

**PROJECT Nicaragua Sugar Estates Limited (NSEL)
Environmental and Social Action Plan (ESAP)**

No.	Aspect	Action	Product	Expected delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Policy	1. Communicate the Sustainability Policy to all its employees and its suppliers	1. Documentary evidence that the Sustainability Policy has been communicated to employees and suppliers.	Loan Signature + 6 months
1.2	Identification of Risks and Impacts	1. Develop a procedure for the identification and review of risks and impacts in an integrated fashion by the Sustainability Committee, which shall consider the proactive engagement of external experts, contractors and sugarcane suppliers. 2. Review and update at least once a year an integrated risk and impacts matrix, based on the most updated environmental, health and safety and social monitoring data.	1. ESMS Procedure for the identification and review of risks and impacts. 2. Risk and impacts matrix.	Loan Signature + 6 months
1.3	Management Programs	1. Develop procedures within its ESMS to: i) monitor air quality and greenhouse gases; ii) manage hazardous materials, and to routinely review, and verify progress on action plans and ensure that appropriate adjustments and ESMS improvements have been made according to monitoring data.	1. Air Quality and Greenhouse Gas Monitoring Procedure. 2. Hazardous Materials Management Plan.	Loan Signature + 6 months
1.4	Organizational Capacity and Competency	1. Update its management system procedures to i) assess the effectiveness of its technical training through surveys and interviews; and ii) to improve its technical training program based such assessments.	1. Updated ESMS procedures	Loan Signature + 6 months

1.5	Emergency Preparedness and Response	1. Complete a review of the EPRP to include the following information: (i) EPRP policy; (ii) graphic information to understand the EPRP domain, including geographical location, roads, vicinities, basic floor plan drawings of the different structures, hospital, school, cold storage, fire protection systems, fire alarm, safe distances of main risk scenarios, Hazardous Materials; (iii) information on hazards near the shore, like “person overboard”, “boat overturned”, other; (iv) tentative training schedule for minimum the next 3 years; (v) section of “record of changes”; (vi) external communications strategy during emergencies, making reference to the Stakeholder Engagement Plan (SEP); (vii) indications of mutual aid with other companies or authorities, if applicable (viii) clarify the use of the ammonia and location of the hazard; and (ix) detailed information and evacuation procedures for Hospital and School.	1. Updated EPRP	Loan Signature + 6 months
1.6	Stakeholder Engagement	1. Update the Stakeholder Engagement Plan (SEP) to: i) describe how stakeholder engagement activities will be incorporated into the company’s ESMS; ii) describe what information will be disclosed, in what formats, and the type of methods (e.g., oral, brochure, reports, posters, radio, etc.) that the company will use to communicate such information to its stakeholders, and iii) describe any other engagement activities that the company will undertake, such as benefit-sharing programs, stakeholders development initiatives (e.g. such as the ones carried out with ASOCHIVIDA), etc.	1. Updated SEP.	Loan Signature + 6 months
1.7	External Communication and Grievance Mechanisms	1. Update its external Grievance Mechanism ESMS procedure to i) contemplate alternative instruments for grievances to be raised (e.g. dedicated email address and NSEL’s web page); ii) allow anonymous grievances; iii) describe actions to be taken when claims are raised by illiterate individuals and/or anonymously; iv) document how the company registers and keeps track of grievances, v) to ensure that the mechanism will not hinder access to judicial or administrative remedies and vi) to document how the Grievance Mechanism is communicated.	1. Updated Grievance Mechanism ESMS procedure.	Loan Signature + 6 months
1.8	Ongoing Reporting to Affected Communities	1. Update the SEP to include annual E&S performance reporting to its stakeholders: i) on the implementation of and progress on the specific items in its management programs, including the action plans, that involve ongoing risk to or	1. Updated SEP.	Loan Signature + 6 months

		impacts on communities. and ii) in response to community feedback or grievances.		
PS 2: Labor and Working Conditions				
2.1	Human Resources Policies and Procedures	1. Update the Human Resources Policy document to add PS-2 principles, including i) terms of employment, such as wages and benefits, hours of work, overtime compensation, maternity, vacation, hiring period, compensation, promotions, salary increases, worker's associations, termination of contract procedures and existence of an internal grievance mechanism; ii) intolerance to child / forced labor; and iii) rights of non-employee and supply chain workers.	1. Updated Human Resources Policy	Loan Signature + 9 months
2.2	Working Conditions and Terms of Employment	1. Develop a management system procedure to ensure that all restrooms are maintained in best sanitary conditions, including the requirement to ensure continuous running water, hand soap and hand towels or air dryers, etc., following OSHA's (Occupational Health and Safety Administration) Restroom Rules. 2. Refurbish restrooms at the school in order to comply with OSHA's standard.	1. ESMS procedure for the management of restrooms. 2. Documentary evidence that the restrooms have been refurbished.	1. Loan Signature + 6 months 2. Prior to Disbursement
2.3	Grievance Mechanism	1. Updated the internal Grievance Mechanism to describe how the company will respond to anonymous complains and to indicate that there will be no retaliation to workers raising complains. The updated procedure will also state that the mechanism will not impede access to other judicial or administrative remedies that workers may have available under local law.	1. Updated internal Grievance Mechanism ESMS procedure. 2. Communicate updated internal Grievance Mechanism to all employees.	1. Loan Signature + 1 month 2. Loan Signature + 3 months
2.4	Supply Chain	1. Progressively implement the CKD Prevention Program in the supplier's fields on field workers performing crop maintenance and cultural practices. Report to IDB Invest about progress of the CKD Prevention Program with suppliers.	1. Documentary evidence of progress of implementation of the CKD Prevention Program.	Loan Signature + 5 years
PS 3: Resource Efficiency and Pollution Prevention				
3.1				
3.1	Air Quality and Greenhouse Gases	Emissions generated will be monitored by the company. This shall include the hospital incinerator. (the incinerator will reach compliance when the new structure is operational). NSEL will develop a stack emissions and air quality monitoring program, to become fully integrated within its ESMS to ensure that monitoring results are constantly assessed, and trends and KPIs are analyzed	Particulate stack emissions measurements.	Loan Signature + 3 years

		and timely reported to senior management. NSEL will conduct particulate stack emissions measurements and compare levels to WBG General EHS Guidelines for ambient air concentrations (particulate matter limit (PM10) of 100 mg/Nm3; NOx of 460 mg/Nm3; SOx of 2000 mg/Nm3) and submit a report to IDB Invest. If measurements exceed industry guideline limits, NSEL will propose corrective measures, and a schedule to bring all emissions into compliance with WBG EHS guideline requirements.		
3.2	Hospital Waste	<ol style="list-style-type: none"> 1. Replace its current hospital incineration structure with one designed to achieve appropriate temperatures, residence times, and other conditions necessary to destroy pathogens, minimize emissions, avoid clinker formation and slagging of the ash (in the primary chamber) and avoid refractory damage destruction. The new location of the incinerator will be done after considering downwind receptors throughout the year. 2. Develop and implement an ESMS procedure for the operation of the incinerator, following international best practice such as those of the World Health Organization (WHO). 	<ol style="list-style-type: none"> 1. Contract for the construction of the new incineration structure, including technical specifications. 2. Documentary and photographic evidence of the new incinerator. 3. ESMS procedure for the operation of the incinerator. 	<ol style="list-style-type: none"> 1. Loan Signature + 2 years 2. Loan Signature + 3 years 3. Loan Signature + 3 years
3.3	Pesticide Use and Management	<ol style="list-style-type: none"> 1. Using commercially and technical viable best practices, NSEL will aim to eliminate the use of lb chemical formulations and replace for a less toxic rodent control approach in the mills. 	<ol style="list-style-type: none"> 1. Updated procedure for rodent control in the mills 	Loan Signature + 12 months
PS 4: Community Health, Safety, and Security				
4.1	Security Personnel	<ol style="list-style-type: none"> 1. Assess security risks from and to the community 2. Develop appropriate policies and procedures (e.g., a written code of conduct; training; procedures in the event of any incident, community unrest, community request, or alleged violation, etc.) to ensure effective oversight and accountability for the security personnel in alignment with PS4 requirements as described in paragraphs 12 – 14. 	<ol style="list-style-type: none"> 1. Security risks assessment 2. Security Management Plan 	<ol style="list-style-type: none"> 1. Loan Signature + 6 months 2. Loan Signature + 9 months