

Annex 1: Environmental and Social Action Plan (ESAP)

No.	Reference	Measure	Final Product/Deliverable	Expected Completion Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Environmental and Social Management System (ESMS)	1. Develop the final, explicit, detailed and specific ESMS for CRN, to include: (i) policy; (ii) procedures to identify, assess and manage possible E&S, OHS, and occupational risks and impacts associated with each Project activity, and for workers engaged by third parties (contractors and subcontractors); (iii) internal procedures for compliance with the Environmental and Management Program (EMP); (iv) organizational capacity and competency, including the definition of roles and allocation of responsibilities for the implementation of this ESMS; (v) emergency preparedness and response protocols; (vi) stakeholder mapping/analysis and engagement planning (and ongoing); (vii) external communications and grievance mechanism; (viii) protocols for the disclosure of information, decision making and training to communities; (ix) protocols for the evaluation and continuous improvement of the ESMS; and (xi) regular audits and inspections of applicable E&S and OSH requirements under Law No. 217 of Nicaragua.	1. Copy of CRN's updated ESMS.	1. Twelve months after signing the loan agreement.
1.2	Environmental, Social and Occupational Health and Safety Policy	1. Provide an E&S policy that takes into account CRN's and/or the Project's context and needs; and incorporate a Training Program for its implementation and dissemination to all its employees.	1. Copy of CRN's or the Project's environmental and social policy (if different).	1. Six months after the first disbursement.
1.3	Identification of Risks and Impacts	1. Perform the identification and assessment of the risks and impacts of CRN's improvements, taking into account greenhouse gas emissions, relevant risks associated with climate change and adaptation opportunities.	1. Copy of the identification and impact assessment of CRN improvements.	1. 30 days prior to the start of construction of CRN improvements.
1.4	Environmental and Social Management	1. Develop an EMP specific to the construction stage of the CRN industrial complex improvements, with the following measures: (i) an Impact Management Program for the physical, biological, and visual environment, which will	1. Copy of the specific ESMP for the construction of CRN's	1. 30 days prior to the start of construction of

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	Programs (ESMP)	<p>include mitigation measures for any impact on terrain relief (in the event of earthmoving or earthworks); hazardous and non-hazardous solid waste management; control of polluting gases emissions by construction machinery and equipment; disturbance of the environment due to the increased generation of dust and noise; control of liquid effluents, both industrial and domestic; (ii) an Impact Management Program for the socioeconomic environment, which will include social compensation for the communities/dwellings in the vicinity of the Project; training for construction managers and workers; measures for inter-institutional coordination; and measures to ensure safe and hygienic-sanitary conditions for workers during construction.</p>	industrial complex improvements.	CRN improvements.
		<p>2. Develop an ESMP for operation and maintenance (“O&M”) of the CRN industrial complex that includes the following measures: (i) an Environmental Monitoring and Vigilance Program, (ii) a Comprehensive Solid and Liquid Waste Management Program, which emphasizes environmentally friendly measures to store and dispose of any waste that cannot be reduced, reused or recycled, and also provides special measures for hazardous waste management, such as oils, greases, paints, solvents, medicines, disinfectants, or any other product that requires special management used during O&M activities in the CRN industrial complex under local environmental and health regulations; and (iii) an Occupational Risk Prevention Management Program.</p>	2. Copy of the specific ESMP for the O&M of CRN’s industrial complex improvements.	2. 30 days prior to the start of operations of the CRN industrial complex improvements.
1.5	Organizational Capacity	<p>1. Form/constitute a Joint Commission on Occupational Health and Safety for the CRN industrial complex and register it with the MITRAB.</p>	1. Copy of the constitution of the JCOHS and its registration with the MITRAB, for CRN.	1. 90 days after signing the loan agreement.

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		2. Appoint and maintain, for CRN, a qualified environmental manager or person responsible for the environment and a qualified manager or person responsible for OHS (one or two persons, depending on their experience and the size of the operation) located in the industrial complex, who will report directly to the corresponding Manager/Director, with independent reporting lines to CRN Management or Corporate Headquarters.	2. Appointment of the people responsible for the environment and OHS at CRN.	2. 60 days after signing the loan agreement.
1.6	Emergency Preparedness and Response	1. Develop, for each ERP, a Training Plan and a Root Cause Analysis procedure for each major accident or fatality, as well as a description of the corrective actions required to minimize the risk of reoccurrence.	1. Copy of the Training Plan and Root Cause Analysis procedure for each ERP.	1. 120 days after signing the loan agreement.
1.7	Monitoring and Review Indicators	1. Develop or update, as appropriate, a compliance matrix for CCN and CRN, with a set of key performance indicators that must be monitored and fulfilled to measure the effectiveness of the EMP and compliance with all legal and contractual obligations for each existing industrial complex and during the construction and O&M phases of the new process(es) and facilities to be built as part of the Project .	1. Compliance matrix with a list of KPIs in terms of management and success, for CCN and for CRN.	1. 60 days after signing the loan agreement.
1.8	Project Compliance with Applicable Standards	1. Through an independent E&S consultant, regularly prepare a consolidated report on environmental, social, health and safety issues for CCN and CRN, as well as on the compliance status of IDB Invest's Environmental and Social Sustainability Policy, Nicaragua's environmental, social, and OHS legislation, the IDB's Environmental and Social Policies, and the IFC Performance Standards, including the progress of the ESMS actions against the defined KPIs.	1. Regular environmental and social compliance report for CCN and CRN.	1. Annually over the life of the loan.
1.9	Stakeholder Engagement	1. Incorporate the following to the CCN Stakeholder Engagement Management Plan: (i) differentiated measures to enable the effective engagement of disadvantaged or vulnerable groups; (ii) mechanism to ensure that community representatives represent the views of the affected communities; (iii) details on how information is	1. Copy of the new CCN Stakeholder Engagement Management Plan.	1. 120 days after signing the loan agreement.

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		disclosed to stakeholders; (iv) details on the engagement process among stakeholder communities and how to access the grievance mechanism.		
		2. For CRN, develop a Stakeholder Engagement Management Plan that includes: (i) analysis of social actors and planning of their participation; (ii) dissemination of information; (iii) claims/complaints mechanism; and (iv) provision of periodic reports to the community.	2. Copy of the CRN Stakeholder Engagement Management Plan.	2. 60 days after signing the loan agreement.
1.10	External complaints mechanism for the construction phase	1. For CRN, develop and implement an external grievance mechanism focused on key stakeholders and neighboring communities and/or landowners within the area of indirect influence of the industrial complex that are affected or have some stake in the construction phase of the CRN industrial complex improvements. This external grievance mechanism will include details on how grievances or complaints are recorded, investigated and evaluated, and their follow-up and closure or resolution process.	1. Copies of CRN's external grievance mechanism for the construction phase of the industrial complex improvements.	3. 30 days prior to the start of construction of the CRN industrial complex improvements.
			2. Copies of evidence of its implementation in CRN's industrial complex.	1. Progress report in each environmental and social compliance report.
1.11	External complaints mechanism for operation and maintenance ("O&M")	1. For CRN, provide and implement an external grievance mechanism during the O&M of the industrial complex improvements that incorporates the experiences and lessons learned during the construction phase.	1. Copies of CRN's external grievance mechanism for the O&M phase.	1. 30 days prior to the start of construction of the CRN industrial complex improvements.
			2. Copies of evidence of its implementation in CRN's industrial complex.	2. Progress report in each environmental and social compliance report.

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PS 2: Labor and Working Conditions				
2.1	Human Resources Policies and Procedures	1. For CRN, develop an Internal Work Regulation with the Project's human resources policies and procedures that include, among other things, the promotion of gender equality and non-discrimination, equal opportunities, fair treatment, an agreement with appropriate terms and conditions of employment, notice of dismissal and compensation, based on its Code of Conduct for employees.	1. Copy of CRN's Internal Work Regulations.	1. 60 days after signing the loan agreement.
		2. Develop a monitoring and follow-up mechanism to ensure that contractors and subcontractors of engineering, procurement and construction services comply with such human resources policy and procedures.	2. Copy of the monitoring and follow-up mechanism for compliance with the human resources policy and its procedures.	2. 60 days after signing the loan agreement.
2.2	Working Conditions and Terms of Employment	1. For CRN, develop (i) an employment procedure for own workers and those engaged by third parties, in which the conditions for employment and dismissal comply with local and International Labor Organization (ILO) regulations, including, but not limited to, regulations to prevent child labor and forced labor; (ii) procedure for employment and dismissal/retrenchment of own employees and the procedures adopted by contractors for their workers; and (iii) procedures for managing and monitoring the performance of own employees and those engaged by third parties.	1. Copy of these procedures for CRN.	1. 60 days after signing the loan agreement.
2.3	Coexistence Handbook	1. For CRN, develop a Coexistence Handbook (regulations) for Project employees, contractors, and subcontractors.	1. Copy of CRN's Coexistence Handbook (regulations).	1. 60 days after signing the loan agreement.
2.4	Internal grievance mechanism for the	1. Develop and implement an internal grievance mechanism focused on direct employees and those engaged by contractors and subcontractors, for the construction phase of the CRN industrial complex improvements. This internal grievance mechanism will include details on how	1. Copies of the internal grievance mechanism for the construction phase of CRN's	1. 30 days prior to the start of construction of the CRN industrial

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	construction phase	complaints or grievances are recorded, investigated and evaluated, and their follow-up and closure or resolution process.	<p>industrial complex improvements.</p> <p>2. Copies of evidence of its implementation in the new Project works.</p>	<p>complex improvements.</p> <p>2. Progress report in each environmental and social compliance report.</p>
2.5	Internal grievance mechanism for operation and maintenance (“O&M”)	1. For CRN, provide and implement an internal grievance mechanism during O&M that incorporates the experiences and lessons learned during the construction phase.	<p>1. Copies of CRN's internal grievance mechanism for the O&M phase.</p> <p>2. Copies of evidence of its implementation in the CRN industrial complex.</p>	<p>1. 45 days after signing the loan agreement.</p> <p>2. Progress report in each environmental and social compliance report.</p>
2.6	Protecting the Workforce	<p>1. Develop an Internal Work Regulation for CRN that complies with PS-2 and includes: (i) General Provisions; (ii) Obligations and Law in general; (iii) Employment Policy; (iv) Working Conditions; (v) Vacations, Holidays, and Leave; (vi) Occupational Health and Safety; (vii) Labor Discipline; (viii) Special Sanctions; and (ix) Procedure for Applying Sanctions.</p> <p>2. Incorporate a Training Program on these Regulations to be implemented and disseminated to all CRN employees.</p>	<p>1. Copy of these procedures for CRN.</p> <p>2. Copy of CRN's Internal Work Regulations Training Program.</p>	<p>1. 60 days after signing the loan agreement.</p> <p>2. 60 days after signing the loan agreement.</p>
2.7	Worker's Health and Safety	1. Implement a Security Plan for CCN for the Comprehensive Management of Ammonia, to ensure that the safety and management of ammonia complies with the country's safety regulations, the general guidelines of the World Bank Group's General Guidelines on Environment, Health and Safety, and the International Institute of Ammonia	1. Copy of CCN's safety plan for the comprehensive management of ammonia.	1. 90 days after signing the loan agreement.

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		Refrigeration (IAR). This Safety Plan should include training, scheduled drills, and a proactive and regular communication plan for all employees and contractors, in coordination with each country's emergency response authorities and the involvement of communities with a high probability of being affected.		
2.8	Workers Engaged by Third Parties	1. For CRN, develop a Policy for the Employment and Provision of Services of Workers Engaged by Third Parties, in line with the provisions of PS-2 and the Labor Code of Nicaragua.	1. Copy of CRN's Policy for the Employment and Provision of Services of Workers Engaged by Third Parties.	1. 60 days after signing the loan agreement.
		2. Include a Training Program in the Policy, to be implemented and disseminated to all CRN employees.	2. Copy of CRN's Training Program on the Policy for the Employment and Provision of Services of Workers Engaged by Third Parties.	2. 60 days after signing the loan agreement.
2.9	Supply Chain	1. For CRN, implement a Principal Supply Chain Regulation Program to: (i) control and prevent the risk or occurrence of child labor or forced labor, in observance of legislation and international conventions to which Nicaragua is a signatory; and (ii) ensure that the principal suppliers in the supply chain take measures to prevent or correct situations that endanger the lives of workers owing to the unsafe and unhealthy conditions involved in the collection of recyclable/recoverable materials.	1. Copy of CRN's Principal Supply Chain Regulation Program.	1. 60 days after signing the loan agreement.
PS 4: Community Health, Safety and Security				
4.1	Community Health, Safety and Security	1. Develop a Road Safety Management Plan specific to CRN's industrial complex that shall include measures to mitigate possible impacts on stakeholder communities, especially during the construction phase of the infrastructure expansions and future growth of the Project,	1. Copy of the Road Safety Management Plan for CRN's industrial complex.	1. 150 days after signing the loan agreement.

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		but that also includes vehicle composition and O&M in its analysis.		
4.2	External Security Policy and Protocols	1. Provide a copy of the contract between CRN and the industrial complex's security company or companies to verify, among other aspects, that conditions have been included that allow for: (i) conducting reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse in the past; (ii) verifying details of necessary training in relation to the use of force; (iii) verifying restrictions on the use of firearms; and (iv) identifying details of environmental awareness training.	1. Copy of the contracts between CRN and the security company(ies).	1. 90 days after signing the loan agreement.
PS 8: Cultural Heritage				
8.1	Cultural Heritage	1. For CCN and CRN, prepare a Chance Finds Procedure for the execution of any additional works associated with the Project that requires earthmoving and/or earthworks, in keeping with the provisions of PS-8.	1. Copy of CCN's and CRN's Chance Finds Procedure.	1. 30 days prior to the start of the execution of any additional works associated with the Project that requires earthmoving and/or earthworks.