

## Environmental and Social Action Plan (ESAP) February 20, 2019

	RECOMMENDED ACTIONS	Deliverable	TIMETABLE
<b>Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts</b>			
1	<p><i>Environmental and Social Assessment and Management System:</i></p> <p>SEZAD will strengthen its existing elements of an environmental and social management system (ESMS) for the SEZ to reflecting the following:</p> <ul style="list-style-type: none"> <li>• Environmental &amp; Social (E&amp;S) Policy (endorsed by SEZAD management)</li> <li>• Updated organogram stating E&amp;S roles and responsibilities</li> <li>• Procedure to revise management plans, including change management procedure</li> <li>• Incorporate operational E&amp;S elements into the ESMS, (e.g., procedures, workplace instruction manuals, etc.)</li> <li>• Mechanism for auditing, checking and benchmarking their performance to achieve aims of the ESMS</li> <li>• Inclusion of references to stakeholder engagement.</li> </ul> <p>These shall be applicable to all stages of the projects' life-cycle, including one-year maintenance/ warranty period and decommissioning (where applicable)</p>	ESMS in line with PS 1	E&S Policy and [updated organogram] within 2 months from Financial Close (FC)  Remainder within 6 months of signing
2	<p><i>Identification of Risks and Impacts:</i></p> <p>All Projects – In the concept of planning and the Environmental Strategy for the SEZ, SEZAD will develop a framework for the scope of cumulative impact assessment (CIA), methodology, types of monitoring, requirements for new tenants, and the resources required to carry it out</p> <p>SEZAD will collate information and data from existing studies (e.g. the Port CIA, Refinery CIA, Master Plans) to identify trends of impact and modify its approach to managing E&amp;S aspects for the SEZ, in an adaptive manner, over time. This shall include the whole life-cycle up to decommissioning</p>	Outline Plan for Cumulative Impact (report) covering the SEZ  First CIA for SEZ.	Within 6 months from FC  Within 12 months from FC
3	<p><i>Identification of Risks and Impacts – Climate Change:</i></p> <p>SEZAD will consider relevant risks associated with the changing climate and the adaptation opportunities. SEZAD will conduct a climate risk vulnerability assessment (CRVA) to assess climate vulnerability and extremes as defined by the Intergovernmental Panel on Climate Change (IPCC). The CRVA will include, but not limited to, rate of climate change and variation to which the sub projects are exposed, their sensitivity, and adaptive capacity of ecosystems and communities during the entire lifecycle of the seven sub projects and using reasonable efforts, other developments in the SEZ</p>	CRVA	Within 9 months from FC
4	<p><i>Management Programs - Construction Environmental Management Plan (CEMP):</i></p> <p>A) Given the late construction stage of the remaining infrastructure projects, SEZAD will endeavour to deliver contractors' CEMPs. Should these plans not be available, SEZAD will provide evidence that the five infrastructure projects complied with Omani legislation.</p>	A) Submit analysis and review of compliance monitoring which could consist of inspection reports, monitoring reports etc	A) Prior to operations
5	<p><i>Management Programs – Operations and Maintenance:</i></p> <p>A) SEZAD will develop operations and maintenance (O&amp;M) manuals for those projects which fall under their responsibility (i.e., sub project 3, 4, and 5) including management and monitoring of E&amp;S aspects.</p> <p>B) SEZAD will monitor the implementation of the O&amp;M manuals for those projects which are operated and maintained by concessionaires (i.e., sub projects 1, 2 and 6)</p> <p>C) SEZAD will require all operators/owners to develop 'outline' decommissioning plans (i.e. construction sites, workers camps, quarries, etc).</p> <p>D) SEZAD will require detailed plans prior to the closure of facilities (i.e. end-of-life)</p>	A) O&M manual (including E&S aspects) B) Evidence of monitoring as part of the periodic monitoring reports C) Outline decommissioning management plans D) Detailed decommissioning management plans	A) Within 45 days prior to operation of infrastructure project B) Within 6 months after operations and periodic thereafter C) Within 12 months from FC D) Within 2 years before decommissioning date
6	<p><i>Organizational Capacity and Competency:</i></p> <p>A) SEZAD will designate a focal point to coordinate matters related to E&amp;S development (including climate) and ESAP completion</p> <p>B) SEZAD will develop and identify staffing plan and training needs (international good practice), resources, and budget, including designated focal point to coordinate the joint E&amp;S actions with the Refinery as a priority. Consider other tenants' commitments.</p> <p>C) Tatweer will assign internal resources to oversee E&amp;S matters</p>	A) Written nomination B) Submission of staffing plan and training matrix (including Refinery actions) . C) Job description and evidence of role fulfilled	A) Prior to FC B) Within 3 months from FC C) Within 1 month from FC
7	<p><i>Emergency Preparedness and Response:</i></p> <p>SEZAD will update and enhance its corporate Emergency Response Plan (ERP) in accordance with the provisions for emergency response in the PS1 and PS4 at/in the seven sub projects and corporate offices. ERP will also include, as a minimum:</p> <ul style="list-style-type: none"> <li>- Oil spill response plans (e.g. Port, Refinery, Ras Markaz).</li> <li>- New contact details for both SEZAD/Tatweer staff with formal roles/responsibilities and for stakeholders</li> <li>- Frequency and scope of test drills/exercises (tier 1, 2 and 3)</li> <li>- Capacity of local emergency services providers and healthcare facilities.</li> <li>- Commitment to update the ERP regularly as it evolves</li> </ul>	Revised SEZAD ERP	Within 8 months after FC

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	- Traffic management and safety		
8	<p><i>Monitoring and Review:</i></p> <p>A) SEZAD will review its health, safety, and environmental (HSE) and social inspection program at contractors' sites, including construction sites, workers' accommodations and technical workshops</p> <p>B) For Project 3, SEZAD will monitor implementation of agreed methodology with contractor and submit first monitoring report</p> <p>C) SEZAD will carry out E&amp;S monitoring for Project 1 in compliance with Omani Regulations</p> <p>D) SEZAD will strengthen its inspection program to ensure that reports are issued, and follow-up visits are made</p>	<p>A) Updated and enhanced HSE and social inspections program in accordance with the PSs</p> <p>B) Monitoring Report for Project 3</p> <p>C) Submit analysis and review of compliance construction monitoring</p> <p>D) Inspection program</p>	<p>A) Before FC</p> <p>B) Within 2 months from FC</p> <p>C) Before operations</p> <p>D) Within 6 months after FC</p>
9	<p><i>Stakeholder Engagement:</i></p> <p>SEZAD will formalize its Stakeholder Engagement Plan (SEP) to map its stakeholders and interested parties and how it captures stakeholder engagement activities at the SEZ. The SEP will be prepared to cover the ongoing construction and future operation phases of the project.</p>	<p>A) Submission of stakeholder mapping and identification of risks</p> <p>B) SEP</p>	<p>A) Within 2 months from FC</p> <p>B) Within 5 months from FC</p>
10	<p><i>External Communications and Grievance Mechanism:</i></p> <p>A) SEZAD will implement and maintain a procedure for external communications in accordance with PS 1.</p> <p>B) SEZAD will update its existing grievance mechanism (GM) for affected communities in accordance with PS 1. The GM will capture any grievances related to security. SEZAD will use a formal system to record every grievance in order to better manage the GM process and ensure independence.</p>	<p>A) External Communication procedure</p> <p>B) Updated GM on SEZAD website.</p>	<p>A) Within 3 months from FC</p> <p>B) Within 2 months from FC</p>
<b>Performance Standard 2: Labor and Working Conditions</b>			
11	<p><i>Working Conditions:</i></p> <p>A) SEZAD (including Tatweer) will review existing human resources (HR) policies and recruitment procedures and update respective policies (not HR manuals approved under laws of incorporation) which sets out the approaches to managing direct employees and apply the policy to workers engaged by third parties<sup>1</sup> in accordance with PS 2. HR policies will outline approach to managing working relationship consistent with the requirements of PS 2 and national law, including material changes to terms of employment, grievance mechanism, etc.</p> <p>B) Seek relevant corporate approvals</p> <p>C) Going forward, SEZAD will use commercially reasonable efforts to ensure that contractors have grievance mechanisms aligned with PS 2. Where this is not possible, SEZAD will extend its grievance mechanism (GM) to workers engaged by third parties in accordance with PS 2.</p>	<p>A) Updated respective HR policies and procedures, and updated relevant clauses in procurement documents</p> <p>B) Submit relevant approvals</p> <p>C) Evidence of communications with contractors raising awareness of its existence</p>	<p>A) Within 2 months from FC</p> <p>B) Within 1 month of receiving approvals</p> <p>C) Within 3 months from FC</p>
12	<p><i>Occupational Health and Safety</i></p> <p>SEZAD will enhance its existing health, safety and environment (HSE) policy and procedures relating to safe and healthy working environment, workers' accommodation, road safety, incident/accident reporting, root cause analysis, etc. As part of these policies, SEZAD will provide clear definitions and expectations of minimum standards reflected in future bidding documents. These policies and procedures shall be consistent with the requirements of both PS 2 and Omani legislation.</p>	<p>Updated HSE Policy and sample of relevant language from bidding documents</p>	<p>Within 4 months of signing</p>
13	<p><i>Workers Engaged by Third Parties:</i></p> <p>SEZAD (including Tatweer) will extend requirements of HSE policies to workers engaged by third parties in accordance with PS 2. All future SEZAD Contracts will include stipulations that Contractors' Management Plans must be aligned with SEZAD's own corporate policies and management plans, and such policies should be implemented by all third parties (contractors) associated with SEZAD.</p>	<p>Evidence of communication to third parties (contractors) on HSE and HR policy requirements</p>	<p>Within 2 months from FC</p>
14	<p><i>Supply Chain</i></p> <p>SEZAD will prepare and implement a supply chain policy in accordance with PS 2.</p>	<p>Supply chain policy</p>	<p>Before FC</p>
<b>Performance Standard 3: Resource Efficiency and Pollution Prevention</b>			
15	<p><i>Resource Efficiency:</i></p>		

<sup>1</sup> Third party employees as defined by para 4-7 of the PS2 Requirements

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	<p>A) SEZAD will prepare corporate guidance and set minimum standards (e.g. Good International Industry Practice, GIIP) for resource efficiency measures into projects within the SEZ on best effort basis, for example, in procurement documents, contracts and a technical guidance note. These will relate to reduction of energy, water consumption and other resources and material inputs (technically, and financially feasible and cost effective)</p> <p>B) On a best efforts basis, SEZAD will ensure that its long-term environmental strategy for the SEZ embraces resource efficiency measures to be integrated into operational and maintenance plans, and the management plans of future tenants' projects.</p>	<p>A) Guidance on resource efficiency</p> <p>B) Resource efficiency section in long-term SEZ environmental strategy.</p>	<p>A) Within 6 months after FC</p> <p>B) Within 12 months from FC</p>
16	<p><i>Resource Efficiency - Greenhouse Gases (GHG):</i></p> <p>A) SEZAD will ensure Projects 3 and 6 retrospectively capture, or make best estimate of fuel consumption data in construction phase for compliance with SEZAD requirements.</p> <p>B) In line with national requirements, SEZAD will develop a GHG methodology</p> <p>C) SEZAD will assess GHG emissions' footprint of the construction of the seven infrastructure projects.</p> <p>D) SEZAD will review the calculations of the GHG data from Projects 4 and 5.</p> <p>E) SEZAD will estimate the GHG emissions (for operations) from Projects 6 and 7 to complete a combined GHG emissions' footprint for the seven infrastructure projects.</p> <p>F) SEZAD to prepare an overall GHG emissions' footprint for the SEZ. In the long-term SEZ Environmental strategy, SEZAD to include guidance on the type of information required from new tenants to inform a GHG emissions' footprint.</p>	<p>A) Fuel consumption data.</p> <p>B) GHG methodology</p> <p>C) GHG emissions for construction</p> <p>D) GHG data for projects 4 and 5 (operations)</p> <p>E) GHG data for projects 6 and 7 (operations)</p> <p>F) Overall GHG emissions footprint for operations</p>	<p>A) By end of Q3 2019</p> <p>B) Within 6 months from FC</p> <p>C) Within 8 months from FC</p> <p>D) Within 8 months from FC</p> <p>E) Within 12 months from FC</p> <p>F) Within 18 months from FC</p>
17	<p><i>Pollution Prevention:</i></p> <p>A) SEZAD will prepare corporate guidance on pollution prevention in accordance with PS 3 and on best effort basis for projects within the SEZ reflect this guidance, for example, in bidding documents, contracts and a technical guidance note.</p> <p>B) On a best efforts basis, SEZAD will ensure that their long-term environmental strategy for the SEZ includes potential health impacts on nearest communities and embraces pollution prevention measures to be integrated into operational and maintenance plans, and the management plans of future tenants' projects.</p>	<p>A) Guidance on minimum standards for pollution prevention.</p> <p>B) Pollution prevention section in long-term SEZ environmental strategy</p>	<p>A) Within 6 months after FC</p> <p>B) Within 12 months from FC</p>
18	<p><i>Pollution Prevention – Waste:</i></p> <p>A) SEZAD will complete a waste audit of the seven infrastructure projects and the port to identify types and volumes of hazardous wastes produced, transportation of, and disposal destination. Waste audit will include review of waste logs, waste carriers, etc.</p> <p>B) Based on the findings of the audit, SEZAD will prepare a waste management plan (WMP). This plan shall include definitions of all waste types, confirm the roles and responsibilities for waste, state the need for registrations and certificates (e.g. waste carriers) and describe the destinations for each waste type. The WMP shall cover the remainder of the construction phase for the six infrastructure projects and be relevant for operations and for future tenants moving into SEZ plots.</p> <p>C) SEZAD will pursue active engagement with the Oman Environmental Services Holding Company S.A.O.C. (be'ah) to agree on the timing of the opening of the new integrated waste treatment facility (IWTF).</p> <p>D) When IWTF is operational, SEZAD will record quantities of waste transfer into that facility – and subsequent transfer out of the IWTF to another be'ah facility need to be kept.</p> <p>E) SEZAD will develop a closure plan for the existing non-engineered landfill in accordance with the PS and GIIP.</p>	<p>A) Waste audit report</p> <p>B) Waste Management Plan</p> <p>C) Timing update</p> <p>D) Records in ongoing waste audits (long-term) as part of periodic monitoring report</p> <p>E) Closure plan</p>	<p>A) Within 3 months from FC</p> <p>B) Within 5 months from FC</p> <p>C) Before FC</p> <p>D) Within one month of the opening of the IWTF and in advance of transfer of such waste</p> <p>E) Within 6 months of operation of IWTF</p>
<b>Performance Standard 4: Community Health Safety and Security</b>			
19	<p><i>Community Health and Safety:</i></p> <p>SEZAD (including Tatweer) will incorporate in the operations and maintenance (O&amp;M) manual aspects of evaluation of risks and impacts to the health and safety of affected communities. SEZAD will use commercially reasonable efforts to incorporate guidelines for community health and safety aspects in third parties' bidding documents and contracts. Such aspects will include provisions for any future workers' influx and management of such impacts. For projects 1, 3 &amp; 7, SEZAD will also outline standards for community health and safety (e.g. barriers, road markings/demarcation and signage).</p>	<p>Updated O&amp;M manuals</p>	<p>Within 6 months from FC</p>
20	<p><i>Community Health and Safety – Ecosystem Services:</i></p> <p>As part of developing and implementing E&amp;S and HSE management plans (e.g. environmental monitoring, ERP), SEZAD will collate a map of sensitive natural and human receptors</p>	<p>Map of sensitive receptors</p>	<p>Within 3 months from FC</p>

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21	<p><i>Community Health and Safety – Exposure to Disease:</i></p> <p>SEZAD will ensure ESMS includes requirements for third party to avoid and minimize the potential for community exposure to water borne, water based, related vector based resulting from operations and any potential for communicable diseases that may be associated with the influx of temporary or permanent project labor.</p>	Evidence of incorporation in the ESMS and Evidence of communication with third parties	<p>Within 6 months from FC</p> <p>Within 7 months from FC</p>
22	<p><i>Community Health and Safety – Emergency Preparedness and Response:</i></p> <p>With regards to Projects 4 and 5, SEZAD will prepare an emergency action plan (EAP) for the facilities including the inundation maps developed from the results of flood protection dam breach analysis.</p>	EAP	Within 2 months of signing
23	<p><i>Security Personnel:</i></p> <p>A) SEZAD will conduct a security risk assessment recognizing SEZAD's responsibilities in accordance with PS 4.</p> <p>B) Findings from the risk assessment report will be included in SEZAD's security management plan that will be developed in line with the requirements of PS4.</p>	<p>A) Security Risk Assessment</p> <p>B) i) Security Management Plan (draft)</p> <p>B) ii) Security Management Plan (final)</p>	<p>A) Within 6 months from FC</p> <p>B) i) Within 12 months from FC</p> <p>B) ii) Within 18 months from FC</p>
<b>Performance Standard 5: Land Acquisition and Involuntary Resettlement</b>			
24	<p><i>Government-managed Resettlement:</i></p> <p>A) SEZAD will prepare a detailed Memo which describes the ongoing provisions for government-managed land acquisition and livelihood restoration and roles and responsibilities in line with RD 44/2015. The framework will also outline SEZAD's stakeholder engagement with the authorities (e.g., Ministry of Housing for 150 Villas and Ministry of Fisheries for the new fishery harbor) to understand status of the process.</p> <p>B) As part of the Memo, SEZAD will develop and implement a program of regular consultations with the Government and define the practical steps that SEZAD can feasibly take (within its mandate) to support the resolution of both the historical and ongoing 150 Villas and New Fishery Harbour issues.</p> <p>C) As part of these actions implementation, SEZAD will make available and raise awareness of its grievance mechanism (GM) to affected parties and commit to passing on grievances it receives about the relocation process onto the relevant authorities. SEZAD will monitor grievances raised until satisfactory resolution is reached.</p> <p>D) As part of the Memo and its implementation, SEZAD will liaise with responsible implementing authorities to ascertain levels of transitional support provided to both the Nafun and Al Tayari communities and fishermen, to-date, and offer its share of support (within SEZAD's mandate), where appropriate and reasonable.</p> <p>Potential Future Land Acquisition:</p> <p>A) Should future land acquisition be planned, SEZAD will develop a land acquisition framework (LAF) to set the basis for SEZAD's responsibilities (as a main authority of SEZ) associated with any potential temporary or permanent land acquisition in the SEZ territory, in accordance with national requirements and PS 5. The LAF will include a transparent process for consultation and compensation (or where necessary, livelihood restoration).</p>	<p>Memo</p> <p>LAF</p>	<p>Within 3 months from FC</p> <p>Within 12 months prior to initiating new land acquisition</p>
<b>Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>			
25	<p><i>Protection and Conservation of Biodiversity:</i></p> <p>A) While recognising the role SEZAD is playing as an active stakeholder with DRPIC on their biodiversity offsetting initiatives for the Refinery, SEZAD will develop its own approach to biodiversity to offset the impacts of the seven sub projects:</p> <ul style="list-style-type: none"> <li>A strategic approach to biodiversity would involve SEZAD firstly quantifying and assessing impacts on natural habitats associated with each of the seven infrastructure projects to include undertaking a Critical Habitat Assessment (CHA) covering the following key groups: Cetaceans; Turtles; Endemic plants; Rare/threatened reptile species; Duqm IBA/the migratory wetland bird assemblage; Jiddat al Harisis IBA; and Al Wusta Wildlife Reserve (formerly the Arabian Oryx Sanctuary).</li> <li>This requirement for a CHA can build upon the comprehensive biodiversity work (e.g. consolidated mapping of critical habitats) that DRPIC prepared in the Consolidated ESIA and accompanying Appendices (DRPIC, 2018) and the Port Phase I Operations ESIA.</li> </ul> <p>B) SEZAD will identify suitable compensatory habitat creation/offsets to meet the requirements of No Net Loss (natural habitats)/Net Gain (critical habitats).</p> <p>C) SEZAD will carry out ongoing coordination with the Refinery and Port in the preparation of a Biodiversity Offsetting Framework (BOF) /Strategy and biodiversity action plan (BAP).</p>	<p>A) CHA map and accompanying explanatory information</p> <p>B) BOF and BAP methodology and Table of Contents</p> <p>C) BOF and BAP</p>	<p>A) Within one month from FC</p> <p>B) Within 6 months after FC</p> <p>C) Within 12 months after FC</p>

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26	<p><i>Management of Ecosystem Services:</i></p> <p>SEZAD will undertake an ecosystem services assessment for all sub projects or undertake a "cross project" assessment examining all projects combined.</p>	<p>A) Ecosystem Services Assessment (draft)</p> <p>B) Ecosystem Services Assessment (final)</p>	<p>A) Within 9 months from FC</p> <p>B) Within 12 months from FC</p>
27	<p><i>Supply Chain:</i></p> <p>In support of its environmental strategy, SEZAD will set up a procedure or clause outlining its approach to biodiversity for future projects that considers evaluation of the supply chain for all contractors and operators while adhering to Omani commitment under international agreement and conventions</p>	<p>Clause or statement in contracts or relevant documentation.</p>	<p>Within 6 months after signing</p>
<b>Performance Standard 8: Cultural Heritage</b>			
28	<p>For future projects within the SEZ, SEZAD will develop an overarching Chance Finds Procedure (CFP). This will be published on the website and communicated to all third parties who will be engaged in projects.</p>	<p>CFP is published on SEZAD website and submit relevant clauses of procurement documents.</p>	<p>Within 3 months from FC</p>