

### Annex 1: Environmental and Social Action Plan (ESAP)

No.	Reference	Measure	Final product/deliverable	Expected date of conclusion
<b>ND 1: Assessment and management of environmental and social risks and impacts</b>				
1.1	Environmental and Social Management System (ESMS)	1. Develop the final ESMS, explicit, detailed and specific to INHDELVA, including: (i) policies; (ii) procedures to identify, evaluate and manage the potential environmental, social, occupational health and safety (OHS) and labor risks and impacts associated with each Project activity, as well as for its contractors and subcontractors; (iii) internal procedures for compliance with the environmental and social management plan (ESMP); (iv) organizational capacity and competence, with definition of roles and assignment of responsibilities for the implementation of this ESMS; (v) protocols for emergency preparedness and response; (vi) methods or plans for the participation of key stakeholders; (vii) mechanisms for external communication and receipt of complaints; (ix) protocols for the dissemination of information to communities, decision-making and training; (x) protocols for the evaluation and continuous improvement of the ESMS; and periodic audits and inspections with respect to applicable environmental, social and OHS requirements under the General Environmental Law and Labor Code of Honduras.	1. Copy of INHDELVA's updated ESMS	1. Six months after the first disbursement.
1.2	Environmental, Social and Occupational Health, Safety and Security Policy	1. Define the environmental and social policy considering the context and needs of INHDELVA, including the officer who will guarantee the compliance with and execution of the policy.  2. Complement the Environmental and Social Policy, with monitoring and communications programs to all members and levels of the organization	1. INHDELVA's environmental and social policy  2. Proof/evidence of the implementation of monitoring and communications programs to all members and levels of the organization	1. Six months after the first disbursement.  2. Six months after the first disbursement.

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		3. Create a mechanism to measure permanent and continuous improvements in the implementation of environmental, social and OHS policies.	3. Permanent and continuous improvement mechanism	3. Six months after the first disbursement.
1.3	Identification and evaluation of environmental and social risks and impacts	1. Update the Environmental License No. 093-2204, through an extension or modification request of the ZIP INHDELVA's works and activities in operation.	1. Copy of the Resolution or respective Environmental Permit, resulting in the extension or modification of ZIP INHDELVA's operation.	1. Before the first disbursement.
1.4	Organizational Capacity	1. Appoint an Environmental and Social Unit for INHDELVA responsible for planning, implementing and monitoring all the required environmental, social and OHS actions; as well as defining the functions, responsibilities and capacities of each environmental and social officer of the Environmental and Social Unit for the implementation of the ESMS.	1. Appointment of Environmental and Social Unit for INHDELVA	1. 60 days after signing the loan agreement.
		2. Define an introductory and refresher level training program at least once a year for all environment, social and OHS personnel.	2. Copy of the introductory training program and refresher mechanism	2. 60 days after signing the loan agreement.
		3. Appoint and maintain a qualified Environmental Manager or adjust the functions and responsibilities of another existing employee for the Project, who must directly and independently inform INHDELVA's General Management about the environmental, social and OHS compliance and/or performance.	3. Appointment of INHDELVA staff assigned to the Project	3. 60 days after signing the loan agreement.
1.5	Emergency Preparedness and Response	1. Update of the Contingency Plan and its approval by the Fire Department of Choloma.	1. Copy of the updated and approved	1. Within the first year, after

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			Contingency Plan for INHDELVA	signing of the loan agreement.
1.6	Monitoring and evaluation indicators	1. Develop a compliance matrix with a set of key performance indicators that should be monitored and met in order to measure the effectiveness of the ESMP, as well as being a reference for all legal and contractual obligations of the Project, during the construction and O&M phases.	1. Compliance matrix with the list of key management performance and success indicators	1. 45 days after signing the loan agreement.
1.7	Project Compliance with applicable regulations	1. Through an independent environmental and social consultant, periodically prepare a consolidated report on all environmental, social, health, and safety issues, as well as on the compliance status of the CII's Environmental Sustainability Policy, the environmental, social and OHS legislation of Honduras, IDB's Environmental and Social Policies, and the IFC's Performance Standards, including the progress of SMS actions against established key performance indicators.	1. Periodic environmental and social compliance report	1. Annually over the life of the loan.
1.8	External grievance mechanism for the construction phase	1. Develop and implement an external grievance mechanism focused on key stakeholders and the communities and/or neighboring landowners within the surrounding area of the Project, those affected by or with some interest in the construction phase of the new photovoltaic park. This external grievance mechanism will include details on how complaints or grievances are recorded, investigated and evaluated, and their follow-up and closure or resolution process.	1. Copy of INHDELVA's external grievance mechanism for the construction phase of the Project	1. 45 days after signing the loan agreement.
			2. Copies of proof/evidence of its implementation in the Project	1. Progress report in each environmental and social compliance report.
1.9	External grievance mechanism for operation and maintenance (O&M)	1. Provide and implement an external grievance mechanism during O&M that incorporates the experiences and lessons learned during the construction phase.	1. Copies of INHDELVA's external grievance mechanism for the O&M of the Project	1. 30 days before the start of the Project's operation.

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			2. Copies of proof/evidence of its implementation in the Project	2. Progress report in each environmental and social compliance report.
<b>ND 2: Labor and Working Conditions</b>				
2.1	Coexistence manual	1. Provide a coexistence manual (regulation) for employees, contractors and subcontractors of the Project.	1. Copy of INHDELVA's coexistence manual (regulation).	1. 45 days after signing the loan agreement.
2.2	Accidents and fatalities	1. Develop a Notification Procedure to report major accidents, including fatalities.	1. Copy of the notification procedure of major accidents	1. Within 24 hours of the occurrence of the accident.
		2. Prepare a root cause analysis for each accident or fatality and ensure the implementation of corrective actions.	2. Copy of the root cause analysis, with corrective actions	2. Periodically in each biannual environmental and social compliance report.
2.3	Internal grievance mechanism for the construction phase	1. Develop and implement an internal grievance mechanism focused on direct employees and employees of contractors and subcontractors, during the construction phase of the Project. This internal grievance mechanism will include details on how complaints or grievances are recorded, investigated and evaluated, and their follow-up and closure or resolution process.	1. Copy of INHDELVA's internal grievance mechanism for the construction phase of the Project	1. 45 days after signing the loan agreement.
			2. Copies of proof/evidence of its implementation in the Project	2. Progress report in each environmental and social compliance report.
2.4	Internal grievance		1. Copies of INHDELVA's internal	1. 30 days before the start of the

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	mechanism for operation and maintenance (O&M)	1. Provide an internal grievance mechanism for O&M that incorporates the experiences and lessons learned during the construction phase.	grievance mechanism for the O&M of the Project	Project's operation.
			2. Copies of proof/evidence of its implementation in the Project	2. Progress report in each environmental and social compliance report.
<b>ND 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Waste reduction	1. Implement a Photovoltaic Module Recovery and Use Program that provides for the contracting of a recycling service of their solar panels with a specialized company once they have reached the end of their service life (25 years approximately) and their power generation performance decreases.	1. Copy of the Project's Photovoltaic Module Recovery and Use Program	1. Eight months after the first disbursement.
<b>ND 4: Community Health, Safety and Security</b>				
4.1	External Security Policy and Protocols	1. Provide a copy of the contract between INHDELVA and ZIP INHDELVA's security company or companies to verify, among other aspects, that conditions have been included allowing for: (i) reasonable investigations to be carried out to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse in the past; (ii) the verifying of details of necessary training in relation to the use of force; (iii) the verifying of restrictions on the use of firearms; and (iv) the identifying of the details of environmental awareness training.	1. Copy of the contracts between INHDELVA and the security company(ies).	1. 45 days after signing the loan agreement.