

## I. ANALYSIS AND MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISKS AND IMPACTS

### 1. Environmental and Social Management

#### 1.1 Policy

Nascentes das Gerais does not have a formal environmental policy. In guiding the environmental management of its activities, the company uses three documents, each containing a set of procedures: The Environmental Licensing Plan, the Environmental Control Plan, and the Environmental Oversight Plan. In terms of occupational health and safety, the company has adopted a “Policy on Health, Safety and Occupational Health Care for outside contractors” and a “Worker Health and Safety Policy,” that discuss the definitions applicable to Specialized Engineering Services in Occupational Safety and Medical Care. The company has appointed an Internal Committee on Accident Prevention, prescribed use of Personal Protection Equipment (PPE), and instituted an Environmental Hazards Prevention Program and a Program for Medical Oversight of Occupational Health.

#### 1.2 Identification of Risks and Impacts

Client will develop an environmental and social management system that will assess hazards and risks, aspects and impacts of all the activities carried out within its sphere of action, and will also assign responsibilities and set targets for risk reduction and mitigation by establishing actions and evaluations to foster continuing improvement. As part of this system, Client: (a) will develop an Environmental Policy and (b) incorporate in that policy the current content of its Health and Safety Policy, thereby providing a structure for the socioenvironmental assessment and management process based on compliance with applicable laws and regulations in accordance with IFC Performance Standard 1 (PS 1).

#### 1.3 Direct and Indirect Impacts

The EIA/RIMA produced during in 2016 during the licensing phase identified potential social and environmental impacts that may occur during project construction and operation: (a) noise generation; (b) air pollution; (c) change in water quality; (d) reduced availability of natural resources; (e) risk to workers during the construction phase and to the population during project operation; (f) interruptions in traffic flow and risk of traffic accidents; (g) pollution of soil and water resources; (h) erosion of vegetative ground cover; (i) deterioration in quality of life caused by land acquisition and involuntary resettlement proceedings; and (j) damage to property of historical value.

#### 1.4 Alternatives Analysis

The components of the works that are the subject of the project, as well as the identification of their locations and features (vertical and horizontal alignment, expansion of the climbing lane, widenings, shoulders, bridges and viaducts, as well as pedestrian overpasses and underpasses) were determined in advance in the concession contract signed with SETOP. An evaluation of alternatives is being done, on a lesser scale, by the land use team from Nascentes das Gerais prior to beginning construction or interventions in an effort to avoid, to the extent possible, using plots occupied by residents and businesses (and to minimize the need for expropriations). In the only case where construction is expected to occur within a conservation unit (Serra da Canastra National Park) consent from the ICMBIO is necessary, and alternatives in design and location could be implemented.

## 1.5 Management Programs

Client has put into place measures for monitoring project environmental and social activities, as well as the activities of its subcontractors (including actions taken under the Environmental Management Plan - PGA). In the meantime, Nascentes das Gerais will develop a refined Environmental and Social Management System (SGSA) that updates and incorporates the current PGA by inserting health and safety and social content.

## 1.6 Organizational Capacity and Competency

The position of Environment Manager is held by an experienced professional detailed from parent company AB Concessões who is also responsible for managing a total of three concessions (Nascentes das Gerais is one of them). A senior environmental engineer and an assistant work at Nascentes headquarters.

The topics of occupational health and safety are administered by the human resources manager detailed from AB Concessões, also responsible for a total of three concessionaire companies, with the help of an external company. At Nascentes das Gerais both topics are assigned to a coordinator who has two technical staff working on occupational safety and two human resources analysts.

On the occasion of the field visit the position of communications manager at AB Concessões was vacant. At Nascentes, the social team is focusing on carrying out the social actions described in the concessions contract, while employing a coordinator and two assistants.

It was identified the need for the allocation of specialized leadership in occupational health and safety within Nascentes, which will be responsible for coordinating the actions called for in the SGAS. The environmental team assigned to Nascentes should also be expanded with the admission of an additional professional who will work directly with the subcontractor companies and shall be under the management of AB Environmental professional, independent of the operation and engineering area. Given the new functions introduced by the engagement and resettlement plans (described in section 4.5 below) it will be necessary to add yet another senior professional to the social area.

## 1.7 Emergency Preparedness and Response

Under the concession contract, the responsibility for providing medical care and removal services in the case of accidents involving highway vehicles and users lies with the Fire Department. In the event that an accident involves hazardous materials cargo, Civil Defense and federal and/or state environmental agencies are directly responsible for taking necessary corrective actions. Nascentes das Gerais is responsible for physical maintenance of the seven Fire Department facilities distributed over the distance of the concession and for facilitating intervention by the mentioned government agencies.

Client has in place a Risks Management Program (PGR), an Emergency Response Plan (PAE), a Job Site Emergencies Action Plan (PAE.Ob) and a Fire Prevention and Firefighting Plan (PPPCi). These plans must be reviewed as part of the creation of the SGAS to ensure that they include all the elements that will permit emergency preparedness and response during the construction and operations phase so that Client, in cooperation with appropriate third parties, is ready to respond to accidents and emergency situations associated with the project. Such preparation will include identification of areas where accidents and emergency situations might occur, communities and people who might be impacted, as well as procedures for response, provision of equipment and resources, designation of responsibilities

and the means of communication, including communication with affected communities. In addition, periodic training should be provided to ensure an effective response. Emergency preparedness and response activities will be analyzed and revised periodically, as needed, in order to reflect changing conditions.

#### 1.8 Revision and Monitoring

As provided in the SGAS, Nascentes das Gerais will monitor its social, environmental and health and safety programs periodically. The granting authority (SETOP) accompanies and evaluates two environmental performance indicators (conformity with the law and conformity with the license) and three social indicators (traffic education campaigns, educational activities for personnel, and actions involving participation by the public). In the event of noncompliance or poor performance, SETOP may impose financial penalties on Client.

#### 1.9 Stakeholder Engagement

##### *Stakeholder Mapping and Engagement Planning*

Nascentes das Gerais has developed a Social Management Plan (PGS) that calls for: (a) traffic education activities and environmental education for teachers in the municipal and state public schools and at universities in areas along the highway network; (b) informational traffic safety campaigns for users and owners of land bordering the highway; and (c) informational campaigns related to discomforts caused by the construction. The social team is working on unstructured identification of stakeholders; this effort addresses primarily the schools in the 15 municipalities situated in the direct catchment area of the highway that is the subject of the concession. Stakeholders would also include landowners who are in close proximity to points where accidents are caused by the presence of animals on the roads, burning of nearby fields, or improper disposal of wastes.

Bicyclists and motorcyclists are being reached by educational and safety-related campaigns.

Client will develop a Stakeholder Engagement Plan based on the existing PGS and will produce a complete mapping of stakeholders.

#### 1.10 Informed Consultation and Participation

The EIA/RIMA conducted for purposes of licensing of the concession project is available on the website of the State Department of Environment and Sustainable Development: <http://www.siam.mg.gov.br/siam/processo/index.jsp> and on the SUPRAM ASF website. They may be consulted in person by the public during business hours. SUPRAM is located at Rua Bananal, 549, in Divinópolis. The contact email is [supram.asf@meioambiente.mg.gov.br](mailto:supram.asf@meioambiente.mg.gov.br) and the website is <http://www.meioambiente.mg.gov.br/suprams-regionais/supram-alto-sao-francisco>.

Nascentes and SUPRAM published protocols for the public hearings in the official Minas Gerais's newspapers (Diário Oficial) on 06/22/2016 and 08/12/2016. Since there was no public manifestation, no hearings were held as part of the licensing process.

In order to present the terms of the concession contract, three public meetings were held on the premises of the Minas Gerais State Legislature (on 2 June 2015, 20 October 2015, and 29 September 2015). Those

meetings were attended by some representatives of the municipal and state legislative and executive branches and a few representatives of commercial establishments in the region.

Nascentes das Gerais is expected, in the context of the engagement plan, to arrange meetings with representatives of the municipal governments, community organizations, and residents of the affected municipalities situated along the highway network. The results of those consultations are to be taken into consideration in project management, and minutes will be kept of those meetings.

#### 1.11 External Communications and Grievance Mechanisms, Conflict Resolution, Ongoing Reporting to Affected Communities

Nascentes has various channels available for service to the public and to highway users. They are suitable for receiving complaints, claims, requests for explanations, and pleas for assistance. Users and members of the community, as well as permanent personnel and subcontractors may use the free telephone line (and may remain anonymous) 24 hours a day (0800 282 0505). Emails can be sent to ([sac@nascentesnet.com.br](mailto:sac@nascentesnet.com.br)) or the electronic form available at the company's website can be used. Assistance may be obtained in person at Client headquarters in Divinópolis (Avenida Joaquim André, 61, from Monday through Saturday during business hours).

Responses to complaints are documented on a monthly basis and reviewed by Client. As of March 2019, no complaints of gender violence related to the project had been received from the general public.

## 2. Labor and Working Conditions

The human resources (HR) team at Nascentes, composed of a coordinator and four technical staffers, is also responsible for occupational health and safety. The team will be strengthened by the internal allocation of a senior staff specialized in occupational health and safety and the admission of technical staff that will do field work. Nascentes has 337 employees on its payroll, based on January 2019 figures. Of these, 188 are women and 159 are men.

### 3.1 HR Policy and Procedures

Client possesses a set of documents that deal with working conditions, including one entitled Corporate Human Resources Procedures that provides guidance for such issues as: (a) recruitment and selection; (b) training and skills building; (c) job descriptions and salaries; and (d) promotions and transfers.

During training of new hires, a presentation is given on labor rights and obligations, as well as the benefits offered by Nascentes das Gerais. These procedures are available on the company's internal site and, for those who do not have access to computers during the workday, periodic in-person training sessions are held to which all are invited.

In situations of subcontracting, the subcontractor is furnished a set of rules and requirements pertaining to working conditions that the contractor must observe. Subcontractor personnel attend the new hire sessions conducted by Nascentes das Gerais.

### 3.2 Working Conditions and Terms of Employment

The employment contracts used by Nascentes das Gerais include clauses pertaining to salaries and benefits, payroll deductions allowed by law, vacations and weekly paid days off, overtime and compensations, medical and dental health plans, transportation subsidies, maternity leave, and other issues. These contracts adhere to Brazilian labor law and collective bargaining agreements. They are consistent with the requirements of Performance Standard 2 (PS 2). The HR team designates the content and rights that must be included in employment contracts used by subcontractors and monitors their compliance on a monthly basis prior to making any payments due those companies.

### 3.3 Workers' Organizations and Unions

Brazil is a signatory to various international conventions and treaties related to worker rights, including International Labour Organization (ILO) Convention No. 87 on Freedom of Association and Protection of the Right to Organize. Under Brazilian legislation, all workers have the right to freely join a union. Nascentes employees may, for example, join FENECREP - National Federation of Employees of Concessionaire Companies in the Field of Public Roads, Highways in General, Toll Collection, and Others.

### 3.4 Non-Discrimination and Equal Opportunity

The Code of Ethics adopted by the parent company and applied at Nascentes makes it clear that the company does not tolerate any type of discrimination. This content is part of the presentation made when any employee or subcontractor begins work. One of the procedures followed by HR staff describes the company's commitment to apply fair and non-discriminatory criteria in selection, contracting, training, and promotion of personnel.

As a means of strengthening the female presence at the executive level and achieving greater gender equality, Client will develop a gender equality program applied to both parent company AB Concessões S.A. and Nascentes das Gerais.

### 3.5 Grievance and Conflict Resolution Mechanisms

Nascentes has various channels through which the public and users of the highway can be served, as described in section 4.1.9. These channels are available to the public at large for submission of complaints and accusations.

When accusations are made against employees (related to working conditions or any other subject), the cases are recorded and reported to a risks and internal audit manager (posted at AB) who, in turn, refers the case to the Board of Executive Officers, with assistance from the HR manager. A survey of the organizational atmosphere is conducted every year, addressed to all personnel, and the results are analyzed by that board.

The Code of Ethics adopted by the parent company, valid for Nascentes, is clear about not tolerating harassment based on moral or sexual issues. In 2018 there was an accusation of sexual harassment in another company of the Group (an internal investigation was launched, and the accused employee was dismissed). The Client has held training sessions for the entire labor force using content based on material produced by the Office of the Labor Prosecutor.

Client will add gender violence prevention to its list of internal training courses and reinforce the Code of Ethics content on the subject of harassment prohibition for use in its training program for new hires, including subcontractor personnel.

### 3.6 Protecting the Work Force

Client observes Brazilian labor regulations, which include content about safe working conditions and minimum age of workers. In Brazil the minimum age for employment is 18 years, except for apprentices, who may be from 14 to 24 years old. Nascentes has developed an apprenticeship program that includes 12 young people. The training and on-the-job aspects are consistent with the content of Federal Decree 5598/2005 which, in turn, is consistent with ILO Convention No. 138.

### 3.7 Occupational Health and Safety

The Client has adopted an occupational health and safety program that includes an Environmental Risks Prevention Program (PPRA) and a Medical and Occupational Health Control Program (PCMSO). Based on an analysis of 2018 data on accident frequency and seriousness, it was concluded that rates could be improved and that the root causes could be analyzed more thoroughly. Client does not monitor the accident rates of its subcontractors. 1 Implementation of the Nascentes das Gerais PCMSO (including physicals conducted on new hires and periodically upon changes in duties and when separated) is handled under contract with a health care services company.

Client will implement an environmental and social management system that includes occupational health and safety. It will also strengthen its occupational health and safety team so as to fully satisfy the provisions of IFC Performance Standard 2 (PS 2) and World Bank health and safety guidelines applicable to the project. This will help fill in the gaps observed during the field visit and improve Client performance (taking steps to include in its monitoring the frequency and seriousness of accidents experienced by its construction subcontractors). Improved focus on occupational health and safety means that laboratory exams will be performed for toll booth employees in order to measure their exposure to gases issued by fossil fuel combustion, and to particulate substances - adjusted to the shifts duration. A specific analysis will also be made to assess the safety of pregnant staffers to the same gases' exposure. If the analysis indicates a need for reducing exposure, the Client will take appropriate steps to control and reduce it. This may include, for example, installing forced-air ventilation equipment (which creates pressure differences between the booth and the outdoor environment), individual PPE use, physical changes to the toll booths, or changes in working hours.

Client has in place an Emergency Response Plan, Job Site Emergencies Action Plan (to handle accidents or incidents involving transportation and/or use of hazardous products at its construction sites) and a Fire Prevention and Firefighting Plan (to prevent, monitor and respond to an outbreak of fire anywhere along the road network that is covered by the concession). These plans include definitions of responsibilities and list the actions to be taken by different teams (including members who have been trained in firefighting). These plans will be reviewed during the drafting of the SGAS.

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1 Subcontractor companies are given instructions regarding compliance with labor law and must present monthly reports attesting to such compliance. The Nascentes Health and Safety team conducts in-person audits in order to verify that working conditions are suitable, interacting with the subcontractor's technical team. However, due to the large number of works in progress and the presence of various subcontractor companies, there is a need to increase the number of members of the technical team in order to gain greater control over field activities—including monitoring worker's lodging facilities ("collective houses").

### **3. Resource Efficiency and Pollution Prevention**

#### **4.1 Resource Efficiency**

The principal resources used by Nascentes are electricity obtained from the grid (to power the customer service posts, toll plazas, company administrative headquarters and vehicle control posts) and fossil fuels (diesel and gasoline). The latter are used to power its fleet and maintain the small reserve generators installed at toll plazas. Average monthly electricity use is approximately 88.6 thousand MWh (or 88,6 GWh). The water used in operations (restrooms and janitorial services) is obtained from public mains or legally authorized artesian wells. Average monthly water use is 530,50 MC3. Potable water for human consumption is mineral water provided by registered suppliers.

#### **4.2 Water Usage and Effluent Treatment**

Project water comes from public mains (Companhia de Saneamento de Minas Gerais - COPASA) and effluents are collected and treated by the region's public sewer system (also handled by COPASA). Subcontractors are responsible for curbing silting or preventing changes in water quality caused by the work associated with expansion and improvement of roads. These functions are detailed in a chapter of the PGA. The Nascentes environment team has advised subcontractors of the legal requirements that must be satisfied in their performance of all the activities described in the PGA and monitors their compliance monthly (with assistance from an external contractor).

#### **4.3 Emissions of Greenhouse Gases**

Nascentes das Gerais does not quantify its greenhouse gas emissions (GHG) associated with the project. Nascentes will start conducting an annual inventory of those gases, to be performed according to the GHG Protocol model.

#### **4.4 Atmospheric Emissions and Air Quality**

The Client has adopted procedures to control atmospheric emissions from its operations that are caused primarily by its fleet of vehicles. Current monitoring maintains the fleet in such condition as to avoid polluting the atmosphere.

#### **4.5 Noise Pollution**

The impact of noise that may be caused during expansion and improvement of the highway has been rated as low by the environmental impact studies and does not exceed the limits accepted in law for operation in urban and rural areas. Work will be done during daylight hours so as to minimize the disturbance of residents in the neighboring communities, in adherence to guidelines set forth in the PGA.

#### **4.6 Solid Waste Management**

Nascentes das Gerais has adopted guidelines for managing solid wastes. These are described in the PGA and call for proper classification, storage and disposal according to legislation.

Ordinary wastes (from offices, toll plazas, customer service centers) are directed to the collection system operated by each municipality. Hazardous materials (such as oils and greases, light bulbs, batteries) found at these sites are stored and then taken to environmentally licensed landfills able to receive and decontaminate them. Asphalt scrapings are sent to the DEER (Road and Edification Department) which forwards them to service centers for controlled reuse.

Removal and disposal of wastes that users discard onto the roadways are handled by BH Hidro, via monthly submission of environmental manifests that are subsequently checked by Nascentes. When animal carcasses are found on the roads, specific procedures must be followed (SUPRAM requires that they be placed in an impermeable ditch lined with raw lime and re-covered with vegetation along the right of way).

#### 4.7 Hazardous Materials Management

Nascentes das Gerais has adopted rules for treatment of hazardous materials used in its operation. These are described in the PGA. Pruning of vegetation along the rights of way is fully mechanized (not done by use of chemicals) and performed by a subcontractor.

#### 4.8 Soil Pollution and Vegetation Suppression

Nascentes has adopted rules intended to prevent pollution and contamination of soil. These are described in the PGA. Suppression of vegetation was anticipated and quantified during the licensing process. SUPRAM ASF authorized suppression when accompanied by compensatory plantings in areas designated for permanent conservation by the environmental authority (the Corumbá and Cedro Forests), and provided that assistance is given in the restoration of the riparian forests associated with the SOS São Francisco Project.

### 4. Community Health and Safety

#### 4.1 Infrastructure and Project Security

Nascentes has adopted a highway security plan that is updated every year. The principal elements addressed in that plan are: (a) risk factors associated with accidents; (b) types and severity of accidents; (c) localization; (d) data analysis; and (e) recommendation for improvements.

The Nascentes das Gerais Operations Control Center studies the accidents that have occurred and is planning corrective engineering measures.<sup>2</sup> As part of the indicators of its performance under the concession contract, Client sends SETOP an accident evaluation spreadsheet every month.

Traffic accident control measures intended to improve safe crossing by pedestrians or cyclists as proposed in the Safety Plan currently focus primarily on educational campaigns. Therefore, a specific analysis of highway safety has been conducted at the request of IDB Invest by a group of expert consultants who made a field visit and analyzed documents. One of the aspects evaluated was safety for vulnerable users, a term understood to refer to pedestrians, cyclists, or motorcyclists. As a result of this analysis, certain

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<sup>2</sup> The concession contract prohibits Client from installing devices to reduce or control speed, because that is the exclusive province of the Granting Authority.



additional highway safety measures are being incorporated. These measures should be analyzed constantly, and the results monitored.

#### 4.2 Emergency Preparedness and Response

The Risks Management Program (PGR), Emergency Response Plan (PAE), Job Site Emergencies Action Plan (PAE.Ob) and the Fire Prevention and Firefighting Plan (PPPCi) are considered sufficient to handle potential emergencies.

#### 4.3 Private Security

Alongside every toll plaza is a building that features an employee break room with a pantry and restrooms and a restricted-access room (monitored by cameras) where the proceeds of tolls collected in cash are stored. An armored car arrives daily to collect the sums collected that day. Note that Brazil has seen an increase in the use of mobile equipment for electronic payment (representing about 60% of the total paid for tolls on the project), which reduces the amount received in cash.

The Operations Control Center at Nascentes headquarters, which functions 24 hours a day, can view the images captured by the security cameras located in the restricted-access rooms and at the customer service centers. In addition, an external contractor authorized to operate by the Federal Police of Brazil handles property security at the toll plazas, assigning a guard to each shift. Because of a decision by the Office of the Labor Prosecutor, Client is required to ask that this guard be armed. Yet in the past three years, Nascentes has experienced no assaults, robberies or violence at toll plazas. Client will therefore proceed to implement the observance of additional requisites for contracting a property security company.

The grievance and conflict resolution mechanism that Client presently has in place is sufficient for receiving complaints about the behavior of employees of the security company. The contact information for Nascentes is thoroughly available on the highway route, including at toll plazas.

### 5. Land Acquisition and Involuntary Resettlement

The area of expropriation designated by parent company AB Concessões (represented by a manager), with assistance from a coordinator assigned to Nascentes das Gerais, received from the Engineering team a description of the works to be carried out in the future at certain stretches of the highway. After analyzing the land ownership situation of the site, an effort is being made to minimize those interventions that would require interference in locations where there are residences and/or businesses. Because infrastructure intended for public use is the subject of this project, Brazilian law permits Nascentes das Gerais to obtain Public Utility Decrees. Upon being presented with such a decree the party in possession of a given tract of land is required to sell it to Nascentes, involuntarily.<sup>3</sup>

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<sup>3</sup> In cases where it is not possible to avoid an impact, Client will retain a specialized real estate company to prepare a formal appraisal of the property according to Brazilian Association of Technical Standards (ABNT) Rules 14653-1 and 14653-2, which call for inclusion of data such as market value research, a survey of the land, nature of existing improvements and the economic use of the property. Commercial negotiations are then begun with the owner, based on the value developed in the appraisal report. If an agreement is reached, they proceed with the purchase and registration of the transaction. If the owner does not agree to the sale or to the restrictions on his land use, the case is taken to court, at which time the value from the report is deposited with the court and the obligation is created to make the property available. The judge asks his own experts to evaluate the property and then arbitrates the final figure to be paid to the owner by Nascentes das Gerais. If there is no

Client will develop a plan for restoration of living conditions and involuntary resettlement based on IFC Performance Standard 5 (PS 5) for acquisition of the lands identified for execution of the project (currently estimated at 55 residential properties and 20 commercial properties). The plan must be executed by Nascentes before any land is acquired that has residents or a functioning business on it, and monitored monthly.

#### 6. Conservation of Biodiversity and Natural Habitats

This project interferes only in a limited fashion with areas designated for conservation (because it addresses interventions and improvements in roads that already exist). Those areas were mapped as part of the environmental impact study for the project. <sup>4</sup> Consent from the ICMBIO is necessary for this intervention to be implemented.

Nascentes has adopted a Fauna Monitoring and Rescue Program that includes implementation of structures to prevent animals from being hit by vehicles (such as two underground passageways that minimize fragmentation of the landscape), as well as rescue and treatment. When wounded animals are found on the roads, the rescue team sends them to one of the veterinary clinics with which they have an arrangement. Rescue of wild fauna must involve the Wild Animal Triage Center built by Nascentes in Divinópolis and operated by the State Forestry Institute. For interventions and conservation services in areas near forest fragments, specific guidelines have been given to the subcontracted teams as regards precautions to be taken with shipment of material, operation of machinery, waste management and noise abatement.

#### 7. Indigenous Populations

This Performance Standard is not applicable because no indigenous populations have been identified in the project influence area.

#### 8. Cultural Heritage

There are no indications that items of cultural value, whether material or immaterial, or archeological assets are present in the area directly affected by the enterprise. However, there is one archeological site in the municipality of Piumhi. A chance finding procedure will be developed for application to the planned construction intervention near this locally.

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registered owner of the land, the value of the appraisal is deposited with the court for use in a future indemnification. Under a scenario where there are residents on the land who cannot prove ownership, only possession, the courts must also intervene so that the amount of indemnification can be determined (such sum to be shared with the owner, if located).

<sup>4</sup> i) In the Serra Azul Special Protection Area (APE) the only work anticipated is conservation of the current lanes in an urban area that is already densely populated; (ii) In the Dr. Emilio Piantino Municipal Park the intention is only to conserve the present road, as approved by the park manager; (iii) In Serra da Canastra National Park the plan is to provide conservation services, to reinforce the bridges over the Quebra Azul River and the Rio Grande, and to build a “cloverleaf” access interchange near the Furnas dam.

## **II. Local Access to Project Documentation**

Documentation related to this project may be requested locally by contacting AB Concessões by email at [financas@abconcessoes.com.br](mailto:financas@abconcessoes.com.br) or by telephone at +55-11-3508-9600.

## **III. Environmental and Social Action Plan – See Annex I of this document**

## **IV. Contact Information**

For information about the project, including social and environmental questions related to the investment by IDB Invest, please contact the Client (see Summary of Investment) or IDB Invest using the email address [sdivulgacionpublica@iadb.org](mailto:sdivulgacionpublica@iadb.org)

As a last resort, affected communities may access the IDB Invest Independent Consultation and Investigation Mechanism by writing to [mecanismo@iadb.org](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.

ANNEX I- Environmental and Social Action Plan

	Action	Deliverable	Date
1	Develop an Environmental and Social Management System – SGAS – that assesses hazards and risks, aspects and impacts of all the activities carried out during the scope of the project as stipulated in IFC Performance Standard 1.	(a) presentation of the proposal for an environmental and social management system accepted by IDB Invest  (b) indications of the implementation of an environmental and social management system	(a) three months after closing of the financial transaction  (b) eight months after closing
2	(a) Allocation of health and safety senior professional to coordinate implementation of the environmental and social management system  (b) Contracting of a technical professional in health and safety to work at Nascentes das Gerais  (c) Analysis of gaps between actions by Client and best practices set forth in IFC Performance Standard 2 and World Bank health and safety guidelines and recommendation of corrective measures  (c) implementation of corrective measures	(a) Evidence of allocation of a senior professional who specializes in health and safety is observed in tasks related to the environmental and social management system  (b) Evidence of the contracting of a technical professional to work in health and safety  (c) Analysis of gaps between procedures by Nascentes das Gerais and the best practices set forth in IFC Performance Standard 2 and World Bank health and safety guidelines  (d) Report on implementation of measures in management of health and safety are revised according to PS 1 and World Bank health and safety guidelines	(a) two months after closing  (b) four months after closing  (c) five months after closing  (d) eight months after closing
3	Contracting of a professional to work under management of the Environment Manager, acting specifically at Nascentes das Gerais	Evidence of the contracting of a specialized professional to join the environment team.	four months after closing
4	Contracting of professional to work under management by the Communications and Social Responsibility Coordinator specifically at Nascentes das Gerais	Evidence of the contracting of a professional to join the communications and social responsibility team.	four months after closing

5	Review of the PGR, PAE, PAE.ob and PPPC1 plans after implementation of the SGAS accepted by IDB Invest	Report on the review of the PGR, PAE, PAE.ob and PPPC1	seven months after closing
6	Creation of an Engagement Plan with stakeholders, using as basis the development of a complete mapping of stakeholders as provided in IFC Performance Standard 1 and accepted by IDB Invest.	(a) presentation of the proposed engagement plan  (b) evidence of implementation of the engagement plan  (c) semi-annual reports on execution of the actions in the engagement plan	(a) three months after closing  (b) five months after closing  (c) three months after plan implementation and six months after that date, subsequently
7	Insertion of gender violence prevention into the schedule of internal training sessions and strengthening of the content of the Code of Ethics pertaining to prohibition of harassment on the agenda of presentations to new hires, both employees and subcontracted individuals	(a) evidence of training given to employees and contractors in prevention of gender violence  (b) presentation of material to new hires that has improved content on prohibition of sexual harassment (provided in the Code of Ethics)	(a) 10 months after closing  (b) two months after closing
8	Annual forwarding to IDB Invest of an inventory of greenhouse gases at Nascentes das Gerais prepared according to GHG Protocol methodology	Inventory of Greenhouse Gases at Nascentes das Gerais	12 months after closing, subsequently
9	Highway Safety Plan accepted by IDB Invest, with incorporation of specific elements pertaining to safety for vulnerable users, understood as pedestrians, cyclists, or motorcyclists	(a) Highway Safety Plan reviewed  (b) Report on implementation of the new Highway Safety Plan	(a) 6 months after closing  (b) 8 months after closing, and semiannually thereafter
10	Implementation of additional requirements for contracting a property security company according to IFC Performance Standard 4	Evidence of implementation of additional requirements for contracting a property security company	4 months after closing

11	Plan for restoration of living conditions and involuntary resettlement modeled on IFC Performance Standard 5, accepted by IDB Invest	<p>(a) presentation of the Plan for restoration of living conditions and involuntary resettlement</p> <p>(b) report on implementation of the Plan for restoration of living conditions and involuntary resettlement</p>	<p>(a) 3 months after closing or prior to any acquisition of land in the locale on which there are residents, which ever occurs first</p> <p>(b) 6 months after closing and semiannually thereafter</p>
12	Creation and application of the procedure for dealing with fortuitous findings	<p>(a) presentation of a chance finding procedure</p> <p>(b) evidence that the subcontracted team and people at Nascentes have been trained in the chance finding procedure for the area of intervention near Piumhi</p>	<p>(a) 2 months prior to start of intervention in areas near Piumhi</p> <p>(b) 1 month prior to start of intervention in areas near Piumhi</p>
13	Establishment of a gender equity program	<p>(a) Presentation of the gender equity program</p> <p>(b) Evidence of implementation of the program</p>	<p>(a) 6 months after closing</p> <p>(b) 10 months after closing</p>