

CELPA – Environmental and Social Action Plan (ESAP)

	Action	Deadline
PS1: Assessment and Management of Environmental and Social Risks and Impacts		
1.	<u>E&S Policy</u> Revise the Company's written documentation of applicable environmental and social legal requirements that apply to its activities to include an explicit reference to IFC's Performance Standards.	June 30, 2013
2.	<u>E&S Assessment and Management Procedures</u> - Formalize CELPA's current practice of screening projects to avoid construction of sub-transmission lines or substations in environmentally and socially sensitive areas (i.e. conservation areas, indigenous people's lands, and areas where involuntary resettlement would be required). - Revise the terms of reference (ToR) for assessment of impacts in sensitive habitats (native forest) to ensure consistency with IFC requirements. The revised ToR will include adequate baseline studies for fauna and flora to identify the presence or absence of listed species and evaluation of potential presence of Critical Natural Habitat (as defined in IFC's PS6). - Update process for selection of new contractors or renewal of existing contracts to include environmental, health, and safety (EHS) performance criteria: standards of employee occupational health and safety (OHS) training; evidence of compliance with labor laws; accident records; and records of response to CELPA's audit findings. - Revise standard operating procedures in power stations to reduce the volume of oily wastewaters requiring treatment. - Develop and implement land acquisition and right-of-way negotiation procedures consistent with IFC PS5 requirements. - Develop and implement due diligence procedure for review of government managed resettlement in the event that this takes place in land ceded to CELPA by state or municipal authorities, defining CELPA's role and responsibilities consistent with IFC PS5 requirements. - Develop and implement a squatter's management procedure to formalize CELPA's policy and approach to prevention and response to illegal occupation of transmission line ROWs, including identification of this risk prior to the construction of new transmission lines. - Develop and implement a formal IP community engagement procedure to be applied in the event that transmission or distribution assets will be installed in IP lands. The engagement procedure shall be consistent with IFC PS7 requirements. - Develop and implement archeological and cultural patrimony chance-find procedures applicable to construction activities which are consistent with Brazil's IPHAN and IFC PS8 requirements.	June 30, 2013

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3.	<u>Environmental Licenses</u> Identify those assets still lacking environmental licenses and develop and implement a time-bound action plan to come into legal compliance with applicable licensing requirements.	June 30, 2013
4.	<u>Organizational Capacity and Competency</u> Hire experienced OHS Manager and replace OHS auditors lost through attrition. Complement environmental management structure with the assignment of qualified and experienced sub-regional environmental coordinators.	June 30, 2013 September 30, 2013
5.	<u>Monitoring and Review</u> - Institute monitoring programs for key E&S indicators and performance measures, including but not limited to OHS incidents with employees and contractors and oil/water separator effluent discharges - Prepare E&S performance reports to communicate to Company management key aspects of ESMP implementation (including at a minimum: OHS accident rates and trends, status of Notices of Non-Compliance (NOVs or TACs) and other key issues of potential significance). Management reports shall be prepared at a minimum on a quarterly basis or more frequently as determined by the Company Management.	June 30, 2013
6.	<u>External Communications and Grievance Mechanism</u> Develop a stakeholder engagement plan which defines engagement and disclosure levels appropriate to the level of adverse environmental impacts of specific transmission and distribution projects, consistent with IFC stakeholder engagement requirements. Develop and implement a robust Grievance Redress Mechanism consistent with IFC PS1 requirements. Continue to disclose indicators of environmental and social performance applicable to CELPA's construction and operational activities (such as those already published in recent annual Sustainability Reports).	June 30, 2013 June 30, 2013 June 30, 2013
PS2: Labor and Labor Conditions		
10.	<u>Human Resource (HR) Policy</u> Develop and implement a human resources policy consistent with IFC Performance Standard 2 and national labor laws. The HR policy will make explicit reference to the Company's commitments to non-discrimination and equal opportunity; minimum work age requirements; workers' rights to freedom of association; respect for collective agreements, if these are present; maximum working hours; and working conditions and terms of employment.	June 30, 2013
11.	<u>Retrenchment Management Report</u> Prepare a management report documenting how the retrenchment process was implemented consistent with the requirements of PS2, including consultation with the trade unions.	June 30, 2013
12.	<u>Employee Grievance Mechanism</u> Develop, disseminate, and implement employee grievance process consistent with IFC PS2.	June 30, 2013

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13.	<u>Occupational Health and Safety Management</u> Develop and implement detailed training program for contractors consistent with local and IFC requirements. Conduct periodic audits of key service providers such as contractors responsible for construction and maintenance of ST&D lines and transformers' maintenance shops.	June 30, 2013 June 30, 2013
14.	<u>Notices of Violations (NOVs)</u> CELPA will engage with local authorities and will develop a time-bound action plan to come into compliance with the public prosecutors' Notices of Non-compliance (NOVs and terms of commitment [TACs]) in the State of Para for issues related to occupational risks among its own employees and subcontractors.	June 30, 2013
PS5: Land Acquisition and Involuntary Resettlement		
15.	<u>Squatters Management Report</u> Prepare a management report which contains a summary and documentation of the current extent of invasion of CELPA's transmission lines rights of way (ROW), including status of negotiations and contacts with residents and public entities, policies and plans to address this issue	June 30, 2013