

INDUGLOB S.A.

Environmental and Social Action Plan (ESAP).

No	Title of the Action / Description	Expected Completion Date	Compliance Indicator
1	Policy: Strengthen the Corporate Policy so that it complies with PS1.	Signing of the financing + 3 months.	Updated ESHS policy communicated to all staff, contractors and major suppliers
2	Risk Management Procedure: Update the Risk Management Procedure so that it regularly identifies the risks and impacts that the operations may have on the community.	Signing of the financing + 12 months	Updated Risk Management Procedure
3	Management Programs: The Company will develop management program procedures for the construction phase that will include the issues inherent to communities.	Prior to starting construction of the new plant.	Updated Management Program Procedures.
4	Closure Plan: Prepare a Closure Plan for the existing plant.	3 months prior to closing the Cuenca Plant and the Zhucay warehouses	Closure Plan
5	Organizational capacity and competence: Induglob will expand the environmental and social management functions to be applied during the construction phase.	Prior to starting construction of the new plant.	Terms of Reference for the Environmental Manager and updated Corporate Organizational Chart including the new function.
6	Management system procedures for Security Personnel: Prepare management system procedures in order to provide a Code of Conduct for security personnel in the Company's facilities and in the communities, in accordance with the requirements set forth in paragraphs 12-14 of PS4 and with the Voluntary Principles on Security and Human Rights of the United Nations.	Signing of the financing + 3 months	Procedure to produce a Code of Conduct for security personnel
7	ESMS Training Programs: Define a procedure to measure the effectiveness of the formal training program that allows disseminating knowledge about the Environmental and Social Management System.	Signing of the financing + 12 months	Procedure to measure the effectiveness of the ESMS Training Program
8	External Audit Reports: Deliver a copy of the external audit report approved by the MAE to IDB Invest	15 days after the MAE's approval	External Audit Report
9	Fire Drills: Perform fire drills with the participation of the local fire department. The drills will include the inspection and certification of fire detection and control systems, as well as of mechanical and electrical equipment.	Signing of the financing + 12 months	Evidence of fire drill with the participation of the fire department. To be included in the Annual Compliance Report for IDB Invest.
10	Emergency Preparedness and Response Plan: Update the Emergency Preparedness and Response Plan, identifying possible risks and defining procedures for each case. The Plan shall involve the communities when planning the emergency response and consider evacuation and first aid procedures when appropriate. An assessment of nearby medical facilities and related services (ambulances) will be performed. The emergency plan will include a communication system that defines who and what is informed on a case-to-case basis and the chain of command and the brigade that will operate during the response. Likewise, it shall consider a subsequent analysis to try to determine the causes of the emergency and the corrective actions that could prevent it from happening in the future or mitigate its effects. The emergency plan should incorporate a specific training plan for personnel and an emergency drill program ¹ .	Signing of the financing + 3 months	Updated Emergency Preparedness and Response Plan
11	Participation of Social Actors: Hold the third meeting with the communities of Pampa Vintimilla, Juan Pablo II and Cisne in order to present the final version of the ESIA and the EMP.	Prior to signing the Loan Agreement to finance the Plant.	ESIA approved by the MAE.
12	Participation of Social Actors: Draw up an ESMS policy and procedures for interaction and communication with the different social actors, which will include identification of the actors, their expectations, and the communication channels with these parties. The procedure must include the appointment of a Community Liaison Officer.	Prior to signing the Loan Agreement to finance the Plant.	ESMS interaction and communication Policy and procedures the various social actors
13	External communication and grievance mechanism: Implement an external communications procedure and an effective community grievance mechanism (personalized and anonymous complaints) that allows evaluating, addressing, documenting and reporting on complaints	Prior to signing the Loan Agreement to finance the Plant.	External communications procedures and community grievance mechanism.

¹ For a complete discussion on how to develop emergency response plans in collaboration with communities, refer to the Awareness and Preparedness for Emergencies at Local Level (APELL) Guidelines.

	and concerns regarding the Company's environmental and social performance.		
14	Monitoring and Evaluation: Implement a procedure for the Corporate Management System to formally document the monitoring results and use them in the risk assessments. Draft a management system procedure for reporting follow-up results in meetings with senior management to determine whether the ESMS is effective and in compliance with its policies.	Signing of the financing + 3 months	Updated Management System procedure
15	Human Resources policy, working conditions and terms of employment: Prepare and disseminate among employees a Human Resources Policy in accordance with PS2, including i) explicit references to free association and collective bargaining among employees, ii) express references to equal opportunities and non-discrimination, and to the elimination of forced and child labor.	Signing of the financing + 3 months	Human Resources Policy Evidence of Employee Training
16	Labor Demands: Report status of labor demands	Signing of the financing + 1 month and every six months for the duration of the Project	Summary of Pending Labor Demands
17	Internal Grievance Response Mechanism: Implement a grievance response mechanism so that workers (and their organizations, when applicable) can communicate their concerns regarding the workplace. The Company shall inform its employees about the grievance mechanism upon hiring them and will provide easy access to it. The mechanism should be endowed with an appropriate management level and address grievances quickly, using a transparent and understandable process that provides timely feedback to the stakeholders, with no retaliation whatsoever. It should also allow anonymous complaints to be raised and addressed. The mechanism should not impede access to other legal or administrative remedies that may be available under the legislation in force or existing arbitration procedures, nor substitute the grievance response mechanisms provided for in collective agreements, etc.	Signing of the financing + 3 months	Internal Grievance Response Mechanism
18	Occupational Health and Safety: Monitor and report annually to IDB Invest the Lost Time Injury Frequency Rate (LTIFR).	Annually	Incidents Report and LTIFR
19	Occupational Health and Safety (OHS) Gaps: (a) Develop an OHS gap analysis and conduct an accident investigation in order to define the factors that cause them and the injuries sustained in the pressing area. Submit the results of the OHS gap analysis; (b) Demonstrate the implementation of the corrective measures adopted to eliminate the factors identified as the causes of the accidents; (c) Ensure that current and new employees receive adequate training (repeatedly, throughout the year) and are competent to safely carry out their duties and responsibilities; (d) Report to IDB Invest the progress made in terms of accident reduction on a quarterly basis; (e) Report to IDB Invest the progress made in terms of accident reduction on a quarterly basis; (f) Submit a final report to IDB Invest, including an attestation by the OHS Manager that gives evidence of the correction of all deficiencies.	(a) Signing of the financing + 3 months (b) Signing of the financing + 6 months (c) Signing of the financing + 6 months (d) Quarterly (e) Signing of the financing + 1 year	(a) OHS Gap Analysis. (b) Evidence of implementation of corrective measures (c) Evidence of training (d) Quarterly accident report (e) Annual OHS Report
20	Third-party workers: Prepare and submit the following: (i) the employment procedures and evidence of their implementation for third-party workers, whose hiring and firing conditions shall comply with local regulations and PS2, including the basic standards of PS2 to avoid child labor and forced labor and ensure non-discrimination, freedom of association, and collective bargaining; and (ii) a Contractor's Manual that includes the core legal requirements, the fundamental standards of PS2, the grievance mechanism and the rules to be followed by outsourced personnel, such as their conduct in social, occupational health, safety, and environmental terms.	Prior to disbursing the Loan to finance the Plant.	Occupational Health and Safety Program for the construction phase.
21	Resource efficiency: Report to IDB Invest the inventory of greenhouse gases, power consumption (Kwh), water consumption (m3) and diesel consumption.	Annually	Annual Management Reports to IDB Invest
22	Pollution Prevention: Monitor and report the parameters (effluents, noise, particulate matter PM10 and PM2.5, vibration, sediments and others) to ensure that their concentrations are within the maximum limits set forth by Ecuadorian legislation and the World Bank's General Environmental, Health, and Safety Guidelines.	Annually and Quarterly, during the construction period of the new Plant.	Regular monitoring reports

23	Construction Closure Plan: Submit and adopt a closure plan for the construction areas and active industrial areas during the construction phase.	Three months prior to the construction completion date.	Construction Closure Plan.
24	Wastewater: Develop a database to continuously monitor the quality of the water discharged by the Water Treatment Plant (WTP). The Company will compare the quality levels of the current effluents at the existing plant and those projected for the future plant with the World Bank's General Environmental, Health, and Safety Guidelines for pH (limits 6-9), total nickel (upper limit 0.5 mg/l); total chromium (limit 0.5 mg/l); and total cyanide (limit 0.07 mg/l) concentrations, and submit a report to IDB Invest. If the current and/or projected values exceed the limits, Induglob will submit to IDB Invest a Pre-Treatment Improvement Plan for pH and nickel, chromium, and cyanide concentrations, so that they comply with the parameters of the World Bank's General Health, Safety and Security, and Environmental Guidelines.	<ul style="list-style-type: none"> (a) Signing of the financing of the new plant + 3 months (b) Signing of the financing of the new plant + 6 months (c) Monthly for 1 year as of the start of operations of the new plant (d) Annually as of the first anniversary of the start of operations of the new plant 	<ul style="list-style-type: none"> (a) Documentary evidence of the development of a Database to provide summarized information on the monitoring of the water quality discharged by the WTP; (b) Evidence that the management of wastewater and treated effluents at the new plant will comply with the limits set forth in Ecuador's environmental regulations and with all the effluent parameters included in the World Bank's General Environmental, Health, and Safety Guidelines, in particular pH, total nickel, total chromium, total zinc, hexavalent nickel, chromium and zinc concentrations, and total cyanide concentrations; (c) Monthly monitoring report on the quality of treated wastewater and effluents; (d) Monthly monitoring report on the quality of treated wastewater and effluents in the Annual Report to IDB Invest
25	Security Personnel: Manage each identified risk in accordance with the requirements set forth in paragraphs 12-14 of PS4 and with the Voluntary Principles on Security and Human Rights of the United Nations. The procedures of the ESMS will consider the means or channels that locals may use to submit grievances about the Company's security personnel or arrangements. The Company will ensure that all security personnel receives adequate training (repeatedly, throughout the year) and know the ESMS procedures regarding security matters. Induglob will implement a response system for incidents involving security personnel, so that such incidents are recorded and managed using disciplinary measures as required.	<ul style="list-style-type: none"> (a) Signing of the financing + 3 months (b) Annually (c) Annually 	<ul style="list-style-type: none"> (a) Implementation of the Incident Response System; (b) Evidence of regular training for security personnel regarding ESMS procedures; (c) Record of incidents involving security personnel.
26	Traffic Management Plan: Develop ESMS procedures for in-house own and contracted transportation. The procedures shall consider: (i) the assessment of possible access routes to be used; (ii) the identification of traffic hazards; (iii) speed limits and speed zone restrictions; and (iv) traffic controls, such as information panels, temporary roads, pedestrian walkways, vehicle roadways and parking lots, and (v) emergency preparedness and response. The development of the project's traffic management plan and its implementation shall include close coordination with neighboring residences and the local transit authorities.	Prior to disbursing the Loan to finance the Plant.	Traffic Management Plan.
27	Cultural Heritage: Develop and implement an ESMS procedure for chance finds during the construction phase (mandatory for all contractors and subcontractors), in line with the requirements of PS8.	Prior to disbursing the Loan to finance the Plant.	Chance Find Procedures