

6. Environmental and Social Action Plan (ESAP)

Item No.	Action	Product/Deliverable	Date
Performance Standard (PS) 1: Assessment and Management of Environmental and Social Risks and Impacts			
1	Update the Environmental and Social Management System (ESMS) to fulfill the requirements of PS 1	1. ESMS Procedures Manual 2. ESMS in line with PS 1	1 and 2. Ten months after the first disbursement
1.1	<p>Policy</p> <ol style="list-style-type: none"> Align policy with clients or lenders. Review and update the existing policy to align with PS 1 Disclose the policy to external stakeholders Create and implement an annual improvement plan, setting demanding goals as part of its business planning. 	<ol style="list-style-type: none"> Updated Policy Evidence of having disseminated the updated Policy Annual Improvement Plan 	<ol style="list-style-type: none"> and 2. Six months after the first disbursement Nine months after the first disbursement and Annual Report to IDB Invest
1.2	<p>Risk Identification</p> <ol style="list-style-type: none"> Review risk assessment whenever there is a change in legal regulations, processes, technology, and activities, or an expansion; Regularly improve the identification of the risks and impacts of its operations with regard to its supply chain, contractors, and the community 	1. and 2. Updated risk identification matrix	1. and 2. Upon the occurrence of changes and Annual Report to IDB Invest
1.3	<p>Management Programs</p> <p>Develop and implement procedures to:</p> <ol style="list-style-type: none"> Formalize the liaison with external stakeholders Define the replacement times of PPE used to handle agrochemicals Promote Integrated Pest and Disease Management (IPDM) Develop an ESMS policy and procedure for the non-acquisition, storage, use, manufacture and marketing of products in the "Ia" (extremely hazardous) and "Ib" (highly hazardous) classes of the WHO Recommended Classification of Pesticides by Hazard, or Class "II" (moderately hazardous), unless it demonstrates appropriate controls to avoid toxicity such as suitable PPE (masks and filters based on MSDS and/or ICSC, gloves, clothing, eye protection, etc.) 	<ol style="list-style-type: none"> Liaison with external stakeholders PPE replacement procedure IPDM promotion procedure WHO Ia/Ib and Class II pesticide management procedures Supply chain management procedure 	<ol style="list-style-type: none"> Six months after the first disbursement Three months after the first disbursement Six months after the first disbursement Six months after the first disbursement Six months after the first disbursement

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	5. Supply chain management		
1.4	Emergency Preparedness and Response 1. Manage joint emergency response plans in Avay with other companies that voluntarily join the initiative. 2. Implement staff training	1. Updated collective emergency response plan 2. Evidence of training	1. Six months after the first disbursement 2. Nine months after the first disbursement and annually in the report to IDB Invest.
1.5	Stakeholder Engagement 1. Formalize the role of the Head of Plant Administration for stakeholder engagement management, sending a copy of the designation memorandum to IDB Invest. 2. Disseminate the grievance mechanism among neighboring stakeholders at least once a year 3. Grievance Register	1. Memorandum of formalization sent to IDB Invest, website updated with the name of Tecnomyl's contact person and information on how to access the grievance mechanism 2. Stakeholder communication procedure 3. Register of community members who attended the grievance mechanism training. Implementation of external grievance register	1. Three months after the first disbursement 2. Six months after the first disbursement 3. Annual Report to IDB Invest
1.6	Publish an Annual Environmental and Social Sustainability Report (following Global Reporting Initiative [GRI] standards)	Annual E&S Sustainability Report with GRI standards	Annually
PS 2: Labor and Working Conditions			
2.1	Develop a Human Resources Policy that fulfills the requirements of PS 2	Human Resources Policy	Six months after the first disbursement
2.2	Internal Grievance Mechanism 1. Update the internal communications procedure to receive and respond to anonymous grievances. 2. Dissemination of the internal grievance mechanism in employee onboarding talks.	1. Updated Internal Grievance Mechanism. 2. Register of employees who attended the training.	1. Three months after the first disbursement 2. Annual Report to IDB Invest

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2.3	<p>Occupational Health and Safety</p> <ol style="list-style-type: none"> 1. Tecnomyl will research and use additional engineering controls (equipment and others) to neutralize odors 2. Develop a respiratory protection program that defines, among other factors, the frequency of replacement of personal protective equipment, the type of mask by work area and by agrochemical formulation (fulfilling the requirements of providing PPE to Distribution Center employees based on MSDS and/or ICSC sheets for the materials handled, and providing documentary evidence of compliance to IDB Invest), monitoring of particulates in suspension in the formulation lines (especially in the micronization and flotation 2 areas, where there is a greater probability of particulate matter in suspension) 3. Develop and implement a Spill Reduction Program that includes preventive and corrective measures, and training. Analyze the feasibility of implementing an automatic cut-off filling system to minimize spills 4. Monitor cholinesterase levels in all employees, including temporary workers hired during peak production periods. Emphasize employees in the Granulates 1 production line 5. Develop and implement an exposure monitoring plan for physical and chemical agents to monitor air quality in keeping with the General Environmental, Health, and Safety Guidelines 6. Fire safety: Gap analysis of the current fire system compared to NFPA standards 	<ol style="list-style-type: none"> 1. List of the engineering controls implemented 2. Respiratory Protection Program, including monitoring and control indicators 3. Spill Reduction Program and Employee Training List. Feasibility report of implementing an automatic cut-off filling system 4. Annual report of cholinesterase levels 5. Exposure Monitoring Plan for Physical and Chemical Agents 6. Gap analysis report of the fire system compared to NFPA standard 	<ol style="list-style-type: none"> 1. Eighteen months after the first disbursement 2. Three months after the first disbursement 3. Nine months after the first disbursement 4. Annual monitoring report 5. Six months after the first disbursement 6. Nine months after the first disbursement
2.4	<p>Supply Chain</p> <p>Tecnomyl will develop an ESMS procedure to eliminate child labor in the supply chain using the IFC Good Practice Note on Addressing Child Labor in the Workplace and Supply Chain (https://www.scribd.com/fullscreen/16907677?access_key=key-2dwgp9twnmluud0q7j4k). To the extent that this is commercially feasible, the company will include a clause in its contracts with suppliers requiring them to certify compliance with the ILO and United Nations conventions listed in PS 2.</p>	Supply Chain Management procedure, model clause and contract.	Twelve months after the first disbursement
PS 3: Resource Efficiency and Pollution Prevention			
3.1	<p>Integrated Pest and Disease Management (IPDM)</p> <ol style="list-style-type: none"> 1. Identify ways to promote the use of IPDM programs among its clients. The programs will include cultural practices of crop management, insect/disease monitoring, pest/disease ecology, biological control, use of biological pesticides and other control components. Incorporate the procedures into its ESMS. 	<ol style="list-style-type: none"> 1. Updated ESMS with IPDM Promotion Program that includes documentation (brochures, presentations, etc.) for IPDM training 	<ol style="list-style-type: none"> 1. One year after the first disbursement 2. Annual Report to IDB Invest

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		2. Report number of clients where IPDM was promoted	
3.2	<p>Air Quality</p> <ol style="list-style-type: none"> 1. Monitor all air emissions indicators in the IFC Industry Guidelines on Pesticide Manufacturing (Table 1: Air Emissions Levels for Pesticides) 2. Submit an implementation plan and timeline to achieve compliance with carbon monoxide emissions to IDB Invest 3. Update GHG calculation to include those generated by transport using the 2019 GHG data as a baseline, and show the GHG footprint annually 	<ol style="list-style-type: none"> 1. Emissions monitoring report in keeping with the parameters of the relevant Industry Guide 2. Compliance Action Plan 3. GHG calculation, including transportation. Annual report for IDB Invest 	<ol style="list-style-type: none"> 1. First report three months after the first disbursement. Others: Annual 2. and 3. Three months after the first disbursement <p>Implementation to be reported in the Annual Report</p>
3.3	<p>Ozone Depleting Substances</p> <ol style="list-style-type: none"> 1. Develop a Reduction Program and Gradual Replacement of Refrigerants to be approved by IDB Invest. Specify the final disposal plan for refrigerants. 2. Advance in the implementation of the Program and Gradual Replacement agreed to with IDB Invest 	<ol style="list-style-type: none"> 1. Reduction and Gradual Replacement Program 2. Progress report of the plan agreed to with IDB Invest 	<ol style="list-style-type: none"> 1. Nine months after the first disbursement 2. Annual Report to IDB Invest
3.4	<p>Monitor Industrial Process Wastewater and Sanitary Sewage of the Tecnomyl plant.</p> <ol style="list-style-type: none"> 1. Share with IDB Invest the diagnosis of the current status of the wastewater treatment plant prepared for Tecnomyl by the Brazilian consulting company 2. Monitor all effluent pollutants defined in the IFC Industry Guidelines on Pesticide Manufacturing (Table 2: Effluents Levels for Pesticides) before discharging to the Paraguay River. Analyze the water quality indicator parameters of Tecnomyl effluents, including toxicity bioassays for fish, daphnia, algae, and bacteria 3. Tecnomyl will check the quality of the treated effluents and compare it with local regulatory standards and the IFC Industry Guidelines (Table 2), as well as any applicable World Bank EHS Guidelines (e.g. coliforms). It will identify existing gaps and develop a plan for implementing the modifications required to comply with the national regulatory threshold limits and the IFC Industry and WBG EHS Guidelines. This plan will be submitted to IDB Invest for its approval; it will include explicit actions and an implementation timeline. 	<ol style="list-style-type: none"> 1. Tecnomyl Consultant Report 2. Effluent quality monitoring report at the time of the plant's peak production. 3. Implementation Plan and Effluent Quality Compliance Timeline sent to IDB Invest 	<ol style="list-style-type: none"> 1. Six months after the first disbursement 2. First report three months after the first disbursement and subsequently in the Annual Report. 3. Six months after the first disbursement. Implementation and monitoring of effluent quality will be reported in the Annual Report to IDB Invest
3.5	<p>Solid Waste</p> <p>Update the Solid and Semisolid Waste Management and Characterization Program to reflect current procedures. Update the General Procedure for Solid Waste Management.</p>	Updated Waste Management Program	Nine months after the first disbursement

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PS 4: Community Health, Safety and Security			
4.1	Stakeholder Engagement <ol style="list-style-type: none"> 1. Develop stakeholder mapping 2. Develop a Stakeholder Engagement Plan in keeping with the provisions of PS 4, including differentiated measures to enable the effective engagement of communities and neighbors and a method to share E&S information with the identified stakeholders. 3. Tecnomyl will manage the security forces it employs in keeping with the requirements of PS 4 described in paragraphs 12 to 14. 	<ol style="list-style-type: none"> 1. Stakeholder map. 2. Stakeholder Engagement Plan 3. Procedure for managing in-house security forces in keeping with PS 4 	<ol style="list-style-type: none"> 1. Three months after disbursement 2. Six months after disbursement 3. Six months after disbursement