

**Parcel Cellulose Project - PARAGUAY  
Environmental and Social Action Plan (ESAP)**

No.	Aspect	Action	Deliverable	Delivery date
<b>PS 1: Assessment and Management of Environmental and Social Risks and Impacts</b>				
1.1	Environmental and Social Assessment and Management System	1. Update the Parcel's Health, Safety, Environmental and Social (HSES) Management Handbook to comprehensively describe the Project's Environmental and Social Management System (ESMS) for construction and list its key constituent documents (to include HSE checklists, inspection plans, and KPIs to assess HSE performance)	1. Revised HSES Management Handbook	1. Prior to Financial Close
		2. Implement the construction phase ESMS.	2. Evidence of construction ESMS implementation	2. As part of the Environmental and Social Compliance Report (ESCR) during construction
		3. Prepare an ESMS (policies, plans, procedures) for the operation phase based on the existing ESMP (Environmental Management Plan or PGA) and any additional mitigation measures identified by the additional ESIA-related risk and impact assessments – such as i) the Cumulative Impacts Assessment (CIA), including potential cumulative project risks and impacts affecting the Paraguay River (such as fishers and other river users); and ii) EIA or similar studies for the expansion/upgrade of the Nueva Palmira port infrastructure.	3. ESMS for operations phase	3. Three months Prior to Startup
		4. Implement the operations ESMS.	4. Evidence of operations ESMS implementation	4. As part of the ESCR during operations
1.2	Identification of Risks and Impacts	1. Develop environmental and social risk (E&S) registers for all Project components, including the mill, plantations, transmission line, access roads, and associated facilities (e.g., Nueva Palmira port expansion).	1. E&S Risk registers	1. Prior to Initiation of Construction for each Project Component
		2. Periodically update the E&S risk registers.	2. Updated E&S risk registers	2. As part of the ESCR
		3. Conduct a HAZOP study.	3. HAZOP study	3. Six months Prior to plant commissioning
		4. Conduct a Quantitative Risk Assessment (QRA)	4. QRA	4. Six months Prior to plant commissioning
1.3	Organizational Capacity and Competency	1. Develop an E&S Staffing Plan for the Project that describes the environmental, social (including IP), health and safety, biodiversity, and human resources positions to be filled during the Project, indicating; i) the positions are already filled; ii) the estimated hire dates for those that are not; and iii) a(n) organizational chart(s) to show reporting lines.	1. E&S Staffing Plan	1. Prior to Financial Close
		2. Periodically provide E&S staffing updates.	2. Updated organizational charts	2. As part of the ESCR
1.4	Emergency Preparedness and Response	1. Prepare an Emergency Preparedness and Response Plan for the Project's forestry component (i.e., plantations), including specific procedures for forest fires.	1. Forestry EPRP	1. Prior to Financial Close
		2. Implement the Forestry EPRP.	2. Evidence of EPRP implementation	2. As part of the ESCR
1.5	Stakeholder Engagement	1. Update the Project's Stakeholder Engagement Plan (Plan for Relations with the Community and Other Social Actors) to include stakeholders specific to the transmission line and access roads.	1. Updated Stakeholder Engagement Plan	1. Prior to Financial Close
		2. Implement the SEP.	2. Evidence of SEP implementation	2. As part of the ESCR
1.6	External Communications	1. Update the Project's Community Grievance Mechanism (Complaints Management Program, Suggestions and Inquiries) to: i) boost accessibility for people who are physically remote, illiterate, or otherwise vulnerable or marginalized, such as indigenous communities; and ii)	1. Updated Community Grievance Mechanism	1. Prior to Financial Close

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	and Grievance Mechanisms	include procedures to ensure proper handling of gender-based violence and harassment (GBVH) complaints.		
		2. Implement the Community Grievance Mechanism.	2. Community grievances report (in the form of a matrix)	2. As part of the ESCR
1.7	Ongoing Reporting to Affected Communities	1. Disclose electronic copies the Project's Environmental and Social Impact Assessments (Executive Summary, Mill ESIA, Plantations ESIA, and Cumulative Impact Assessment) on Parcel's website and hardcopies at the Project site (Executive Summary only).	1. Evidence of ESIA disclosure	1. Prior to Financial Close
		2. Develop a Communications Plan to describe how Parcel will share information on the Project with affected communities.	2. Communications Plan	2. Prior to Financial Close
		3. Implement the Communications Plan	3. Evidence of the Communications Plan implementation.	3. As part of the ESCR
		4. Develop a Participatory Monitoring Program.	4. Participatory Monitoring Program	4. Prior to the Second Disbursement
		5. Implement the Participatory Monitoring Program	5. Evidence of the Participatory Monitoring Program implementation.	5. As part of the ESCR
<b>PS 2: Labor and Working Conditions</b>				
2.1	Working Conditions and Terms of Employment	1. Update the Project's Workers Accommodation Plan (WAP) to include procedures to periodically inspect worker accommodations and address identified non-compliances.	1. Updated Workers Accommodation Plan	1. Prior to Financial Close
		2. Implement the WAP.	2. Evidence of WAP implementation	2. As part of the ESCR
2.2	Working Conditions and Terms of Employment	1. Update the Project's Awareness and Follow-Up Program for Contractors and Workers Regarding Compliance with Regulations to include worker training on Parcel's key human resources policies and procedures (e.g., Code of Conduct and Ethics, Workers Grievance Mechanism) and GBVH.	1. Updated Awareness and Follow-Up Program for Contractors and Workers Regarding Compliance with Regulations	1. Prior to the First Disbursement
		2. Implement the Awareness and Follow-Up Program for Contractors and Workers Regarding Compliance with Regulations.	2. Evidence of Awareness and Follow-Up Program for Contractors and Workers Regarding Compliance with Regulations implementation	2. As part of the ESCR
2.3	Worker Grievance Mechanism	1. Develop a separate Worker Grievance Mechanism applicable to Parcel employees, contractors, and subcontractors, including specific procedures for GBVH complaints and provisions for vulnerable people.	1. Worker Grievance Mechanism	1. Prior to Financial Close
		2. Implement the Worker Grievance Mechanism.	2. Worker grievance report (in the form of a matrix)	2. As part of the ESCR
2.4	Workers Engaged by Third Parties	1. Develop a Contractor Management and Assurance Plan (CMAP) describing the controls to be implemented to ensure HSE risks and impacts are being properly managed from mobilization and early works through the main construction and demobilization phases.	1. Contractor Management and Assurance Plan	1. Prior to First Disbursement
		2. Implement the CMAP.	2. Evidence of CMAP implementation	2. As part of the ESCR
<b>PS 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Resource Efficiency	1. Prepare a Project Greenhouse Gas (GHG) Emissions Inventory.	1. Greenhouse Gas Emissions Inventory	1. Six months after start of operations
		2. Report yearly GHG emissions (Scope 1 and 2).	2. Annual GHG emissions report	2. As part of the ESCR
		3. Develop a Resource Efficiency Plan to include measures to mitigate fossil fuel GHG emissions.	3. Resource Efficiency Plan	3. Three months after Startup
		4. Implement the Resource Efficiency Plan.	4. Evidence of Resource Efficiency Plan implementation	4. As part of the ESCR
3.2	Pollution Prevention – Air Quality	1. Update air dispersion modelling considering emission performance guarantees from manufacturers of biomass boiler, recovery boiler, and lime kilns for concentrations of key air pollutants.	1. Updated air dispersion model	1. Six months after Financial Close
		2. Revise estimated SO <sub>2</sub> emission levels based on final fuel selection for lime kilns (e.g., regasification option).	2. Updated estimated SO <sub>2</sub> emissions report	2. Three months after Startup

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3.3	Pollution Prevention – Water Quality	1. Enhance the water quality baseline by: i) conducting a full yearly sampling cycle (dry and rainy season); ii) including an additional (second) downstream monitoring point nearer the city of Concepción; iii) adding zooplankton and vertebrate benthos to the aquatic surveys.	1. Revised surface water quality monitoring program	1. Prior to Financial Close
		2. Implement the surface water quality monitoring program	2. Evidence of water quality monitoring	2. As part of the ESCR
		3. Establish a multistakeholder participatory water quality monitoring roundtable to socialize Parcel's water quality monitoring results and associated management measures.	3. Terms of Reference for a Water Quality Participatory Monitoring Roundtable	3. Prior to First Disbursement
		4. Report on the outcomes of the participatory water quality roundtable.	4. Minutes of meetings	4. Prior to Second Disbursement, and thereafter as part of the ESCR.
		5. Update ambient water quality monitoring program by determining the water quality target for the Project, based on: i) enhanced surface water quality baseline established (as above); and ii) the inclusion of phosphate (in addition to total phosphorus), and chlorophyll α (as an indicator of phytoplankton density) in samplings.	5. Updated ambient water quality monitoring program	5. Prior to Start-up
		6. Socialize water quality monitoring data with multi-stakeholder roundtable.	6. Evidence of sharing of water quality monitoring data	6. As part of the ESCR
3.4	Pollution Prevention – Noise	1. Update noise baseline by including additional sampling points at the mill fence, near sensitive receptors (e.g., Pyrendá households during construction and Piquete Cue during operations), and at households near main forestry access routes.	1. Updated noise baseline	1. Prior to First Disbursement
		2. Revise noise propagation model with new baseline.	2. Revised noise propagation model	2. Prior to Second Disbursement
		3. Propose noise mitigation measures, if required.	3. List of mitigation measures (if needed)	3. Prior to Second Disbursement
3.5	Pesticide Use and Management	1. Develop an Integrated Pest Management Plan (IPM) for the Project.	1. Integrated Pest Management Plan	1. Prior to First Disbursement
		2. Implement the Integrated Pest Management Plan.	2. Evidence of Integrated Pest Management Plan implementation	2. As part of the ESCR
<b>PS 4: Community Health, Safety, and Security</b>				
4.1	Community Health and Safety	1. Develop a Community Health and Safety Management Plan for the Project.	1. Community Health and Safety Management Plan	1. Prior to First Disbursement
		2. Implement the Community Health and Safety Management Plan.	2. Evidence of Community Health and Safety Management Plan implementation	2. As part of the ESCR
4.2	Traffic Management	1. Develop a Transportation Safety Management Plan for the Project, to incorporate the Fluvial Transportation Management Program, supplementary considerations for road vehicular transportation and additional road safety contingency measures.	1. Transportation Safety Management Plan	1. One month prior to Startup
		2. Implement the Transportation Safety Management Plan.	2. Evidence of Transportation Safety Management Plan implementation	2. As part of the ESCR
4.3	Influx Management	1. Develop an Influx Management Plan (IMP) based on the results of the assessment of potential impacts of worker accommodations on local communities (i.e., workers accommodation risk matrix).	1. Influx Management Plan	1. Prior to Financial Close
		2. Implement the IMP.	2. Evidence of IMP implementation	2. As part of the ESCR
4.4	Ecosystem Services	1. Conduct a Project-level Ecosystem Services Assessment, to include: i) potential impacts of the pulp mill on aquatic (riverine) services for fishers; ii) potential impacts of the forestry component on IP communities; and iii) measures to mitigate potential impacts identified.	1. Ecosystem Services Assessment	1. Six months after Financial Close
		2. Update the Project's management plans by incorporating ecosystem services mitigation measures determined by the Ecosystem Services Assessment.	2. Updated management plans	2. One month after completion of the Ecosystem Services Assessment
4.5	Security Personnel	1. Update the security risk assessment in the Corporate Security Manual to include a contextual threat analysis and associated management measures, if required.	1. Updated Corporate Security Manual	1. Three months after Financial Close

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		2. Implement the Corporate Security Manual.	2. Evidence of Corporate Security Manual implementation	2. As part of the ESCR
4.6	Project-induced Immigration	1. Establish a partnership with a specialized institution to provide GBVH prevention and awareness raising during the construction phase that includes: i) diagnostics phase, in consultation with target populations (including children, young women, and sex workers) close to transportation routes and areas where workers are concentrated); ii) a mapping of health and social services available; and iii) a second phase for implementation of internal and external training programs and the definition of social indicators.	1. Copy of the partnership agreement	1. Three months after Financial Close
		2. Implement Internal and External GBVH Training Programs during construction	2. Evidence of Internal and External GBVH Training Programs implementation.	2. As part of ESCR
<b>PS 5: Land Acquisition and Involuntary Resettlement</b>				
5.1	Land Acquisition	1. Develop a Land Acquisition and Easement Report to cover the Project's mill and plantation properties, linear infrastructure easements, and other ancillary facilities.	1. Land Acquisition and Easement Report	1. Prior to Financial Close
		2. If any economic displacement is identified, develop a Livelihood Restoration Plan (LRP).	2. Livelihood Restoration Plan, if needed.	2. Three months after Financial Close
		3. If applicable, implement the LRP.	3. Evidence of LRP implementation, if applicable.	3. As part of the ESCR
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
6.1	Natural, Modified & Critical Habitat	1. Conduct a Landscape-level Critical Habitat Analysis (CHA) for the Project, focusing on the identified baseline species potentially triggering Critical Habitats (CH) determination.	1. Critical Habitat Assessment	1. Prior to Financial Close
		2. Conduct a parcel-specific CHA for each plantation property ( <i>estancia</i> ) as part of the implementation of the Project's Plantation Development Plan.	2. Parcel-specific Critical Habitat Assessments	2. Prior to planting in each parcel
6.2	Protection and Conservation of Biodiversity	1. Develop a Biodiversity Action Plan (BAP) to achieve no net loss of natural habitat and net gain of critical habitat based on the results of the initial CHA.	1. Biodiversity Action Plan	1. Prior to the First Disbursement
		2. Update the BAP after each parcel-specific CHA is completed.	2. Updated BAP	2. Prior to planting in each parcel
		3. Implement the BAP.	3. Evidence of BAP implementation	3. As part of the ESCR
6.3	Protection and Conservation of Biodiversity	1. Develop a Biodiversity Monitoring and Evaluation Plan (BMEP).	1. Biodiversity Monitoring and Evaluation Plan	1. Prior to the Second Disbursement
		2. Update the BMEP after each BAP update.	2. Updated BMEP	2. After each BAP update
		3. Implement the BMEP.	3. Evidence of BMEP implementation	3. As part of the ESCR
6.4	Invasive Alien Species	1. Develop an Invasive Alien Species Management Plan.	1. Invasive Alien Species Management Plan	1. Prior to the Third Disbursement
		2. Implement the Invasive Alien Species Management Plan.	2. Evidence of Invasive Alien Species Management Plan implementation	2. As part of the ESCR
<b>PS 7 Indigenous Peoples</b>				
7.1	Indigenous Peoples	1. Consolidate the Project's various Indigenous Peoples Plans (including the plan developed by Fundación Natán) and procedures into a comprehensive IPP for the Project.	1. Indigenous Peoples Plan	1. Prior to Financial Close
		2. Implement the IPP.	2. Evidence of IPP implementation	2. As part of the ESCR
<b>PS 8: Cultural Heritage</b>				
8.1	Protection of Cultural Heritage	1. Develop a Cultural Heritage Management Plan to include the Project's existing Chance Find Procedure.	1. Cultural Heritage Management Plan	1. Prior to Financial Close
		2. Implement the CHMP.	2. Evidence of CHMP implementation	2. As part of the ESCR