ol style="list-style-type: none"> 4 months after first disbursement 8 months after first disbursement
2.2	Women Engagement	Promote and monitor women engagement as part of the labor force.	Report of women engagement as part of the labor force	In each Environmental and Social Compliance Report
2.3	Internal Grievance Mechanism	Develop and implement a mechanism to receive and resolve grievances and claims for payroll and outsourced personnel including the possibility to file grievances and claims anonymously, establish the persons in charge of managing them and determine the terms for evaluation and response of personnel grievances. Such mechanism should include sexual harassment reports management in a specific section.	<ol style="list-style-type: none"> Internal Grievance Mechanism Evidence of implementation 	<ol style="list-style-type: none"> 4 months after first disbursement 8 months after first disbursement
2.4	Diagnosis and Assessment Study on Silo Fire and Explosion Risk	Hire an expert to identify and assess the fire and explosion risk in silos and tunnels under the standard of NFPA 61.	<ol style="list-style-type: none"> Consulting work contract Results report 	<ol style="list-style-type: none"> 16 months after first disbursement 19 months after first disbursement
PS3: Resource Efficiency and Pollution Prevention				
3.1	Resource Efficiency	Generate records on the monthly consumption of water and electric power, fuel for its vehicles and machinery, firewood (including firewood from native species), and the amount and use of waste generated or recycled. Establish and implement the actions necessary to meet all the goals and objectives proposed by the Environmental, Social, and Health and Safety Management Program.	Records of consumption and recycled waste	In each Environmental and Social Compliance Report

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3.2	Greenhouse Gases	<ol style="list-style-type: none"> 1. Submit the GHG estimations for the following year. 2. Submit the calculation of prior-year emissions. 	<ol style="list-style-type: none"> 1. Estimations of GHG emissions for the following year 2. Estimations of GHG emissions for the prior year 	In each Environmental and Social Compliance Report
3.3	Waste Management	Develop and implement a waste management procedure including record formats to quantify and record the amount and type of waste generated in administrative offices, silos and production facilities.	<ol style="list-style-type: none"> 1. Waste Management Procedure 2. Evidence of implementation 	<ol style="list-style-type: none"> 1. 4 months after first disbursement 2. 8 months after first disbursement
3.4	Hazardous Substances Management	Develop and implement a procedure to manage (purchase, transportation, storage and handling) hazardous substances including an express ban on the acquisition and use of pesticides and chemical substances including any Class Ia (extremely hazardous) or Ib (highly hazardous) component under the WHO's classification.	<ol style="list-style-type: none"> 1. Hazardous Substances Management Procedure. 2. Evidence of implementation 	<ol style="list-style-type: none"> 1. 4 months after first disbursement 2. 8 months after first disbursement
PS4: Community Health, Safety and Security				
4.1		<ol style="list-style-type: none"> 1. Develop a mapping of the stakeholders and a Stakeholder Engagement Plan including stakeholders in the administrative offices, silos and production fields. Meet PS4 requirements, including differentiated measures to enable the effective engagement of communities and neighbors and a method to share information with the identified stakeholders. 2. Implement the Stakeholders Engagement Plan. 	<ol style="list-style-type: none"> 1. Mapping of the stakeholders and Stakeholder Engagement Plan 2. Evidence of implementation 	<ol style="list-style-type: none"> 1. 4 months after first disbursement 2. 8 months after first disbursement
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
6.1	Supply Chain	Record and assess any findings related to the application of Global Forest Watch or other similar guide to monitor the stockpiling supply chain.	Records and assessment	In each Environmental and Social Compliance Report
6.2	Impacts on Native Flora	Record the use of firewood from native species in silo kilns. Progressive substitution for gum tree wood to reach the annual goal set.	Native species firewood consumption records	In each Environmental and Social Compliance Report