

**PROJECT 14200-01 – Usina Cerradão – BRAZIL**  
**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. Develop an Environmental and Social Management System (ESMS) that is aligned with the requirements of IFC Performance Standard (PS) 1 and the Bonsucro Standard.  | 1. Documents associated with the ESMS, including its manual and related procedures.  | 1. Within 360 days after the loan agreement is signed.               |
|  |   | 2. Implement the Environmental and Social Management System (ESMS).  | 2. Evidence of implementation of the measures required under the ESMS.   | 2. As part of the Environmental and Social Compliance Report (ESCR). |
| 1.2  | Policy  | 1. Develop a Sustainability Policy that is aligned with the requirements of IFC PS1, to be disclosed on the company's website and disseminated to internal and external audiences through other means of communication.  | 1. Evidence of disclosure of the Sustainability Policy.  | 1. Within 30 days after the loan agreement is signed.                |
| 1.3  | Identification of Risks and Impacts                       | 1. Preparing detailed social and environmental risk and impact assessment matrices, with the establishment of procedures, timeline and technical team required to conduct, revise, and improve risk assessments, including both industrial facilities and agricultural areas. In addition, the company's board will monitor environmental and social indicators. | 1. Documents associated with the ESMS, including risk and impact matrices and the definition of indicators to be monitored by the company's board. | 1. Within 180 days after the loan agreement is signed.               |
| 1.4  | Gender Risks  | 1. Develop internal awareness campaigns featuring educational content for prevention of gender-based violence.   | 1. Educational content on gender-based violence prevention.  | 1. Within 120 days after the loan agreement is signed.               |
|  |   | 2. Implement internal gender-based violence prevention campaigns.  | 2. Evidence of implementation of campaigns.  | 2. As part of the ESCR.  |
| 1.5  | Organizational Capacity and Competency                    | 1. Reassess Health, Safety, Security, and Environment (HSSE) staff and, if needed, expand the team to meet future needs.   | 1. Reassessment of the HSSE staff, detailing roles and workload.   | 1. Within 30 days after the loan agreement is signed.                |
| 1.6  | Stakeholder Engagement                                    | 1. Develop a Stakeholder Engagement Plan, considering: i) mapping, analysis, and planning of identified social actors' participation; ii) a mechanism for information dissemination, consultation, and communication with social actors; and iii) a mechanism to collect and resolve grievances, including anonymous submissions.                                | 1. Stakeholder Engagement Plan   | 1. Within 120 days after the loan agreement is signed.               |
| 1.7  | External Communication and Grievance Mechanism            | 1. Prepare the Company's public environmental and social performance report.   | 1. Environmental and social performance report.  | 1. First report within 360 days after the loan agreement is signed.  |
|  |   | 2. Disclosing periodic reports on the Company's environmental and social performance.  | 2. Evidence of disclosure.   | 2. As part of the ESCR.  |

| <b>PS 2: Labor and Working Conditions</b>                 |  |   |   |   |
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| 2.1   | Human Resource Policies and Procedures | 1. Consolidate a Human Resource Policy that contemplates the elements of PS2, including principles related to outsourced workers and supply chain, and that clearly bans any form of forced, child, or compulsory labor, discrimination, threat, coercion, abuse, or harassment in the workplace.   | 1. Human Resource Policy  | 1. Within 120 days after the loan agreement is signed.  |
| 2.2   | Grievance Mechanism                    | 1. As part of the engagement and communication procedure, develop a grievance mechanism that includes the mechanism disclosure channels and incorporates the process guiding principles of transparency, confidentiality, non-retaliation, among others.  | 1. Grievance Mechanism  | 1. Within 90 days after the loan agreement is signed.   |
| 2.3   | Occupational Health and Safety         | 1. Implement a program to verify the general organization and maintenance of industrial facilities to reduce the risks of HSSE incidents. Such program will be monitored by the company's upper management and have key indicators.   | 1. Industrial Facility Organization and Maintenance Program.<br>2. Implementation of the Program  | 1. Within 60 days after the loan agreement is signed.<br>2. Within 120 days after the loan agreement is signed. |
|   |  | 2. Consolidate a plan to comply with Ministry of Labor Regulatory Norms.  | 2. Consolidated Compliance Plan.  | 2. Within 120 days after the loan agreement is signed.  |
|   |  | 3. Implement the measures established in the Compliance Plan.   | 3. Evidence of implementation of the measures.  | 3. As part of the ESCR.   |
|   |  | 4. Annual verification of adequacy to the applicable NRs by an expert external consultant.  | 4. Compliance report from an expert external consultant   | 4. As part of the ESCR.   |
| 2.4   | Supply Chain                           | 1. Consolidate and disclose a public manual of good HSSE management practices for Company suppliers. This document will be disclosed on the company's website and attached to contracts with sugarcane suppliers.   | 1. Evidence of disclosure of the HSSE Manual for suppliers.                                       | 1. Within 180 days after the loan agreement is signed.  |
|   |  | 2. Hold annual workshops for company suppliers to disseminate good practices and smooth the transfer of information and technical requirements for growing sugarcane. These workshops will address the basic labor and health, safety, and security rules and good practices applicable to a rural setting, covering topics such as passenger transportation, accommodation, personal protective equipment, among others. | 2. Evidence that the workshops were held and of their HSSE program content.                       | 2. As part of the ESCR.   |
|   |  | 3. Incorporating the list of employers that have subjected workers to conditions analogous to slavery (dirty list) into the supplier evaluation and approval process.   | 3. Evidence of incorporation of the dirty list into the supplier evaluation and approval process. | 3. Within 30 days after the loan agreement is signed and as part of the ESCR.                                   |
| <b>PS 3: Resource Efficiency and Pollution Prevention</b> |  |   |   |   |
| 3.1   | Greenhouse Gases (GHG)                 | 1. Conducting inventories of GHG emissions.   | 1. Inventory of GHG emissions   | 1. As part of the ESCR.   |
|   |  | 2. Incorporating the inventories of GHG emissions into environmental performance reports.   | 2. Evidence of incorporation into the annual report.  | 2. As part of the ESCR.   |
| 3.2   | Pesticide Use and Management           | 1. Refrain from buying, storing, using, manufacturing or trading in products that fall in WHO Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous) or Ib (highly hazardous).   | 1. Updated chemical product procurement procedure.  | 1. Within 60 days after the loan agreement is signed.   |
|   |  | 2. Adapt and expand the agrochemical and waste storage areas considering current and future demand. These areas will follow the requirements established in international good practices and by the Brazilian Association of Technical Standards (ABNT).  | 2. Evidence of adaptation and expansion of the agrochemical storage area.                         | 2. Within 180 days after the loan agreement is signed.  |

| <b>PS 4: Resource Efficiency and Pollution Prevention</b> |                                       |  |                                 |   |
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| 4.1   | Community Health, Safety and Security | 1. Formalize a procedure for aerial application of pesticides in accordance with United Nations Food and Agriculture Organization (FAO) Guidelines. The procedure will include monitoring weather conditions during spraying, pro-active communications with neighbors, and safety buffer zones for cities, small villages, and homes. | 1. Aerial Application Procedure | 1. Within 90 days after the loan agreement is signed. |