

**PROLADE – Mexico**  
**Environmental and Social Action Plan (“ESAP”)**

None	ESAP item	Action & Recommendations	Deliverable	Date
<b>1.</b>	<b>Assessment and management of environmental and social risks and impacts</b>			
1.1	E&S Management System	Update Prolade’s Environmental, Social, and Health and Safety Management System (ESMS) to be aligned with PS1 requirements.	1. Updated ESMS	1. 1 year after signing the contract.
1.2	Environmental, Social, Health and Safety Policy	<ol style="list-style-type: none"> <li>1. Update and implement the environmental, social, and occupational health and safety policies, in compliance with the General Guidelines and the environment, health, and safety industry guidelines.<sup>1</sup></li> <li>2. Define who will be responsible for enforcing each policy.</li> <li>3. Disseminate the policies across the organization.</li> </ol>	<ol style="list-style-type: none"> <li>1. Updated environmental, social, health and safety policies.</li> <li>2. Employees responsible</li> <li>3. Evidence of dissemination of the policies</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 months after signing the contract.</li> <li>2. 9 months after signing the contract.</li> <li>3. 1 year after signing the contract</li> </ol>
1.3	Direct and indirect impacts and risks	Develop a procedure for the continuous assessment of the Project’s environmental, social, and OHS risks and impacts, including those derived from the activities carried out by contractors, subcontractors, and suppliers, as well as those that are gender-related.	Procedure	9 months after signing the contract
1.4	Gender risks	<ol style="list-style-type: none"> <li>1. Sign the declaration supporting the Women’s Empowerment Principles.</li> <li>2. Complete the Gender Gap Analysis Tool WEP.</li> </ol>	<ol style="list-style-type: none"> <li>1. Evidence of signing</li> <li>2. Evidence of having completed the WEP tool</li> </ol>	<ol style="list-style-type: none"> <li>1. 3 months after signing the contract.</li> <li>2. 3 months after signing the contract</li> </ol>
1.5	Gender programs	Develop procedures as part of the ESMS to: <ol style="list-style-type: none"> <li>1. Recruit staff with a gender lens, so that women are hired into the Project in areas where they are under-represented and under equal working conditions; making sure these measures are disseminated and enforced during the workers’ hiring, training, and work cycles.</li> <li>2. Prevent, report (with no fear of retaliation) and resolve cases of sexual harassment at the workplace, and train workers on the issue.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gender-aware recruiting procedure</li> <li>2. Procedure to prevent, report, and resolve sexual harassment cases, as part of the ESMS</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 months after signing the contract.</li> <li>2. 9 months after signing the contract.</li> <li>3. 1 year after signing the contract</li> </ol>

<sup>1</sup> Annual crop production, and vegetable oil processing and production

			3. Evidence of workers' training	
1.6	Climate change exposure	Identify and implement adaptation and mitigation measures for the various impacts that floods may generate on plantations, the extraction plant and transport.	1. Identified adaptation and mitigation measures. 2. Evidence of implementation of the adaptation and mitigation measures	1. 6 months after signing the contract. 2. 18 months after signing the contract
1.7	Land acquisition procedure	1. Update the land acquisition protocol in compliance with the RSPO criteria and the PS5, PS6, PS7 and PS8 requirements. 2. Document the land acquisition process.	1. Updated land acquisition protocol 2. Evidence of protocol implementation	1. Before the next land acquisition once the contract is signed 2. Every six months in the Environmental and Social Compliance Report (ESCR)
1.8	Emergency Preparedness and Response	1. Update the Emergency Plan to include the protocols to deal with explosions and road accidents, hazardous material spills, agrochemical contamination and bites from poisonous animals. 2. Identify the agencies to be involved/engaged depending on the type of situation; the team and the material and technical resources that shall be kept available, and their responsibilities. 3. Train the emergency team in the updated Emergency Plan.	1. Reviewed Emergency Plan, as part of the ESMS 2. Evidence of Plan implementation 3. Evidence of staff training	1. 6 months after signing the contract, in the ESMS. 2. Every 6 months, in the ESCR 3. Annually in the ESCR
1.9	Monitoring and review	Develop and implement an environmental, social, and health and safety monitoring procedure, as part of the ESMS.	1. Environmental, social, and health and safety supervision procedure, as part of the ESMS 2. Evidence of the implementation of the procedure	1. 6 months after signing the contract, in the ESMS. 2. Every 6 months in the ESCR
1.10	Stakeholder engagement	Develop and implement a Stakeholder Engagement Plan, as part of the ESMS, to comply with the PS1 requirements and include key actions, procedures, and employees responsible. The Plan shall include measures to disseminate continuously Project-related information that can be of interest to the communities within the Project DIA, civil society organizations and	1. Stakeholder Engagement Plan, as part of the ESMS 2. Evidence of Plan implementation	1. 6 months after signing the contract, in the ESMS. 2. Every 6 months in the ESCR

		local authorities, mainly about Prolade's activities that may have an impact on the community, including disclosure of the Grievance Mechanism channels.		
1.11	Disclosure of information	Disclose the identified impacts, programs and proposed measures, as well as the procedures in the ESMS, to the communities in its area of influence, civil society organizations and local authorities.	1. Evidence of disclosure	1. 1 year after signing the contract
1.12	External communication	Implement external communication measures to mitigate the Project's negative impacts and include actions to constantly communicate information of interest for the communities within its DIA, civil society organizations, and local authorities, mainly about Prolade's activities that may affect the community. This process involves establishing key actions and procedures and appointing a person to be in charge.	1. External communication measures defined and implemented 2. Employees responsible appointed	1. 6 months after signing the contract 2. 6 months after signing the contract
1.13	Grievance Mechanism for Affected Communities	1. Split the Grievance Mechanism into one for external stakeholders and one for internal ones. 2. Include classification and record measures for the requests, grievances, suggestions, and/or claims (PRGC) mechanisms, and indicators for statistical analysis purposes. 3. Include a specific channel for queries and claims related to the future land acquisitions for the Project.	1. Separated external and internal grievance mechanisms 2. Classification and record measures 3. Specific channel for future land acquisitions	1. 6 months after signing the contract, in the ESMS 2. Every 6 months in the ESCRs 3. Before the next land acquisition once the contract is signed
1.14	Ongoing reporting to affected communities	Develop a specific report for the affected communities, which describes the progress in the Project execution. These reports will be prepared as frequently as concerns are raised by the affected communities, but not more than once a year.	Report to the affected communities	Annually in the ESCR
<b>2</b>	<b>Labor and working conditions</b>			
2.1	Human resources policies and procedures	1. Design and implement a human resources policy in line with national legislation and the PS2 requirements. 2. Distribute the policy among workers at the onset of employment and after any substantial change.	1. Implemented human resources policy 2. Evidence of dissemination of the policy	1. 6 months after signing the contract, in the ESMS 2. 9 months after signing the contract

2.2	Working conditions and terms of employment	<ol style="list-style-type: none"> <li>1. Develop and implement a Standard of Working Conditions as part of the ESMS in line with the Mexican legislation, the PS2 requirements and the RSPO criteria.</li> <li>2. Include the Standard in the contracts to be signed with contracting companies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Implemented Working Conditions Standard</li> <li>2. Evidence of inclusion of the Working Conditions Standard into the contracts with Contractors</li> </ol>	<ol style="list-style-type: none"> <li>1. 6 months after signing the contract</li> <li>2. 6 months after signing the contract</li> </ol>
2.3	Workforce reduction	Formalize, as part of the HR documents, a specific procedure to support the reduction of the workforce that is aligned with ND2.	<ol style="list-style-type: none"> <li>1. Workforce reduction procedure</li> </ol>	<ol style="list-style-type: none"> <li>1. 6 months after signing the contract</li> </ol>
2.4	Grievance Mechanism	<p>Develop and implement an internal grievance mechanism so that the workers can communicate their concerns about the workplace. The mechanism shall be communicated to the workers when onboarded. It shall deal with the grievances fast, be transparent, imply no retaliation, and allow for anonymity.</p> <p>Include a specific channel for sexual harassment reports.</p>	<ol style="list-style-type: none"> <li>2. Implemented internal grievance mechanism.</li> <li>3. Specific channel to report sexual harassment</li> </ol>	<ol style="list-style-type: none"> <li>2. 6 months after signing the contract, in the ESMS.</li> <li>3. Every six months in the ESCR</li> </ol>
2.5	Child and forced labor	Define the commitment to not employ child or forced labor, as part of the human resources policy.	Commitment as part of the human resources policy	6 months after signing the contract
2.6	Provisions for people with disabilities	<ol style="list-style-type: none"> <li>1. Develop a procedure to promote recruiting people with disabilities, as part of the ESMS.</li> <li>2. Consider the incorporation of universal design principles, in the design, construction, and operation (including emergency and evacuation plans) whether it is a new construction or the restructuring, expansion, or modernization of existing plants, to maximize its use by all potential users, including people with disabilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Procedure to promote recruiting people with disabilities.</li> <li>2. Incorporate universal design principles</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 months after signing the contract.</li> <li>2. In the event of a new construction or restoration, expansion or revamping of facilities</li> </ol>

<p>2.7</p>	<p>Workers engaged by third parties</p>	<ol style="list-style-type: none"> <li>1. Develop a procedure within the ESMS to make sure that contractors are legitimate businesses, of renowned integrity and with recruiting policies and a Code of Ethics that are aligned with Prolade’s procedures and policies.</li> <li>2. Update the agreements the Company enters with contracting third parties, including the obligation to comply with the conditions established in the Work Conditions Standard, to guarantee the minimum safety and wellness conditions for all workers.</li> <li>3. Make sure that the workers engaged by the contractors have access to a grievance mechanism (Link to 1.13).</li> </ol>	<ol style="list-style-type: none"> <li>1. Procedure for engaging contractors</li> <li>2. Updated contract</li> <li>3. Make sure the internal grievance mechanism is available for the contractors’ workers</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 months after signing the contract</li> <li>2. 1 year after signing the contract</li> <li>3. 6 months after signing the contract</li> </ol>
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<b>3 Resource efficiency and pollution prevention</b>				
3.1	Resource efficiency - Greenhouse gases	<ol style="list-style-type: none"> <li>1. Calculate the overall carbon footprint for Prolade's palm oil production, including the greenhouse gases (GHG) emissions at the plantations and the extraction plant, as recommended in the RSPO audit report (Scope 1 + 2).</li> <li>2. Develop and implement an ESMS-specific procedure to mitigate the impact on air quality, including: <ul style="list-style-type: none"> <li>➤ Preparation of a consumption list per energy source;</li> <li>➤ Timely, regular maintenance of internal combustion machinery and equipment;</li> <li>➤ Analysis of the routes to move the fruit, which helps identify the least amount of moves and shortest distances;</li> <li>➤ Dust control measures;</li> <li>➤ Respect for speed limits.</li> </ul> </li> <li>3. Supervise the implementation of an environmental, social, and health and safety supervision procedure (ESAP 1.9)</li> </ol>	<ol style="list-style-type: none"> <li>1. Calculation of the Project's overall carbon footprint (plantations + extraction plant)</li> <li>2. Implemented procedure</li> <li>3. Evidence of the implementation of the procedure</li> </ol>	<ol style="list-style-type: none"> <li>1. 6 months after signing the contract</li> <li>2. 6 months after signing the contract, in the ESMS</li> <li>3. Annually in the ESCR</li> </ol>
3.2	Resource efficiency - Water consumption	<ol style="list-style-type: none"> <li>1. Set up flow meters and a precision agriculture system to mitigate the impact on the surface water quality changes.</li> <li>2. Supervise the implementation of the Water Conservation Plan and other measures through an environmental, social, and health and safety supervision procedure (ESAP 1.9).</li> </ol>	<ol style="list-style-type: none"> <li>1. Evidence of implementation of the flow meters and the precision agriculture system</li> <li>2. Evidence of supervision</li> </ol>	<ol style="list-style-type: none"> <li>1. 1 year after signing the contract.</li> <li>2. Annually in the ESCR</li> </ol>
3.3	Pollution prevention - Emissions	<ol style="list-style-type: none"> <li>1. Measure air emissions of mobile and fixed sources and enforce compliance with the more stringent parameters between the national legislation and the IFC's general guidelines.</li> <li>2. Include an emission management procedure in the ESMS.</li> <li>3. Supervise the implementation of an environmental, social, and health and safety supervision procedure (ESAP 1.9)</li> </ol>	<ol style="list-style-type: none"> <li>1. Reports on dust and emissions measurements at fixed and mobile sources</li> <li>2. Emissions management procedure</li> <li>3. Evidence of the implementation of the procedure</li> </ol>	<ol style="list-style-type: none"> <li>1. Every 6 months in the ESCR</li> <li>2. 6 months after signing the contract, in the ESMS.</li> <li>3. Every six months in the ESCR</li> </ol>
3.4	Pollution prevention -	<ol style="list-style-type: none"> <li>1. Measure effluent treated for fertigation.</li> <li>2. Include an effluent management procedure in the ESMS.</li> </ol>	<ol style="list-style-type: none"> <li>1. Report on the measurement of treated effluent</li> </ol>	<ol style="list-style-type: none"> <li>1. Every 6 months in the ESCR</li> </ol>

	Liquid effluents management	3. Supervise the implementation of an environmental, social, and health and safety supervision procedure (ESAP 1.9) .	2. Procedure to manage liquid effluents. 3. Evidence of the implementation of the procedure.	2. 6 months after signing the contract, in the ESMS. 3. Every six months in the ESCRs
3.5	Pollution prevention - Noise management	1. Develop and implement an ESMS-specific noise management procedure that includes the measures in the ESIA's Environmental Management Plan, including: <ul style="list-style-type: none"> <li>➤ Preventive and corrective maintenance of machinery and equipment at workshops or specific sites;</li> <li>➤ Performing noisy tasks during the day;</li> <li>➤ Environmental noise analysis mainly focused on the extraction plant;</li> </ul> 2. Measuring noise in compliance with the Mexican legislation and the IFC's EHS general guidelines for residential and industrial noise. 3. Supervise the implementation of an environmental, social, and health and safety supervision procedure (ESAP 1.9) .	1. Noise management procedure 2. Report on the measurement of treated effluent 3. Evidence of the implementation of the procedure	1. 6 months after signing the contract, in the ESMS. 2. Every 6 months in the ESCR. 3. Every six months in the ESCR.
3.6	Odors	1. Implement odor-reducing practices. 2. Train the plant staff on the importance of odor control and the proper procedures to handle waste and encourage staff to report immediately any potential source of odor. 3. Keep close contact with the communities nearby to resolve any odor-related concerns and inform them about the plant's efforts to mitigate them.	1. Evidence of implementation of odor-reducing practices 2. Evidence of plant staff training 3. Evidence of contact with the communities about odor issues	1. Every 6 months in the ESCR 2. Every 6 months in the ESCR 3. Every 6 months in the ESCR
3.7	Hazardous materials management	1. Develop and implement an ESMS-specific procedure to manage hazardous materials (including hexane) in compliance with the Mexican legislation and the IFC's EHS general guidelines. 2. Supervise the implementation of an environmental, social, and health and safety supervision procedure (ESAP 1.9) .	1. Hazardous material management procedure 2. Evidence of the implementation of the procedure	1. 6 months after signing the contract, in the ESMS. 2. Every 6 months in the ESCRs
3.8	Pesticide use and management	Develop and implement a Manual for the Use of Agrochemicals, as part of the ESMS, and record workers' training on the procedures.	1. Manual for the Use of Agrochemicals 2. Evidence of workers' training on the procedures	1. 6 months after signing the contract, in the ESMS 2. Every six months in the ESCRs.

<b>4 Community health, safety and security</b>				
4.1	Traffic Management	<ol style="list-style-type: none"> <li>1. Develop and implement a procedure to manage traffic, as part of the ESMS.</li> <li>2. Train the workers on the procedure, including notions of OHS, and respect for the signal and speed limits.</li> </ol>	<ol style="list-style-type: none"> <li>1. Implemented traffic management procedure.</li> <li>2. Evidence of workers' training on the procedure.</li> </ol>	<ol style="list-style-type: none"> <li>1. 6 months after signing the contract, in the ESMS.</li> <li>2. Every 6 months in the ESCRs</li> </ol>
4.2	Security personnel	Develop a procedure to hire security personnel, as part of the ESMS, including the recruitment guidelines, the rules of engagement, the training needs, equipment and supervision, in line with Mexican legislation and the PS4 requirements.	<ol style="list-style-type: none"> <li>1. Security personnel hiring procedure</li> <li>2. Evidence of the implementation of the procedure</li> </ol>	<ol style="list-style-type: none"> <li>1. 6 months after signing the contract, in the ESMS</li> <li>2. Every 6 months in the ESCRs</li> </ol>
<b>6 Biodiversity conservation and natural habitats</b>				
6.1	Protection and conservation of biodiversity - Modified and natural habitats	Develop and implement a Biodiversity Conservation Plan in case land is acquired that contains natural habitats.	Biodiversity Conservation Plan	In case of acquisition of land with critical habitats
6.2	Protection and conservation of biodiversity - Critical habitats	Perform a full critical habitat assessment, which includes and looks deeply into specific conditions of species and habitats of conservation interest, incorporates new records for future reviews, and supports the assessment of impact on biodiversity values and suggestion of compensation measures. The analysis shall consider the five criteria that define a critical habitat in paragraph 16 of PS6.	<ol style="list-style-type: none"> <li>1. Full critical habitat assessment</li> <li>2. Compensation measures, if needed, considering the results of the critical habitat assessment</li> <li>3. Evidence of implementation of compensation measures, if needed</li> <li>4. Revised land acquisition procedure, including the results of the critical habitat assessment</li> </ol>	<ol style="list-style-type: none"> <li>1. 12 months after signing the contract</li> <li>2. 6 months after signing the contract</li> <li>3. Every 6 months in the ESCRs</li> <li>4. 30 days after the critical habitat assessment is completed</li> </ol>
6.3	Legally protected areas and	<ol style="list-style-type: none"> <li>1. Perform a critical habitat assessment for the 8 protected natural areas identified within 1 km from the Project.</li> </ol>	<ol style="list-style-type: none"> <li>1. Critical habitat assessment</li> <li>2. Action plans</li> </ol>	<ol style="list-style-type: none"> <li>1. 2.5 years after signing the contract.</li> </ol>



	internationally recognized areas	2. Implement the biodiversity action plans resulting from the analysis of each natural area.		2. As per the action plan schedules.
6.4	Invasive alien species	Implement measures to mitigate the impact of invasive alien species being introduced, as part of the Biodiversity Conservation Plan.	Evidence of the implementation of the Biodiversity Conservation Plan	Every 6 months in the ESCRs.
6.5	Management of ecosystem services	Implement measures to manage the ecosystem services.	Evidence of the implementation of measures to manage the ecosystem services	Every 6 months in the ESCRs.
6.6	Sustainable management of living natural resources	Present RSPO certification for the first phase of expansion (2,763 hectares planted, divided into 12 plots).	RSPO certification	When completed.
<b>7</b>	<b>Indigenous peoples</b>			
7.1	Indigenous peoples	<ol style="list-style-type: none"> <li>1. Start an informed consultation and engagement process with the stakeholders.</li> <li>2. Develop an Indigenous Peoples Relations Framework applicable to the indigenous communities recorded in the INPI's Catalog, homes, and other members or groups in the community.</li> </ol>	<ol style="list-style-type: none"> <li>1. Consultation reports</li> <li>2. Indigenous Peoples Relations Framework</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 months after signing the contract, and annually after that.</li> <li>2. 9 months after signing the contract.</li> </ol>
<b>8</b>	<b>Cultural heritage</b>			
8.1	Protection of cultural heritage in project design and execution	Hire experts to evaluate sites and make sure that possible archeological and/or paleontological remains are identified, protected, and preserved.	1. Evidence of hiring experts in archeological and/or paleontological heritage	1. Every 6 months in the ESCRs.
8.2	Chance finds procedures	Train the staff in the Archeological Chance Find Procedure, so that they can recognize possible finds and follow the necessary actions, namely, enclose the area to protect the finds, notify the Project manager and ban all activities in the identified site until the assessment, protection, rescue or preservation works, as applicable, are completed.	Evidence of staff training	Every 6 months in the ESCRs