

E&S Action Plan (ESAP)				
Project Name:	Varmoxz II	Project ID:	14387-01	Category: B
Sector:	INDUSTRY	Country:	Mexico	

No.	Product/Deliverable	Completion Date
PS1: Assessment and Management of E&S Risks and Impacts		
1.1 E&S Assessment and Management System		
1.1.1	Improve Arzyz's Comprehensive Management System (CMS) in line with the International Finance Corporation (IFC) Performance Standards and based on the gap analysis done, especially in terms of: (i) emergency preparedness and response, (ii) stakeholder engagement, (iii) external communication and grievance mechanisms, (iv) regular reports to the communities.	
a.	Arzyz's comprehensive management system (CMS), improved	Six months after the first disbursement
1.2 External Communications		
1.2.1	Improve the external stakeholder assistance management procedure to include the key components in the IFC document "Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets", as well as messages following the recommendations to mitigate the social risks identified in the social impact assessment (December 2022).	
a.	External Stakeholder Management Procedure, improved	Six months after the first disbursement
b.	Evidence of implementation of the external Stakeholder Assistance Management Procedure	Annually, as part of the Environmental and Social Compliance Report (ESCR)
1.3 Emergency Preparedness and Response		
1.3.1	Prepare a contingency plan for the rotatory furnaces plant in Ciénega de Flores.	
a.	Contingency Response Plan for the rotatory furnaces plant in Ciénega de Flores	Three months after the first disbursement
b.	Evidence of implementation of drills as part of the Contingency Plan	Six months after the first disbursement
PS2: Labor and Working Conditions		
2.1 Internal grievance mechanism		
2.1.1	Adapt and adopt an internal grievance mechanism in the plants in operation (Apodaca and Ciénega de Flores) at the rotatory furnaces plant, including contractors.	
a.	Evidence of dissemination of the grievance mechanism in the rotatory furnaces plant	Three months after the first disbursement
b.	Evidence of implementation of the grievance mechanism in the rotatory furnaces plant	Six months after the first disbursement and subsequently on an annual basis as part of the ESCR
2.2 Occupational health and safety		
2.2.1	Design and implement a firefighting system for the rotatory furnaces plant based on the NFPA standard.	
a.	Firefighting system manual	Three months after the first disbursement
PS3: Resource Efficiency and Pollution Prevention		
3.1 Pollution prevention		
3.1.1	Strengthen its air quality measurement and emission monitoring procedures to include the relevant parameters and the limits set at the Environment, Health and Safety General Guidelines and the Environmental, Health, and Safety Guidelines for Metal, Plastic, and Rubber Products Manufacturing of the World Bank Group.	
a.	Procedures to measure air quality and monitor emissions, improved	Six months after the first disbursement

3.2 Water Consumption		
3.2.1	Prepare a Water Resources Management Plan to include the characteristics and the volume of water used and wasted, the saving and efficiency measures, and the plan to disseminate them among the stakeholders, when relevant.	
a.	Water Resources Management Plan	Six months after the first disbursement
b.	Evidence of implementation of Management Plan	Twelve months after first disbursement
c.	Evidence of dissemination among stakeholders	Twelve months after the first disbursement and later annually as part of the ESCR
3.3 Greenhouse gases		
3.3.1	Develop and implement a GHG emission reduction plan.	
a.	Emissions Reduction Plan	Twelve months after the first disbursement
PS4: Community Health, Safety and Security		
4.1 Traffic		
4.1.1	Prepare a road safety procedure following the recommendations in the Social Impact Assessment, in which all potential road safety and traffic-related risks will be assessed, monitored and communicated to the relevant stakeholders, the affected communities and road users throughout the project lifecycle; and possible financial, technical and road safety measures will be included to avoid and mitigate the possible road safety risks for road users and the affected communities.	
a.	Road Safety Procedure	Three months after disbursement
b.	Evidence of dissemination of the Road Safety Procedure	Six months after the disbursement and subsequently on an annual basis as part of the ESCR
c.	Evidence of implementation of the Road Safety Procedure	Annually, as part of the ESCR
4.2 Emergency preparedness and response		
4.2.1	Carry out drills and training on emergency situations at the rotatory furnaces plant.	
a.	Evidence of drills and training on emergency preparedness and response	Six months after the first disbursement and subsequently on an annual basis as part of the ESCR