

ADELCA – ECUADOR
Environmental and Social Action Plan (ESAP)

No.	Aspect	Action	Deliverable	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Environmental and Social Management System	1. Update the Environmental and Social Management System ("ESMS") to include: i) community health and safety policy; ii) community and gender risk and impact identification and assessment; iii) update of all emergency and contingency plans; iv) stakeholder engagement plan; v) external grievance mechanism; and vi) periodic community reporting.	1. Updated ESMS Manual.	1. 120 days after signing the loan agreement.
		2. Implement the updated ESMS.	2. Evidence of implementation.	2. As part of the Environmental and Social Compliance Report (ESCR).
1.2	Policy	1. Update the integrated occupational health, safety, and environmental policy.	1. Updated integrated policy.	1. 90 days after signing the loan agreement.
		2. Disseminate the occupational health, safety, and environmental policy.	2. Evidence of dissemination.	2. As part of the ESCR.
1.3	Identification of Risks and Impacts	1. Develop a procedure to identify and assess the risks and impacts on the community.	1. Community risk and impact identification and assessment procedure.	1. 180 days after signing the loan agreement.
		2. Implement the community risk and impact identification and assessment procedure.	2. Community risk and impact identification and assessment matrices.	2. As part of the ESCR.
	Gender Risks	3. Identify and assess gender risks at the corporate level, including prevention control measures.	3. Identification of gender risks.	3. 180 days after signing the loan agreement.
	4. Implement gender risk prevention control measures.	4. Evidence of implementation.	4. As part of the ESCR.	
1.4	Emergency Preparedness and Response	1. Update emergency and contingency plans at the corporate level to consider physical risk scenarios arising from the most relevant natural disasters and climate change.	1. Emergency Preparedness and Response Plan.	1. 90 days after signing the loan agreement.
		2. Implement the updated emergency and contingency plans.	2. Evidence of implementation.	2. As part of the ESCR.
1.5	Stakeholder Engagement	3. Develop a Stakeholder Engagement Plan to include: i) a summary of stakeholder engagement of its OCs; ii) the identification and mapping of the OCs' ADSI stakeholders; and iii) a description of future stakeholder engagement activities, including social investment programs.	3. Stakeholder Engagement Plan.	3. 270 days after signing the loan agreement.
		4. Implement the Stakeholder Engagement Plan.	4. Evidence of implementation.	4. As part of the ESCR.
1.6	Grievance Mechanisms for Affected Communities	1. Update the external grievance mechanism.	1. Grievance mechanism.	1. 90 days after signing the loan agreement.
		2. Implement the external grievance mechanism.	2. Filed complaints report.	2. As part of the ESCR.
1.7	Ongoing Reporting to neighboring communities	1. Provide information to the neighboring communities on: i) the Project's environmental and social performance; ii) the implementation status of action plans to prevent risks or impacts to the communities; and iii) responses to complaints received.	1. Evidence of implementation.	1. As part of the ESCR.
PS 2: Labor and Working Conditions				
2.1	Workers' grievance mechanism	1. Update the internal reporting mechanism to allow anonymity and ensure zero tolerance for retaliation.	1. Internal reporting mechanism.	1. 120 days after signing the loan agreement.
		2. Disseminate the internal grievance mechanism.	2. Evidence of dissemination.	2. 150 days after signing the loan agreement
		3. Implement the internal grievance mechanism.	3. Worker grievance statistics.	3. As part of the ESCR.
2.2	Occupational Health and Safety	1. Conduct corporate-wide hygiene measurements concerning chemical risk.	1. Measurement reports.	1. As part of the ESCR.
		2. Change the glass protection of the crushing equipment operator's cabin at the Milagro plant.	2. Evidence of implementation.	2. 120 days after signing the loan agreement.

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		3. Implement signage in the external storage area for smelter materials (steel slag, white slag, and refractory).	3. Evidence of implementation.	3. 120 days after signing the loan agreement.
2.3	Supply Chain	1. Require the main suppliers to sign a "Declaration of Principles Regarding Child and Forced Labor".	1. Evidence of implementation.	1. 180 days after signing the loan agreement.
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Resource Efficiency – Greenhouse Gases	1. Develop an annual greenhouse gas ("GHG") inventory of scope 1 and 2 for its Milagro plant and resume measurements for the Aloag plant.	1. GHG emissions inventory.	1. 365 days after signing the loan agreement (baseline) and then as part of the ESCR.
		2. Develop a greenhouse gas reduction program.	2. GHG Reduction Program.	2. 365 days after signing the loan agreement.
		3. Implement the greenhouse gas reduction program.	2. Evidence of implementation.	2. As part of the ESCR.
3.2	Pollution Prevention	1. Hire an independent firm to verify the slopes of the raw scrap reception and storage platform and to collect runoff water with the approval of IDB Invest.	1. Independent third party report.	1. 270 days after signing the loan agreement.
		2. Implement the action plan derived from the verification inspection report of the slopes of the raw scrap reception and storage platform.	2. Evidence of implementation.	2. 30 days after the later of the action deadlines agreed upon in the action plan.
		3. Upkeep the perimeter runoff water collection channels of the entire industrial plant.	3. Evidence of implementation.	3. 90 days after signing the loan agreement.
		4. Monitor runoff water prior to discharge into the Los Monos estuary at the beginning and end of the rainy season.	4. Monitoring records.	4. As part of the ESCR.
		5. Monitor the water quality of the Los Monos Estuary upstream and downstream at the beginning and end of the rainy season.	5. Monitoring records.	5. As part of the ESCR.
		6. Develop a corrective action plan for domestic discharges from the water treatment plant at the Milagro plant.	6. Corrective action plan for water discharges.	6. 180 days after signing the loan agreement.
		7. Implement the corrective action plan for domestic discharges from the water treatment plant at the Milagro plant.	7. Evidence of implementation.	7. 365 days after signing the loan agreement.
		8. At the Duran shipbreaking facility, conduct additional sediment monitoring on an annual basis.	8. Monitoring records.	8. As part of the ESCR.
		9. At the Duran shipbreaking facility, conduct groundwater monitoring of the well at the location on a semi-annual basis.	9. Monitoring records.	9. As part of the ESCR.
3.3	Pesticide Use and Management	1. Verify that the products used are not on the list of pesticides classified as Ia (extremely hazardous) or Ib (hazardous) under the recommended classification of the World Health Organization (WHO).	10. Verification evidence.	10. 90 days after signing the loan agreement.
PS 4: Community Health, Safety, and Security				
4.1	Community Health and Safety	1. Include ASDI community participation in the implementation of its drills.	1. Evidence of ASDI community participation.	1. Annually as part of the ESCR.
4.2	Security Personnel	1. Develop a Physical Security Management Manual to include: i) professional ethics issues; ii) commitment to human rights by adhering to the United Nations Voluntary Principles ("VPs") on Security Forces and Human Rights; iii) reasonable investigation methods to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse; iv) specific procedures for the use of firearms; and v) training requirements in connection with the progressive use of force.	1. Physical Security Management Manual.	1. 180 days after signing the loan agreement.
		2. Implement the Physical Security Management Manual.	2. Evidence of implementation.	2. As part of the ESCR.