

Arauco Sucuriu – Brazil
Environmental and Social Action Plan (ESAP)

#	Aspect	Action	Completion Date
1.	E&S Management System (ESMS)	<p>Arauco will:</p> <p>(i) develop and implement an integrated, risk-based ESMS commensurate with the project E&S risks and impacts, aligned with the requirements of IFC PSs, WBG General EHS Guidelines (2007), WBG EHS Guidelines for Pulp and Paper Mills (2007) and WBG EHS Guidelines for Forestry Harvesting Operations (2007). The ESMS will include policy, risk and impact identification, gender-responsive management programs, stakeholder engagement, emergency preparedness, indicators informed by sex-disaggregated data, and monitoring and review. A formal ESMS documentation for construction and operations will provide evidence of implementation, outlining procedures, responsibilities, and linkages across all project components</p> <p>(ii) Augment its ESMS to cover the construction of the T-Line and the railway line. Additionally, as the pulp mill construction transitions into operational, Arauco will develop and implement an operational EHS program per national law, EIA-Rima, corporate ESMS (ESAP #1(i)), WBG General EHS Guidelines (2007), and WBG EHS Guidelines for Pulp and Paper Mills (2007). This program will be aligned with the Company's corporate EHS framework currently applied in forestry operations and will include, but not limited to, (a) hazard identification and risk assessments, including transportation risks related to the regular daily transport of workers from their accommodations to work fronts; (b) procedures for routine and non-routine operations; (c) emergency preparedness and response; (iv) training programs for staff and contractors; and (d) monitoring and continual improvement mechanisms, (f) monitoring and management of air emissions, waste and wastewater and hazardous materials.</p> <p>(iii) develop and implement a forestry safety program per requirements of PSs, WBG General EHS Guidelines (2007) and WBG EHS Guidelines for Forestry Harvesting Operations (2007) that includes: (a) identification and assessment of potential hazards (such as physical hazards, noise and vibration, fire, chemical hazards) to workers and affected communities, including life-threatening risks; and (b) targeted training for harvesting personnel and wood transport drivers to ensure safe operating practices.</p>	<p>(i) 3 months before the plant's start up</p> <p>(ii) 90 days before plant's start up or no later than 30 October 2027</p> <p>(iii) 9 months before plant's start up start</p>
2.	Supplemental E&S Risk Assessment	Complete the E&S Risk Assessment of the plantations aligned with PS1 requirements as part of the ESMS developed in #1.	3 months after commitment
3.	Gender-Based Violence (GBV) and Child Protection Risk Assessment and Action Plan	Conduct a GBV Risk Assessment alongside a costed GBV and Child Protection Action Plan, which will identify key risks and propose mitigation measures across project phases to prevent GBV, respond with better services and stronger referral pathways, while engaging stakeholders and raising awareness through targeted campaigns and youth-focused prevention programs. A monitoring and evaluation framework will foster accountability throughout the life of the project.	3 months before the plant's start up.
4.	E&S Management Programs	<p>Arauco will:</p> <p>(i) augment the project's construction-phase EMPs by developing and implementing social management programs per requirements of PSs, including but not limited to an influx management plan, contractor E&S oversight mechanisms, social management plans, GBV and Child Protection Action Plan, and a stakeholder engagement plan;</p> <p>(ii) develop and implement dedicated E&S management and monitoring programs for forestry operations, addressing specific social and gender risks; and</p> <p>(iii) develop and implement specific E&S management and monitoring programs for the construction and operation of the port terminal.</p> <p>(iv) incorporate the recommendations from the updated Cumulative Impact Assessment (CIA) into its E&S management plans.</p>	<p>(i) 6 months after commitment; February 3, 2026</p> <p>(ii) 9 months before plant's start up</p> <p>(iii) 90 days before plant's start up or no later than 20 October 2027</p> <p>(iv) 6 months after commitment; February 3, 2026</p>
5.	Organizational Capacity	Arauco will as part of EHS organizational structure, enhance the social team's organizational capacity by defining a team with adequate resources and skills sets, including a review of roles to establish an integrated oversight of both construction and forestry operations., including GBV-related risks, and implement appropriate mitigations measures as needed.	Condition of commitment: August 3, 2025
6.	Code of Conduct and contractor management	Arauco will:	(i) Condition of commitment; August 3, 2025

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		<p>(i) develop a Project Code of Conduct to explicitly include contractors and third parties, strengthen commitments to non-discrimination and SEAH prevention.</p> <p>(ii) enhance contractor management and training programs to include mandatory modules on the Code of Conduct, with particular focus on preventing SEAH against women and children in both urban and rural communities. These efforts will be reinforced by periodic awareness campaigns promoting a culture of zero tolerance for all forms of misconduct or violence, targeting employees, contractors, and subcontractors.</p>	<p>(ii) 6 months after commitment. February 3, 2026</p>
7.	Workforce Accommodation Management Plan	<p>Arauco will:</p> <p>(i) develop and implement a Workforce Accommodation Management Plan (WAMP), aligned with IFC PS2/PS4 and the IFC/EBRD Guideline on workers' accommodation (2009), including the definition of sufficient accommodation facilities consistent with the workforce expansion and specific arrangements for women, to ensure that all accommodations – both directly and third-party managed—meet the standards for infrastructure, services, maintenance, documentation, and worker well-being during both construction and operation phases. As part of the WAMP, Arauco will develop life and fire safety procedures defining the design of the accommodation facilities with passive and active fire safety systems in line with the national building and fire safety codes, technical requirements for fire safety monitoring, alarms, evacuation routes and fire safety trainings.</p> <p>(ii) Conduct an audit of construction workers' accommodations against national regulations and IFC/EBRD guidelines on workers' accommodation (2009) requirements, and develop and implement a corrective action plan, as needed, to address identified gaps.</p>	<p>(i) Condition of commitment; August 3, 2025</p> <p>(ii) 6 months after commitment</p>
8.	Non-discrimination and Equal Opportunity	<p>Arauco will implement an Equal Opportunity Plan aligned with its Diversity and Inclusion Policy, focusing on increasing female and local youth participation through active recruitment, contractor incentives, and procurement targets. The plan will also address risks for apprentices under 18, ensuring compliance with national law.</p>	<p>3 months before plant's start up</p>
9.	Workers' Grievance Mechanism	<p>Arauco will augment its workers' grievance mechanism in line with the requirements of IFC PS2 by introducing non-digital channels (e.g., complaint boxes), direct project-level contacts, non-retaliation, and a robust SEAH response system with trained personnel, survivor-centered procedures, psychosocial support to survivors, and minimum representation of women in investigation and decision-making bodies. Monitoring will be improved through structured categories, sex-disaggregated data, and periodic assessments. The mechanism will adopt clear procedures for grievance registration, escalation, resolution, and systemic issue identification, with secure data management. Communication channels will be widely disseminated across accommodations and work fronts of all project components.</p>	<p>3 months after commitment. November 3, 2025.</p>
10.	Labor Audits	<p>Arauco will:</p> <p>(i) assign an independent consultant to conduct a labor audit of the working conditions and terms of employment for all project components, consistent with PS2 requirements. This will include project construction activities and forestry operations.</p> <p>(ii) conduct a labor audit to assess working conditions and terms of employment of contracted workers engaged by third-parties against the requirements set forth in PS1/PS2.</p> <p>(iii) review the labor monitoring practices of the external service provider, including how non-compliances are reported and enforced</p>	<p>(i) 6 months after commitment: February 3, 2026</p> <p>(ii) 6 months after commitment; February 3, 2026</p> <p>(iii) 6 months after commitment; February 3, 2026</p>
11.	Demobilization Plan	<p>Arauco will prepare a demobilization plan including: (i) a monitoring mechanism to ensure payment of severance package to demobilized workers; (ii) provisions to support demobilized workers (e.g., help with resume, providing information on employment opportunities, documentation of work/training in the Project, etc.); (iii) communication of demobilization timeline to workers, local authorities and local businesses; (iv) proactive programs to ensure re-entry of non-local workers to their place of origin; and (v) monitoring of workers' liabilities in hosting communities such as unpaid bills and damage compensation.</p>	<p>6 months after disbursement; February 3, 2026</p>
12.	Influx Management Plan	<p>Arauco will conduct an Influx Risk Assessment and Situation Analysis to develop and implement a Labor Influx Management Plan. This will include assessing the impacts of worker influx on local services (healthcare, housing, social services, public security), identifying capacity gaps, and implementing short-term mitigation measures such as, but not limited to, temporary personnel, additional lodging, partnerships, and training. The plan will analyze in-migration dynamics, environmental, social and gender-related risks, assess institutional capacity, and map stakeholders for coordinated responses. Strategic measures will be defined</p>	<p>6 months after commitment; February 3, 2026</p>

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		to manage labor influx in alignment with the Project timeline. Findings will be consolidated into a comprehensive plan detailing mitigation measures, roles, timelines, budget, monitoring frameworks, and KPIs.	
13.	Road Traffic Management	Arauco will develop and implement a Road Traffic Safety Risk Assessment and Road Traffic Management Plan in accordance with WBG General EHS Guidelines (Section 3.4 - Traffic Safety), and Good Practice standards for Road Safety, covering public and private routes and incorporating mitigation and monitoring measures as applicable. This will include, but not limited to, procedures for routine and non-routine operations, including transportation risks related to the movement of workers from camps to work fronts.	9 months after commitment; May 3, 2026
14.	Emergency Preparedness Life, Fire and Safety	Arauco will enhance its forest fire detection and response system by incorporating community participation in emergency preparedness exercises (e.g., simulations and drills). The updated plan will define communication protocols with neighboring communities and establish joint preparedness initiatives with local stakeholders.	12 months after commitment; August 3, 2026
15.	Management of Ecosystem Services	Arauco will: (i) develop Ecosystem Services Risk Assessment for all operational areas, focusing on water resource dependence for communities, including surface and underground water quality (mills operations, soil preparation, etc.) and potential impacts on surface and groundwater availability. Mitigation actions will be developed as needed. (ii) install a network of piezometers within the plantation areas to enable continuous monitoring of groundwater conditions and support sustainable water resource management. This will include (a) a network of piezometers in plantations already in operations and (b) areas/plantations to be negotiated by Arauco to operate Sucuriu mill.	(i) 9 months after commitment; May 3, 2026 (ii) (a) 15 months after commitment (ii) (b) 30 months after commitment.
16.	Security Risk Assessment and Management Plan	Arauco will conduct a Security Risk Assessment and will develop a Security Management Plan aligned with IFC PS4 and WBG Good Practice Handbook on Use of Security Forces to ensure all security providers are contractually bound to PS4 principles, receive training on human rights, SEAH prevention, grievance redress, and compliance monitoring.	6 months after commitment; August 3, 2025
17.	Land Acquisition: land valuation assessments	Arauco will revise land valuation assessments for all assets and crops impacted by the railway RoW and provide compensation for lost assets at full replacement cost, consistent with PS5 requirements. In case of physical and/or economic displacement, Arauco will develop a Resettlement and Livelihood Restoration Plan.	3 months after commitment; November 3, 2025
18.	Land Acquisition: Procedure	Arauco will revise and expand its Procedure for Contracting Rural Properties to ensure its applicability across all Project components in line with PS5. The updated procedure will include: (i) guidance on expropriation processes specific to linear infrastructure; (ii) a clear methodology for land and asset valuation; (iii) measures to prevent adverse impacts on Indigenous Peoples and traditional communities in the event these are identified as part of the land acquisition for the forestry activities and other project components; (iv) provisions to avoid physical and economic displacement wherever possible; (v) requirements to conduct socioeconomic baseline surveys and assess land tenure arrangements; (vi) procedures for identifying individuals and groups affected by physical and/or economic displacement other than the owners of the properties; (vii) protocols for meaningful consultation and culturally appropriate, accessible grievance mechanisms; and (viii) definition of roles and responsibilities. The updated procedure will be applicable to ongoing and future land acquisition related to the Project and its Associated Facilities.	3 months after commitment; November 3, 2025
19.	Resettlement and Livelihood Restoration	Arauco will develop a Resettlement and Livelihood Restoration Framework (RLRF), consistent with PS5, outlining general principles that will be followed in case of physical and economic displacement associated with the Sucuriu Project. The RLRF will define the need for a Resettlement and Livelihood Restoration Plan to manage impacts associated with ongoing and future land negotiated. In addition, Arauco will enhance and disclose its grievance mechanism to allow people affected by land negotiations (including tenants, caretakers, sharecroppers, informal users) to share any concerns or grievances associated with past, ongoing and future land negotiated. A Social Assistance Program to manage any ongoing residual impacts to these people will be implemented if applicable.	6 months after Commitment; February 3, 2026

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20.	Habitat mapping procedure	Arauco will supplement its screening procedures aimed at vegetation mapping and characterization to ensure alignment with IFC PS6 definitions of Natural Habitat, to be applicable in the selection of new plantation areas	6 months after commitment; February 3, 2026
21.	Critical Habitat Assessment	Arauco will complete a Critical Habitat assessment based on engagement with relevant experts and primary data collection, as relevant.	9 months after commitment; May 3, 2026
22.	Biodiversity Management Plan	Arauco will hire competent professionals to develop a Biodiversity Management Plan, to encompass all biodiversity-related actions during both the construction and operation stages of the Project, including: <ul style="list-style-type: none"> (i) the development of mitigation and monitoring plan to facilitate fauna crossings in the gallery forest of the Sucuriu river, with emphasis on primates ; (ii) identify fauna roadkill hotspots and develop of a comprehensive strategy to mitigate roadkill incidents; (iii) adoption of a raptor safe design for the 230 kV transmission line to prevent bird electrocutions, and installation of flapper bird flight diverters to prevent bird collisions; and (iv) a Biodiversity Monitoring Program to verify effectiveness of mitigation measures. Arauco will adapt its management practices based on the monitoring results. 	9 months after commitment; May 3, 2026
23.	Biodiversity Action Plan (BAP)	Arauco will hire independent qualified consultants to develop a Biodiversity Action Plan (BAP), acceptable to IFC, to cover all Project-related mitigation and monitoring components. The BAP will also contemplate: <ul style="list-style-type: none"> (i) the development of a strategy for achieving No Net Loss and Net Gain, including priority biodiversity values; (ii) loss and gain calculations and proposed offsets; (iii) an offset program based on the principles of equivalence (like-for-like or better), additionality and permanence, as well as monitoring requirements to ensure its effectiveness; and (iv) additional conservation actions aimed at supporting biodiversity conservation objectives of the Legally Protected Areas situated in the project's areas of influence. Arauco will engage with administrative authorities of such Legally Protected Areas to identify pertinent actions. 	15 months after commitment; November 3, 2026
24.	Supply Chain	Arauco will enhance its FSC certifiable third party Controlled Wood Verification System to include PS6 requirements aimed at preventing significant conversion of natural and critical habitats. The system will align with FSC, PS 2 and 6 requirements, including: (i) documented due diligence procedures; (ii) traceability mechanisms; and (iii) controls to avoid sourcing from unacceptable or high-risk areas.	6 months after commitment; February 3, 2026
25.	Stakeholder Engagement Plan	Arauco will develop a Stakeholder Engagement Plan (SEP) for all Project components. The SEP will include the following elements: (i) Company's description; engagement principles, objectives and criteria; (ii) local regulations and international requirements; (iii) description of key social and environmental risks and impacts; (iv) summary of previous engagement activities; (v) identification, analysis and prioritization of stakeholders, focusing on those directly affected and identifying any vulnerable individuals or groups; (vi) engagement program describing activities that will be conducted by Arauco during construction ; (vii) description of Arauco's grievance mechanisms and description of how Arauco will monitor contractors' grievance mechanisms; (viii) timeline, resources, and responsibilities. The SEP should also include cross references to other relevant management plans implemented by the Company to manage E&S risks and impacts. The ESG Director will ensure proper implementation of the SEP as well as management and expansion of the Community liaison team as needed throughout the construction and operation phases of the Project. The Company will update the SEP for the operations phase.	3 months before the plant's start up.
26.	Community Grievance Mechanism	Arauco will enhance the community grievance mechanism to include: (i) a grievance handling procedure consistent with IFC PS1; (ii) disclosure of the mechanism to all identified stakeholders; (ii) additional channels that allow for submission by those without access to technology (e.g. suggestion boxes at central locations like municipal offices); (iii) analysis of systemic issues; (iv) feedback mechanism to communities; (v) guidelines for resolution, response and coordination with operations; (vi) specific procedures to handle SEAH reports with a survivor-centered approach, designed to avoid revictimization, support survivors and	3 months after commitment, November 3, 2025.

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		refer them to specialized GBV and/or child protection services duly mapped in the Project area; (vii) a collegiate instance for grievances investigations and decision-making requiring a minimum representation of women; (viii) training staff for consistent implementation of the grievance mechanism, including specific training to handle SEAH-related reports; and (ix) periodic monitoring of the grievance mechanism with defined KPIs. The grievance mechanism will be extended to those affected by land negotiated.	