

**Environmental and Social Action Plan (ESAP)
ROYAL AMERICA – Chile - Colombia**

No.	Action	Deliverable	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
1.1	Policy		
1.1.1	Develop a corporate Community Health, Safety, and Security Policy applicable to all operations.	Community Health, Safety, and Security Policy Document.	No later than 90 days after signing the loan agreement.
1.1.2	Dissemination of the Policy.	Evidence of dissemination.	Annually in the Environmental and Social Compliance Report (ESCR).
1.2	Identification of Risks and Impacts		
1.2.1	Develop an Environmental Risks and Impacts Identification Procedure.	Environmental Risks and Impacts Identification Procedure.	No later than 120 days after signing the loan agreement.
1.2.2	Implement the Environmental Risks and Impacts Identification Procedure.	Environmental and social risks and impacts identification matrix for each of its facilities.	Annually in the ESCR.
1.2.3	Prepare an environmental permit registration and control matrix that allows to ensure the traceability of obligations required in each case, as well as compliance dates and the persons responsible.	Environmental permit registration and control matrix.	No later than 120 days after signing the loan agreement.
1.2.4	Develop a gender risks and impacts matrix based on IDB Invest's Gender Risk Assessment Tool ("GRAT") to prevent	Gender risks and impacts matrix.	No later than 180 days after signing the loan agreement.
1.2.5	Manage gender risks in its operations.	Evidence of implementation.	As part of the ESCR.
1.2.6	Update the E&S risk matrix, taking into account climate risks at a corporate level.	E&S risk matrix.	No later than 180 days after signing the loan agreement and successively as part of the ESCR.
1.2.7	Update the Emergency Plan to include the most probable risks related to natural hazards to which its operations are subject.	Updated Emergency Plan.	No later than 180 days after signing the loan agreement.
1.3	Organizational Capacity and Competency		
1.3.1	Appoint a person responsible for applying the ESMS in Chile and Colombia to lead the development, implementation, and monitoring of environmental, social, and health and safety management plans, programs, and procedures.	Copy of appointment record.	No later than 30 days after signing the loan agreement.
1.5	Monitoring and Review		
1.5.1	Develop a procedure to monitor and evaluate the implementation of the ESMS, measure its effectiveness, and ensure compliance with all legal and contractual obligations, including: i) a key performance indicator ("KPI") compliance matrix; ii) appointing a person responsible for monitoring within the Company; iii) guidelines for registering information to monitor performance; iv) details of how to document monitoring results; v) corrective and preventive actions; and v) forms, frequency and instructions for reporting to the senior management.	ESMS Monitoring and Control Procedure.	No later than 120 days after the first disbursement.
PS 2: Labor and Working Conditions			
2.1	Grievance Mechanism		
2.1.1	Develop an internal grievance procedure for RA Colombia that can capture anonymous grievances, guarantees the confidentiality of the process, and that explicitly establishes: i) how and via what channels complaints can be received; ii) how they will be assessed; iii) how responses will be provided and followed up on; iv) how the mechanism will be assessed and improved; and v) how the mechanism	Internal grievance procedure for RA Colombia.	No later than 120 days after signing the loan agreement.

	will be communicated and disseminated. The mechanism will also include the possibility of analyzing anonymous grievances and will guarantee the confidentiality of the process.		
2.1.2	Implement a Training Program on the use of this mechanism to be implemented and disseminated to all personnel.	Evidence of training on the use of the grievance mechanism.	No later than 180 days after signing the loan agreement and as part of the ESCR.
PS 3: Resource Efficiency and Pollution Prevention			
3.1	Resource Efficiency		
3.1.1	Prepare a GHG emissions inventory for all its operations, including maintenance, battery assembly, repair and paint, and mobile workshops;	GHG emissions inventory; and	Upon completion of the first year after signing the loan agreement; and successively in following years.
3.1.2	Maintain an up-to-date annual record of GHG emissions that includes an explanation of any variation compared to the previous year, if applicable.	Annual GHG emissions record.	Annually in the ESCR.
3.2	Pollution Prevention		
3.2.1	Adapt the wastewater discharge, air emissions, and noise emissions monitoring program in Chile and Colombia to ensure that it complies with the IFC and World Bank Environmental, Health, and Safety General Guidelines.	Industrial wastewater discharge monitoring program.	No later than 180 days after signing the loan agreement.
3.3	Pesticide Use and Management		
3.3.1	Develop an integrated pest control ("IPC") or integrated vector control ("IVC") procedure that refrains from using pesticides that are classified as "Ia" (extremely hazardous) and "Ib" (highly hazardous) in the World Health Organization's recommended classification.	Integrated pest control ("IPC") or integrated vector control ("IVC") procedure.	180 days after signing the loan agreement.
3.3.2	Adopt the procedure outlined in point 3.3.1.	Evidence of adoption.	Periodically in the Environmental and Social Compliance Report ("ESCR").