

**PROJECT 13935-01 – Arceira Bioenergética – BRAZIL
Environmental and Social Action Plan (ESAP)**

No.	Area	Action	Product/Deliverable	Completion date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	E&S Assessment and Management System	1. Develop an Environmental and Social Management System (ESMS).	1. ESMS-related documents	1. No later than 90 days after signing the loan agreement
		2. Implement the Environmental and Social Management System (ESMS).	2. Evidence of implementation of actions defined in the context of the ESMS	2. As part of the Environmental and Social Compliance Report (ESCR)
1.2	Policy	1. Disclose the Integrated Management Policy through the company's corporate website and other means of communication intended for internal and external audiences.	1. Evidence of policy disclosure	1. Before the loan agreement is signed
1.3	Gender Risks	1. Develop internal awareness campaigns featuring educational content for prevention of gender-based violence.	1. Educational content for gender-based violence prevention campaign	1. No later than 120 days after signing the loan agreement
		2. Implement internal gender-based violence prevention campaigns.	2. Evidence of campaign implementation	2. As part of the ESCR
1.4	Organizational Capacity and Competency	1. Reassess Environmental Health and Safety (EHS) staff and, if necessary, expand the team to meet future needs.	1. Reassessment of the EHS staff, detailing roles and workload	1. No later than 60 days after signing the loan agreement
1.5	External Communication and Grievance Mechanism	1. Prepare the Company's public Environmental and Social performance report.	1. Environmental and Social Performance Report	1. First report no later than 360 days after signing the loan agreement
		2. Publicly disclose periodic E&S performance reports.	2. Evidence of public disclosure	2. As part of the ESCR
PS 2: Labor and Working Conditions				
2.1	Occupational Health and Safety	1. Update the Adjustment Plan to ensure consistency with Regulatory Norms of the Ministry of Labor.	1. Updated Action Plan	1. As part of the ESCR
		2. Implement actions listed in the Adjustment Plan.	2. Evidence of implementation	2. As part of the ESCR
2.2	Grievance Mechanism	1. As part of the engagement and communication procedure, develop a grievance mechanism that includes the mechanism disclosure channels and incorporates the process guiding principles of transparency, confidentiality, non-retaliation, among others.	1. Grievance Mechanism	1. No later than 90 days after signing the loan agreement
		2. Adopt grievance mechanism.	2. Grievance Mechanism Report	2. As part of the ESCR
2.3	Supply Chain	1. Consolidate a public manual of good EHS management practices for the Company's suppliers.	1. EHS manual for suppliers	1. No later than 180 days after signing the loan agreement
		2. Disseminate the Code of Ethics and Professional Conduct and annex it to sugarcane supply contracts.	2. Disclose the Code of Ethics and Professional Conduct on the Company's website.	2. No later than 30 days after signing the loan agreement

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		3. As part of the Company's supplier evaluation and approval process, include the list of employers who were found to have their workers subject to slave-like conditions (Dirty List).	3. Evidence of inclusion of the Dirty List in the supplier evaluation and approval process	3. No later than 30 days after signing the loan agreement and afterwards, in the ESCR
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Greenhouse Gases (GHG)	1. Develop GHG emissions inventories.	1. Inventory of GHG emissions	1. As part of the ESCR
		2. Include GHG emissions information in the periodic environmental and social performance reports.	2. Evidence of inclusion in annual reporting	2. As part of the ESCR
3.2	Pesticide Use and Management	1. Refrain from buying, storing, using, manufacturing or trading in products that fall in WHO Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous) or Ib (highly hazardous).	1. Updated chemical products procurement procedure	1. No later than 30 days after signing the loan agreement
		2. Redesign and expand the agrochemical storage area to meet current and future demands.	2. Evidence of agrochemical storage area redesign and expansion	2. No later than 540 days after signing the loan agreement