



Environmental and Social Due Diligence - DRAFT

El Tornillito Hydropower Project

September 2022

Project No.: 0652420

Document details	The details entered below are automatically shown on the cover and the main page footer. PLEASE NOTE: This table must NOT be removed from this document.
Document title	Environmental and Social Due Diligence - DRAFT
Document subtitle	EI Tornillito Hydropower Project
Project No.	0652420
Date	September 2022
Version	1.0
Author	ERM
Client Name	CABEI

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APPENDIX A ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)

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Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
Equator Principles				
Principle 2(ii): Human Rights				
1	The project proponent is expected to include assessments of potential adverse human rights risks and impacts. The project proponent should refer to the UNGP ¹ s when assessing Human Rights risks and impacts.	<ul style="list-style-type: none"> ■ Hidrovolcán to develop a separate Human Rights screening procedure for new suppliers. ■ Complement the Project's environmental and social risks and impacts identification process with specific human rights due diligence items. ■ Conduct assessment of the Project's specific potential human rights risks and impacts. ■ Add mitigation measures for identified human rights risks as needed into the Project's ESHSMS. 	<ul style="list-style-type: none"> ■ Human Rights Screening Procedure for new suppliers ■ Updated Project's environmental and social risk and impacts identification matrix ■ Results of the assessment using the updated risk and impact identification matrix ■ Evidence of mitigation measures added to the ESHSMS (as needed) 	<ul style="list-style-type: none"> ■ Prior to first disbursement
Principle 2(iii): Climate Change				
2	(iii) All Category A and B projects are expected to include a climate change risk assessment aligned with TCFD. (iv) For all projects, when combined Scope 1 and Scope 2 emissions are expected to be more than 100,000 tonnes of CO2 equivalent (CO2eq)	<ul style="list-style-type: none"> ■ Estimate GHG emissions, including direct (Scope 1) and indirect (Scope 2) emissions, for the construction and operation phases. 	<ul style="list-style-type: none"> ■ Scope 1 and Scope 2 GHG Inventory document. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

¹ UN Guiding Principles on Business and Human Rights

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3	annually, consideration must be given to relevant Climate Transition Risks (as defined by the TCFD) and an alternatives analysis completed to evaluate less intensive greenhouse gas (GHG) alternatives.	<ul style="list-style-type: none"> Conduct a physical risk assessment, also equivalent to a climate vulnerability analysis, for the Project, including the hydropower plant and electric transmission lines, using the Intergovernmental Panel on Climate Change (IPCC) Socioeconomical Shared Pathways (SSP), which are global emissions scenarios according to different climate policies. Considering that Honduras does not have climate projections with the following optimistic, middle term and worst-case scenarios SSP1-2.6, SSP3-7.0 and SSP5-8.5, it is recommended to use alternatively climate projections in the RCP2.6, RCP4.5, RCP6.0 and RCP8.5 scenarios, for the 2030-, 2050- and 2080-time horizons. The analysis must consider the different forecast to the future to identify potential risks due to climate change. The results of this analysis should be shared with the design team. 	<ul style="list-style-type: none"> Physical risk assessment and any mitigation and adaptation measures if applicable. 	<ul style="list-style-type: none"> Six (6) months after first disbursement
Principle 10(iii): Reporting and Transparency				
4	Encourage the project proponent to share commercially non-sensitive Project-specific biodiversity data with the Global Biodiversity Information	<ul style="list-style-type: none"> Share Project-specific biodiversity data with the GBIF, and possibly with other local data repositories. To accomplish this, the Project must establish a 	<ul style="list-style-type: none"> Biodiversity data disclosure framework. 	<ul style="list-style-type: none"> Twelve (12) months after first disbursement

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	Facility (GBIF) and relevant national and global data repositories	biodiversity data disclosure framework that includes QA/QC procedures, designation of roles and responsibilities within Hidrovolcán using of the Guidance Note on Biodiversity Data Sharing for EPFI Clients (September 2020). Biodiversity records can also include other useful information, such as the method used for the observation, abundance counts, habitat structure (like height, stratification, density), abiotic characteristics (like substrates, hydrology, climate) and associated information about land use and threats.	<ul style="list-style-type: none"> ■ Evidence of data shared with GBIF of the selected local data repository. 	
PS 1: Assessment and Management of E&S Risks and Impacts				
5	Environmental and Social Management System: The Project must have an environmental and social management system (ESMS) that allows for the identification and management of environmental, social, health, and safety risks and impacts. An ESMS must include the following elements: (i) policy; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; (vii) grievance mechanism; (viii) ongoing	<ul style="list-style-type: none"> ■ Implement an Integrated Management System that better integrates the Project’s ESHS management plans and programs. As part of this effort, create an overarching Environmental, Social, Health and Safety (ESHS) Policy that captures and integrates Hidrovolcán’s key commitments to ESHS performance, and publish this policy on the website, signed by the general manager. The integrated management system or ESMS must include a procedure for monitoring and measuring the effectiveness of the Project’s management programs. The procedure 	<ul style="list-style-type: none"> ■ Evidence of implementation of an Integrated ESHS Management System ■ ESHS Policy and evidence of publication on Project’s website ■ Monitoring and review procedure for the ESHS management system, including a KPI matrix 	<ul style="list-style-type: none"> ■ Prior to first disbursement

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6	reporting to Affected Communities; and (ix) monitoring and review.	may include a key performance indicators (KPI) matrix that captures all the performance indicators identified within the individual management plans.		
		<ul style="list-style-type: none"> Prepare and periodically update a permit matrix for the Project. The permit matrix must include: a list of all the permits that the Project will need throughout the construction phase and to start operations, responsible party for obtaining the permit, when the permit is needed, status (obtained, in progress, etc.). 	<ul style="list-style-type: none"> Permit matrix included in the first Environmental and Social Compliance Report (ESCR) prepared by Hidrovolcán. 	<ul style="list-style-type: none"> First ESCR Periodically in the ESCR during the construction and operation phase
7	Identification of Risks and Impacts: The impacts identification process will be based on recent environmental and social baseline data at an appropriate level of detail. The process will consider all relevant environmental and social risks and impacts of the project.	<ul style="list-style-type: none"> Update the Project's ESHS risk and impact identification matrix to include social aspects in relation to occupational health, safety, and security, and the community. The updated matrix would become the Project's tool to assess risks and impacts periodically through Construction and Operation phases. 	<ul style="list-style-type: none"> Updated Project risk and impact identification matrix. 	<ul style="list-style-type: none"> Three (3) months from the delivery of this report or prior to first disbursement, whichever happens first.
8		<ul style="list-style-type: none"> Develop and implement a Contractor Management and Assurance Plan (CMAP) following international best practice such as the IFC's Good Practice Note: Managing Contractors' Environmental and Social Performance (IFC 2017). The CMAP must include monitoring and supervision mechanisms for the working conditions of the 	<ul style="list-style-type: none"> Contractor Management and Assurance Plan 	<ul style="list-style-type: none"> Prior to first disbursement

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9		<p>Project’s workers, including contractors and subcontractors in the field.</p> <ul style="list-style-type: none"> Conduct a cumulative impacts assessment for the Project following international best practices guidelines. 	<ul style="list-style-type: none"> Cumulative Impacts Assessment document. 	<ul style="list-style-type: none"> Six (6) months after delivery of this report
10	<p>Emergency Preparedness and Response: The Project ESMS has to establish and maintain an emergency preparedness and response system so that the Project, in collaboration with appropriate and relevant third parties, will be prepared to respond to accidental and emergency situations in a manner appropriate to prevent and mitigate any harm to people and/or the environment.</p>	<ul style="list-style-type: none"> Update the Emergency Response Plan to include the following items: (i) provisions for periodic training and drills; (ii) cross reference applicable documents to be developed in accordance with the identification of risks and impacts, such as a spill prevention and control plan; (iii) Procedures for emergencies related to explosives management and structural damage; (iv) detail on estimated supply requirements and maximum time for isolation of the plant during flooding; and (v) communication plan with affected communities and local authorities, as well as emergency response procedures with the community as needed. 	<ul style="list-style-type: none"> Updated Emergency Response Plan document. 	<ul style="list-style-type: none"> Prior to first disbursement
11	<p>Grievance Mechanism: Project must implement and maintain a procedure for external communications that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues</p>	<ul style="list-style-type: none"> Update the Project’s Community Grievance Mechanism to include the following: <ul style="list-style-type: none"> Complement the Community Grievance Mechanism to allow the reception, evaluation, management 	<ul style="list-style-type: none"> Updated Community Grievance Mechanism Evidence of effectiveness and correct implementation 	<ul style="list-style-type: none"> Prior to first disbursement Periodically in the ESCR during the

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	raised and determine how to address them; (iii) provide, track, and document responses, if any; and (iv) adjust the management program, as appropriate. In addition, clients are encouraged to make publicly available periodic reports on their environmental and social sustainability.	<p>and communication of anonymous complaints.</p> <p>(ii) Add a principle of non-retaliation to clearly indicate that any stakeholder can make use of the mechanism without being subject to physical, emotional, verbal threats or any type of coercion.</p> <p>(iii) Categorize and establish feedback and response times based on a risk-based approach.</p> <p>(iv) Include an appeal stage by the interested party.</p> <p>(v) Record, document and systematize all feedback received.</p>		construction and operation phase
12	Organizational Capacity and Competency: the company must provide sufficient human and financial resources to achieve effective and continuous E&S performance. Personnel must possess the knowledge, skills, and experience to implement the specific measures and actions required under the ESMS.	<ul style="list-style-type: none"> ■ Ensure the necessary capacity to implement all aspects of the ESMS including Occupational Health and Safety and Labor aspects, particularly as Project construction scales up and reached peak construction. If required, hire specialized personal with specific experience. 	<ul style="list-style-type: none"> ■ Hidrovolcan´s staffing plan for the Project, including a timeline for hiring 	<ul style="list-style-type: none"> ■ Prior to first disbursement
13	Stakeholder Engagement: PS 1 requires that stakeholder engagement involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing	<ul style="list-style-type: none"> ■ Strengthen the Project´s stakeholder mapping to ensure that all stakeholders are identified and managed. 	<ul style="list-style-type: none"> ■ Updated stakeholder map 	<ul style="list-style-type: none"> ■ Three (3) months after first disbursement
14		<ul style="list-style-type: none"> ■ In relation with stakeholder engagement: <ul style="list-style-type: none"> - Record, document, and systematize all communications made through different communication channels. 	<ul style="list-style-type: none"> ■ Records of stakeholder engagement in the first ESCR 	<ul style="list-style-type: none"> ■ First ESCR

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	<p>reporting to Affected Communities. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.</p>	<ul style="list-style-type: none"> - Improve recordkeeping of stakeholder engagement and ongoing reporting to affected communities by collecting information on social projects by municipality and community to ensure its traceability as well as the periodicity of communication to the communities about the projects' status and progress. - Avoid spacing out (or long periods without) interactions and communications with the communities in the Area of Influence. 		
PS 2: Labor and Working Conditions				
15	<p>Working Conditions and Management of Worker Relationship: Working Conditions and Terms of Employment</p>	<ul style="list-style-type: none"> ■ (i) Update and strengthen the Contract Template for direct workers by including a clear description of all terms of employment, including workers responsibilities and benefits such as benefits, breaks, rest days, overtime arrangements and compensation, medical insurance provision, leave for illness procedure, vacation days, among other benefits. Additionally, the contract should also define terms and duration of employment. ■ (ii) Ensure that all workers (direct and indirect) clearly know their rights and 	<ul style="list-style-type: none"> ■ Updated Contract Template for direct workers. ■ Evidence (attendance records) of training session for all Project workers on the Project's HR policy. 	<ul style="list-style-type: none"> ■ Three (3) months after first disbursement

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16		<p>working conditions and have a copy of their contract.</p> <ul style="list-style-type: none"> Develop and implement a Labor Management Plan (LMP), which must be integrated into the Project's ESMS. The LMP will have all the necessary labor procedures for the management of the Project's personnel. These procedures must also be integrated into the Contractor Management and Assurance Plan and have a consistent structure, clarity in the roles and responsibilities of the areas involved, follow-up indicators, monitoring, and evaluation measures, as well as evidence of compliance. 	<ul style="list-style-type: none"> Labor Management Plan Evidence of implementation (records, indicators) 	<ul style="list-style-type: none"> Prior to first disbursement
17	<p>Working Conditions and Management of Worker Relationship: Working Conditions and Terms of Employment</p>	<ul style="list-style-type: none"> (i) Implement a periodic inspection of worker's accommodations, using a pre-defined workers housing checklist following international best practice as described in PS 2 guidance document. (ii) Frequently monitor the quality, portion sizes and variety of the food provided in the dining room to ensure that it is in good condition. If this is not the case, ERM suggests exploring more local supply options to ensure that workers have access to sufficient food, of good quality and condition. 	<ul style="list-style-type: none"> Checklist format for workers' accommodation inspections. Evidence of the periodic inspections on workers' accommodation (e.g., documentary evidence, photographs, records of implementation, among others). Evidence of monitoring the quality of the food provided to Project workers. 	<ul style="list-style-type: none"> Prior to first disbursement Periodically in the ESCR during the construction and operation phase

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18	Working Conditions and Management of Worker Relationship: Non-Discrimination and Equal Opportunity	<ul style="list-style-type: none"> The Project must register and keep track of the following information: number of workers (local, non-local, foreign), gender, workers with disabilities, indigenous (if applicable), age. This information would help Hidrovolcán assess the performance of the Project's commitments to non-discrimination and equal opportunity, and if needed, implement preventive or corrective measures. 	<ul style="list-style-type: none"> Evidence of the formal registry of the performance monitoring indicators for non-discrimination and equal opportunity (e.g., documentary evidence such as photographs, records of implementation, among others). 	<ul style="list-style-type: none"> First ESCR and then periodically in the ESCR during the Construction and Operation phase
19	Working Conditions and Management of Worker Relationship: Retrenchment	<ul style="list-style-type: none"> Develop a Retrenchment Plan for the Construction phase, which includes measures to assist workers to seek job alternatives by engaging with employment agencies or other employers in the area, providing special assistance to vulnerable people such as elder workers and indigenous people. It should also include monitoring indicators and responsibilities for compliance with IFC PS 2. 	<ul style="list-style-type: none"> Retrenchment Plan, including monitoring indicators and responsibilities for compliances with IFC. 	<ul style="list-style-type: none"> Twelve (12) months prior to end of Construction phase.
20	Working Conditions and Management of Worker Relationship: Grievance Mechanism	<ul style="list-style-type: none"> Develop and make available a Workers Grievance Mechanism Procedure. In addition, inform all workers of the availability of the grievance mechanism as well as reinforcing training in its use and follow-up. 	<ul style="list-style-type: none"> Workers Grievance Mechanism Procedure. Evidence of procedure implementation (e.g., evidence of 	<ul style="list-style-type: none"> Prior to first disbursement Periodically in the ESCR during the

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			the communication, and type of follow-up)	construction and operation phase
21	Occupational Health and Safety	<ul style="list-style-type: none"> Develop H&S KPIs, including occupational accidents, diseases, and incidents, for all the stages of the Project, and systematic tracking of their performance. 	<ul style="list-style-type: none"> H&S KPIs. Evidence of KPI monitoring. 	<ul style="list-style-type: none"> Prior to first disbursement Periodically in the ESCR during the construction and operation phase
22	Occupational Health and Safety	<ul style="list-style-type: none"> Hidrovolcán must increase H&S supervision and training to improve the consistency of PPE use by Project workers. 	<ul style="list-style-type: none"> Evidence of H&S supervision and training (e.g., documentary evidence such as photographs, records of implementation, training programs, lists of attendance). 	<ul style="list-style-type: none"> Prior to first disbursement
23	Workers Engaged by Third Parties	<ul style="list-style-type: none"> Reinforce attachment of subcontractors to Hidrovolcán's ESMS through subcontractors' surveillance program and sanctions established in their contracts. 	<ul style="list-style-type: none"> Contracts with contractors showing environmental and social-related clauses. 	<ul style="list-style-type: none"> Six (6) months from the delivery of this report.
PS 3: Resource Efficiency and Pollution Prevention				
24	Resource Efficiency: Greenhouse Gas Emissions & Energy Efficiency: Gases from decomposing biomass can adversely affect water quality also, and indirectly affect aquatic and terrestrial biodiversity.	<ul style="list-style-type: none"> Update the Safeguards Plan to include actions for herbaceous vegetation removal and timing between clearance and flooding of the dam, to prevent secondary vegetation establishment. Therefore, prevent a potential increase 	<ul style="list-style-type: none"> Updated Safeguard Plan for the dam document with specific actions and timing for herbaceous vegetation removal. 	<ul style="list-style-type: none"> Six (6) months after delivery of this report

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		of GHG emissions through decomposition of flooded biomass under anaerobic conditions, which may result in the generation and emission of methane.		
25	Resource Efficiency: Water Consumption: Adopt measures that avoid or reduce water usage so that the project's water consumption does not have significant adverse impacts on others.	<ul style="list-style-type: none"> Provide estimates for water consumption and sources of water withdrawal for construction activities and operations. Include specific actions, indicators (e.g. percentage of reduction) and thresholds (i.e. values indicating unacceptable performance) in the EMP or independent plan as part of the integrated ESHSMS for water efficient use. 	<ul style="list-style-type: none"> Evidence that estimates for water consumption and withdrawal are included in the EMP with specific activities. 	<ul style="list-style-type: none"> Prior to first disbursement
26	Pollution Prevention: Air Quality and Noise: The project will avoid the release of pollutants or, when avoidance is not feasible, minimize and/or control the intensity and mass flow of their release.	<ul style="list-style-type: none"> Develop an air quality management plan that includes controls for air and noise emissions and a Machine and Equipment Maintenance Program. 	<ul style="list-style-type: none"> Complete air quality management plan document. 	<ul style="list-style-type: none"> Prior to first disbursement
27	Pollution Prevention: Water Quality: The project will avoid the release of pollutants or, when avoidance is not feasible, minimize and/or control the intensity and mass flow of their release.	<ul style="list-style-type: none"> Update the Ecological Flow Monitoring Plan to include: <ul style="list-style-type: none"> (i) Monitoring techniques including methodology, exact monitoring locations, and monitoring equipment and list of parameters to be analyzed. (ii) Actions in case of reduced ecological flow or water quality based in adaptive resource management (ARM) strategies to optimize system performance. 	<ul style="list-style-type: none"> Updated and complete Ecological Flow Monitoring Plan. Effluent Management Plan document. 	<ul style="list-style-type: none"> Prior to first disbursement

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		(iii) Develop an Effluent Management Plan.		
28	Pollution Prevention: Effluent and Waste Management, Hazardous materials management: The project will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment.	<ul style="list-style-type: none"> ■ Updates to the Projects Waste Management Program: <ul style="list-style-type: none"> (i) Install appropriate waste containers in work areas that allow workers to separate waste by its characteristics. (ii) Establish a temporary hazardous waste and materials storage area that has secondary containment, ventilation, emergency equipment, spill kits, safety data sheets, and controlled access to trained personnel only. (iii) Hidrovolcán must define a strategy for disposal of hazardous waste in an approved area. If construction of its own underground tanks or pits is the strategy selected, follow recommendations from the WBG's General EHS Guidelines besides national compliance. 	<ul style="list-style-type: none"> ■ Evidence for appropriate waste containers installment. ■ Evidence for an appropriate temporary hazardous waste and materials storage area. 	<ul style="list-style-type: none"> ■ Prior to first disbursement
			<ul style="list-style-type: none"> ■ Document describing Hidrovolcán's Strategy or Plan for disposal of the Project's hazardous waste. 	<ul style="list-style-type: none"> ■ Six (6) months after delivery of this report
29	Pollution Prevention: Hazardous materials management: The project will avoid or, when avoidance is not	<ul style="list-style-type: none"> ■ Update the Environmental Management Plan (EMP) to include the following provisions to address the risk of spills: 	<ul style="list-style-type: none"> ■ Evidence that provisions, activities, and responsible 	<ul style="list-style-type: none"> ■ Prior to first disbursement

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	<p>possible, minimize and control the release of hazardous materials. In this context, the production, transportation, handling, storage, and use of hazardous materials for project activities should be assessed.</p>	<ul style="list-style-type: none"> (i) Provisions for spill prevention in fuel storage and recharge areas. (ii) Reinforcement of spill prevention, trainings, responsibilities, and surveillance for subcontractors must be included in the EMP. (iii) Include stop of work and immediate spill actions in the Soil Contamination Prevention Procedure, and reinforce training with workers, including subcontractors, to reduce spills severity and prevent risks of explosion or fire. 	<p>personal for spill situation is included in the EMP.</p> <ul style="list-style-type: none"> ■ Evidence on training delivered to Project personnel, including contractors and subcontractors on the Soil Contamination Prevention Procedure. 	
30	<p>Pollution Prevention: Pesticide use and management. PS3 requires projects to select chemical pesticides that are low in human toxicity, that are known to be effective against the target species, and that have minimal effects on non-target species and the environment.</p>	<ul style="list-style-type: none"> ■ Develop an Integrated Vector Management Plan for all stages of the Project. 	<ul style="list-style-type: none"> ■ Integrated Vector Management Plan document. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

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PS 4: Community Health, Safety, and Security				
31	<p>Community Health and Safety Projects will evaluate the risks and impacts to the health and safety of the Affected Communities during the project life-cycle and will establish preventive and control measures consistent with good international industry practice (GIIP) EHS Guidelines or other internationally recognized sources. Projects will identify risks and impacts and propose mitigation</p>	<ul style="list-style-type: none"> Ensure that water availability study and ecological flow assessment were performed using Good International Industry Practices; and update assessments accordingly. 	<ul style="list-style-type: none"> Water availability study and ecological flow assessment documents. 	<ul style="list-style-type: none"> Three (3) months after first disbursement.
32	<p>measures that are commensurate with their nature and magnitude.</p>	<ul style="list-style-type: none"> Develop a procedure to control general population access to the Project through the hanging bridge during the operation phase. Consider safety measures to prevent accidents, and control non-accessible areas for people. 	<ul style="list-style-type: none"> Community Access Control Management Plan for the Project. 	<ul style="list-style-type: none"> Three (3) months prior to the start of Operation phase.

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33	<p>Emergency Preparedness and Response: In addition to the emergency preparedness and response requirements described in PS 1, the client will also assist and collaborate with the Affected Communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information to Affected Communities, relevant government agencies, or other relevant parties.</p>	<ul style="list-style-type: none"> ■ Emergency Preparedness and Response with the Community: <ul style="list-style-type: none"> (i) Hidrovolcán must conduct an assessment and define the radius of impact in case of explosion of the explosives storage facility and identify affected communities, if any. If needed based on the results of the assessment, include actions to protect community in the event of an explosion emergency. (ii) Include actions in case of structural damage of the dam and reservoir, identify risk areas for communities downstream and the communication of the evacuation plan with the communities. (iii) Communicate the Emergency Response Plan with affected communities and local authorities and government agencies. 	<ul style="list-style-type: none"> ■ Updated Emergency Response Plan ■ Explosion risk assessment of the explosives storage facility ■ Evidence of socialization of the Project's updated Emergency Response Plan with the communities and local authorities 	<ul style="list-style-type: none"> ■ (i) Prior to first disbursement ■ (ii) One (1) month after first disbursement ■ (iii) Three (3) months after first disbursement

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PS 5: Land Acquisition and Involuntary Resettlement				
34	<p>Resettlement and Livelihood Restoration Planning and Implementation: The client will establish procedures to monitor and evaluate the implementation of a Resettlement Action Plan or Livelihood Restoration Plan and take corrective action, as necessary. The extent of monitoring activities will be commensurate with the project's risks and impacts. For projects with significant involuntary resettlement risks, the client will retain competent resettlement professionals to provide advice on compliance with this Performance Standard and to verify the client's monitoring information. Affected persons will be consulted during the monitoring process.</p>	<ul style="list-style-type: none"> Continue with the registry and implementation of control processes regarding the relocations made, as well as keep communication with the involved stakeholders and relocated families. 	<ul style="list-style-type: none"> Records of the resettlement plan implementation and monitoring of relocated families included in the ESCR. 	<ul style="list-style-type: none"> First ESCR and then periodically in the ESCR during the Construction phase
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
35	<p>Protection and Conservation of Biodiversity: Adequacy of baseline data, impact assessment & Threatened and Endangered Species.</p>	<ul style="list-style-type: none"> Update terrestrial biological baseline to include multi-seasonal surveys and recent data. Consider data from the dry period 2015-2018 and the wet period 2020-2022. 	<ul style="list-style-type: none"> Updated and complete terrestrial baseline. 	<ul style="list-style-type: none"> Six (6) months after delivery of this report

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36	<p>Protection and Conservation of Biodiversity: PS6 requires the determination of habitat type in natural or modified, depending on the presence of human activities and ecosystem functionality; and identify if in any case a Project is located within a critical habitat.</p>	<ul style="list-style-type: none"> ■ Develop a Critical Habitat Assessment (CHA) to identify if the Project is located within a critical, natural or modified habitat; using the criteria described in the Guidance Note 6 of the IFC. The CHA must be accompanied with a zonification map to show the areas considered as critical and to show the corridors and connectivity of these habitats. ■ If Critical Habitat is triggered, Hidrovolcán shall develop a Biodiversity Action Plan (BAP). 	<ul style="list-style-type: none"> ■ Complete Critical Habitat Assessment (CHA) document with zonification map. ■ Only if critical habitat is triggered: Biodiversity Action Plan. 	<ul style="list-style-type: none"> ■ Prior to first disbursement ■ Six (6) months after first disbursement
37	<p>Protection and Conservation of Biodiversity: Mitigation hierarchy application PS 6 requires development of a Biodiversity Management Plan that defines the measures and actions that will be undertaken to avoid, minimize, and mitigate impacts to biodiversity during construction, operation, and decommissioning of the Project.</p>	<ul style="list-style-type: none"> ■ After Critical, Natural or Modified habitat is identified, Hidrovolcán must conduct a Residual Biodiversity Impact Assessment (RBIA), to establish the level and the nature of residual impacts to biodiversity after considering the Project's existing impact minimization and/or mitigation measures. The RBIA must assess biodiversity aspects evaluated in the EIA and also include non-sensitive species, detail on flora species and the surface that will require vegetation clearance, ecological fragmentation and assessment per fauna group (i.e. amphibians, reptiles, birds, volant and non-volant mammals), 	<ul style="list-style-type: none"> ■ Complete Residual Biodiversity Impact Assessment document. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
38		<p>and consider electrocution risk for fauna, forest fires risks, environmental noise effects on fauna, and right of way maintenance related to the transmission lines.</p>		
		<ul style="list-style-type: none"> ■ After residual biodiversity impacts are defined, develop an Offset Plan with details about reforestation areas, criteria of selection (i.e., connectivity of ecosystems and habitats), location and characteristics, offset design, species, maintenance activities, indicators, thresholds, monitoring frequency and responsible. This plan can use information already existing from the Safeguard Plans, Forestal Plantations Plan and Greenhouse Plan to integrate all compensation measures and align it to CHA and residual impacts results. The Offset Plan shall be designed to achieve No Net Loss or Net Gain depending on CHA results. 	<ul style="list-style-type: none"> ■ Complete Offset Plan document. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
39		<p>Develop a Biodiversity Management Plan (BMP) and Biodiversity Monitoring and Evaluation Plan (BMEP), which must be part of the Integrated ESHS Management System, and include all mitigation measures, plans and programs aimed to the protection of biodiversity, including mitigation measures for impacts described in the second point of this paragraph. Those plans must have measurable indicators, thresholds, responsible, identification of resources needed for implementation, monitoring frequency, to ensure the efficiency of the measures and adapt if inefficiency is detected.</p>	<ul style="list-style-type: none"> ■ Biodiversity Management Plan (BMP) document. ■ Biodiversity Monitoring and Evaluation Plan (BMEP) document. ■ Evidence of implementation of the BMP and BMEP. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement ■ Six (6) months after first disbursement ■ Periodically as part of the ESCR during construction and operation phase
40		<ul style="list-style-type: none"> ■ Update of existing Project biodiversity-related plans: <ul style="list-style-type: none"> (i) Update the howler monkey management plan to include detail on indicators, thresholds, responsible, and frequency of the monitoring of efficiency. This plan shall be integrated to the ESHSMS as part of the BMP and BMEP, to ensure integrated instruments that allows surveillance of measures success. (ii) Update Rescue Plan and Proposal for Conservation of Threatened 	<ul style="list-style-type: none"> ■ Updated Howler Monkey Management Plan. ■ Updated Rescue Plan ■ Updated Proposal for Conservation of Threatened Species ■ Rescue and relocation procedures for fortuitous sight of wildlife inside the Project 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
		<p>Species to include detail on environmental education, restoration, overpasses for monkeys and artificial beaches for crocodile nesting; including specific actions, location, indicators, thresholds, monitoring and responsible. This plan shall be included in the BMP and BMEP.</p> <p>(iii) Rescue and relocation procedures for fortuitous sight of wildlife inside the Project must be included as part of the BMP and BMEP, including detail about professional background of personnel entailed to perform rescues, EPP, relocation area and manipulation technique. Also, Hidrovolcán must reinforce personal training in biodiversity protection measures.</p>		
41	<p>Management of Ecosystem Services: Where a project is likely to adversely impact ecosystem services, the project will conduct a systematic review to identify priority ecosystem services. Impacts on priority ecosystem services on which the project depends, clients should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations, as described in Performance Standard 3.</p>	<ul style="list-style-type: none"> ■ Conduct an Ecosystem Services Assessment based in international best practices, ERM recommends using the Weaving Ecosystem Services into Impact Assessment from the World Resources Institute. For this assessment, PS 4 and PS 6 require involving communities into the valuation of ecosystem services. 	<ul style="list-style-type: none"> ■ Complete Ecosystem Services Assessment document. 	<ul style="list-style-type: none"> ■ Six (6) months after first disbursement

Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
PS 7: Indigenous Peoples				
42	The Project must identify, through an environmental and social risks and impacts assessment process, all communities of Indigenous Peoples within the Project area of influence who may be affected by it, as well as the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on them.	<ul style="list-style-type: none"> ■ Complement the 2018 Indigenous People’s Study by carrying out a comprehensive identification and characterization of the indigenous population in the Project’s Area of Influence (including reservoir area and transmission lines). 	<ul style="list-style-type: none"> ■ Updated identification and characterization of the indigenous population. 	<ul style="list-style-type: none"> ■ Prior to first disbursement
43		<ul style="list-style-type: none"> ■ If Indigenous Peoples are identified and PS 7 is triggered, the Project must ensure the following: <ul style="list-style-type: none"> (i) That consultation with indigenous peoples is conducted in accordance with FPIC; (ii) That all communication and engagement with the indigenous population is culturally appropriate and that the management plans have provisions to ensure that these populations are effectively involved (including the socialization of the External Grievance Mechanism); and (iii) Verify that social investment projects or benefits for the execution of the Project have specific measures for these populations. 	<ul style="list-style-type: none"> ■ Evidence of communication and engagement with indigenous population. ■ Evidence of disclosure of the External Grievance Mechanism (i.e., assistance list, material for disclosure, photographs). 	<ul style="list-style-type: none"> ■ Six (6) months from the completion of ESAP item 42

Ref. No.	Requirement	Recommended Action	Completion Indicator	Timescale for Completion
PS 8: Cultural Heritage				
44	The Project is responsible for siting and designing it to avoid significant adverse impacts to cultural heritage. The Project must develop provisions for managing chance finds through a Chance Find Procedure.	<ul style="list-style-type: none"> ■ Develop a Chance Finds Procedure that clearly establishes the steps to follow if potential archaeological finds are identified. ■ Establish periodic training for Project personnel and clear behavioral measures to prevent mishandling of archaeological remains. 	<ul style="list-style-type: none"> ■ Chance Finds Procedure. ■ Evidence of implementation (i.e., training material, assistance list, procedure disclosure). 	<ul style="list-style-type: none"> ■ Prior to first disbursement

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