

APPENDIX 3: INDIGENOUS PEOPLES PLANNING FRAMEWORK (IPPF)

Introduction

This Indigenous Peoples Planning Framework (IPPF) has been prepared by RSK to guide RIC Energy to ensure that an Indigenous Peoples assessment is included as part of the specific ESIA process for the 43 km transmission line to be constructed as an associated facility for the Pacifico Mexinol Project.

RIC Energy will identify, through an E&S risks and impacts assessment process, all communities of Indigenous Peoples within the Project AoI who may be affected by the project, as well as the nature and degree of the expected direct and indirect economic, social, cultural, and environmental impacts on them. Adverse impacts on Affected Communities of Indigenous Peoples should be avoided where possible. Where adverse impacts are unavoidable, RIC Energy will minimise, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the Affected Communities of Indigenous Peoples. These proposed actions will be developed with the informed consultation and participation of the Affected Communities of Indigenous Peoples and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples.

This IPPF will guide the preparation of an Indigenous Peoples Plan, if required, once exact locations of towers and RoW designs are finalised for the transmission line and if mitigation hierarchy (as discussed in Section 2) cannot be fully applied.

Potential Positive and Negative Impacts on Indigenous Peoples

As detailed in Chapter 10 of the Pacifico Mexinol Project ESIA (of which this IPPF is an appendix), for the transmission line project, RIC Energy is applying the mitigation hierarchy and does not intend to impact lands, livelihoods or cultural heritage of Indigenous Peoples. At the time of writing, the final routing of the 43 km transmission line had been chosen, based on alternatives analysis of technical, environmental and social aspects and choosing the design with the least potential impacts. No resettlement (physical or economic displacement) is expected to be triggered as long as RIC Energy continues to apply the avoidance hierarchy and re-routing/micro-routing processes during the land negotiation process should certain plots of land become unavailable for purchase under the “willing buyer, willing seller” premise.

However, some temporary, minor negative impacts may be experienced during the construction period, such as dust, noise and road access disturbances, which will be managed through the transmission line project’s ESMPs. Potential positive impacts may include hiring local workers during the construction phase, and provision of other community benefits as part of the Pacifico Mexinol Project.

Regulatory Framework

The following sections provide a brief description of the applicable regulatory and good international industry practice guidance applicable to assessing Indigenous Peoples for the transmission line project.

Mexican and Sinaloa state laws and regulations

- Article 2 of the Constitution contains general provisions that establish the characterisation of the Mexican Nation as multicultural and originally based on its indigenous peoples. It defines indigenous peoples as: "those who descend from populations that inhabited the country's current territory at the beginning of colonisation and who retain their own social, economic, cultural, and political institutions, or parts of them."
- Article 27 of the Constitution, which recognises the legal personality of communal and ejido population centers and protects their ownership of the land, both for human settlement and for productive activities, as well as the integrity of the lands of indigenous groups.
- The Constitution grants States the right to develop their legislation applicable to Indigenous Peoples without this legislation overriding what is already established under the Constitution. Indigenous issues are governed in the State of Mexico by the Law on Indigenous Rights and Culture of the State of Mexico.
- Indigenous peoples, localities and communities and the State, through the Ministry of the Environment, agree on the actions and measures necessary to conserve the environment and protect the natural resources within their territories, in such a way that these are ecologically sustainable, technically appropriate and adequate to maintain ecological balance, as well as compatible with the free determination of the peoples, localities and communities for the preservation and enjoyment of natural resources.
- The Electricity Sector Law was revised on March 18, 2025, to strengthen the mandatory reporting of the Social Impact Statement for all applicable energy development projects, including transmission lines.
- "The Law that determines the catalogue of peoples and indigenous communities in the state of Sinaloa" (Lay que establece el catalogo de pueblos y comunidades indígenas en el estado de Sinaloa) establishes the criteria to determine peoples and indigenous communities in the state of Sinaloa.
- "The Law on the rights for the peoples and indigenous communities for the state of Sinaloa" (Ley de los derechos de los pueblos y comunidades indígenas para el estado de Sinaloa) regulates the content of articles of the state constitution and aims to protect, preserve and promote the development of the peoples and indigenous communities.

The Commission on Indigenous People has prepared a document titled, "Protocol for the implementation of consultations with indigenous peoples and communities in accordance with the standards of International Labor Organization Convention 169 on Indigenous and Tribal Peoples in Independent Countries" (*Protocolo para la implementación de consultas a pueblos y comunidades indígenas de conformidad con estándares del Convenio 169 de la Organización Internacional del*

Trabajo sobre Pueblos Indígenas y Tribales en Países Independientes)¹ which provides further guidance on Mexican regulatory requirements.

International standards and guidance

- ILO Convention 169 on Indigenous and Tribal Peoples, which Mexico ratified on September 5, 1990, specifically recognises peoples and cultures and establishes the creation of spaces for participation and free, prior, and informed consultation.
- IFC PS 7: Indigenous Peoples recognises Indigenous Peoples as social groups with identities that are distinct from dominant groups in national societies. Projects are required to:
 - Ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
 - Anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimise and/or compensate for such impacts.
 - Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
 - Establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a Project throughout the Project's life cycle.
 - Ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.
 - Respect and preserve the culture, knowledge, and practices of Indigenous Peoples.
- Furthermore, according to PS7, a project must facilitate a process of free, prior and informed consent with the Affected Communities of Indigenous Peoples with regard to project design, implementation and expected outcomes if these are associated with any of the potentially adverse impacts identified below:
 - Impacts on lands and natural resources subject to traditional ownership or under customary use;
 - Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use;
 - Significant impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives; or
 - Use of cultural heritage, including knowledge, innovations or practices of Indigenous Peoples for commercial purposes.

¹ [Protocolo para la implementación de consultas a pueblos y comunidades indígenas de conformidad con estándares del Convenio 169 de la Organización Internacional del Trabajo sobre Pueblos Indígenas y Tribales en Países Independientes](#)

Indigenous Peoples in the Transmission Line Area

Table 1 below provides a brief summary of the Indigenous groups within the transmission line general project area (noting that the distance from the communities to the final transmission line location is approximately 2 km). See Chapter 10 of the Pacifico Mexinol ESIA for details related to the Indigenous Peoples in the Aol.

Table 1: Communities within the Project area of the transmission line

ID	Name of Community	Population Total	Average size of household	Population of indigenous households	Percentage of indigenous households	Population over 3 years old who speak an indigenous language	Percentage over 3 years old who speak an indigenous language	Population over 3 years old who speak an indigenous language and do NOT speak Spanish	Percentage over 3 years old who speak an indigenous language and do NOT speak Spanish	Population over 15 years old who are illiterate
250010189	Ejido 9 de Diciembre	1974	3.6	12	0.6%	2	0%	0	0%	45
250010215	Ejido Ricardo Flores Magón	1845	3.6	26	1.4%	6	0%	0	0%	58
250010088	Ejido Benito Juárez	1466	3.6	8	0.5%	4	0%	0	0%	56
250010197	Plan de Ayala [Campo Cinco]	1447	3.4	6	0.4%	2	0%	0	0%	28
250010370	Ejido Rosendo G. Castro	702	3.4	11	1.6%	3	0%	0	0%	28
250010626	Ejido Topolobampo	111	3.7	4	3.6%	1	1%	0	0%	0
250010992	Plan de Ayala Número Dos	10	*	*	*	*	*	*	*	*
250010227	San Miguel Zapotitlán	6253	3.8	352	5.6%	116	2%	0	0%	122
250010146	Goros Número Dos	1758	4.1	623	35.4%	207	12%	3	0%	32
250010129	Dieciocho de Marzo	897	3.6	24	2.7%	8	1%	0	0%	35
250010174	Ejido Louisiana	867	3.3	5	0.6%	1	0%	0	0%	24
250010199	Plan de San Luis	664	3.6	0	0.0%	0	0%	0	0%	13
250010530	Choacahui	587	4.4	392	66.8%	198	34%	2	0%	19
250011381	Ejido Emiliano Zapata (Olas Altas)	1	*	*		*		*	*	*
250010183	Mochis (Ejido Mochis)	2984	3.53	29	0.01	10	0.00	0	0	51

Source: Censo de Poblacion y Vivienda 2020 INEGI

IPPF Procedure

Once all final design parameters have been finalised, including RoW, tower locations, and tower heights, RIC Energy will prepare a transmission line project ESIA, at the same time as the land purchases are ongoing. It is expected that the ESIA will be complete at the same time as the land purchase agreements are complete. The ESIA will include a period of baseline data collection and engagement with landowners and adjacent communities along the transmission line RoW to determine if and to what extent there may be potential temporary or permanent environmental or social impacts, including to Indigenous Peoples.

The scope, level of detail, and methodological aspects of the social assessment shall be commensurate to the nature and extent of project-related impacts and risks (e.g., temporary construction impacts). The social assessment shall focus on issues relating to Indigenous Peoples that are identified in the Pacifico Mexinol ESIA Chapter 10 (initial screening and scoping of the final transmission line expected routing). The social assessment may be prepared as a stand-alone document (as is required by Mexican regulations) and/or incorporated into the broader ESIA process. As relevant, the social assessment process includes the following elements:

- Description of project and potential issues or impacts relating to Indigenous Peoples communities
- Review of the borrower's legal and institutional framework as applicable to Indigenous Peoples appropriate to the project context
- Identification of relevant Indigenous Peoples communities and other key stakeholders to be consulted in the social assessment process
- Baseline information on the demographic, social, cultural, economic and political characteristics of relevant Indigenous Peoples communities
- Elaboration of a culturally appropriate process for free, prior and informed consultations with Indigenous Peoples communities during IPP preparation and project implementation (if IPP is required)
- Based on consultation with Indigenous Peoples communities, assessment of the potential adverse impacts and benefits likely to be associated with the project
- Summary of preferences and concerns of Indigenous Peoples communities relating to project objectives, access and cultural appropriateness of project benefits, mitigation of any adverse impacts, and project implementation arrangements.

Generally, the consultation process specific to Indigenous peoples is conducted in a manner allowing Indigenous Peoples communities to openly express their preferences or concerns without intimidation or trepidation; conducted in a timely manner that is inclusive, with special consultation arrangements included where necessary to obtain the preferences or concerns of women, the elderly, or others who customarily may not be expected or allowed to participate in community meetings.

A summary (including date, location, approximate number and status of persons in attendance, and summary of issues discussed) is prepared and recorded for each consultation meeting. Consultations may be undertaken as part of the social assessment process or as a separate set of activities.

Outline for Indigenous Peoples Plan

If the ESIA determines that an IPP will be required, it shall be prepared in advance of construction. The scope and level of detail required in the IPP is commensurate with the nature and extent of project-related impacts and risks. As relevant, the IPP includes the following elements:

- Project description and summary description of issues relating to Indigenous Peoples
- A brief summary of relevant issues and findings of the social assessment process
- A summary of results from the process consultations with relevant Indigenous Peoples communities, and review of determination of broad community support
- Actions to ensure equitable access to culturally appropriate benefits for Indigenous Peoples communities (if required)
- Actions to avoid, minimise or otherwise mitigate any adverse impacts affecting Indigenous Peoples communities
- Cost estimates, budget and financial responsibilities for implementation of the IPP
- Accessible and culturally appropriate means to address grievances raised by Indigenous Peoples (individually or collectively)
- Monitoring arrangements
- Arrangements for information disclosure.

Disclosure of the IPPF and IPP

RIC Energy shall make the ESIA and draft IPP/IPPF available to the affected Indigenous Peoples' communities in an appropriate form, manner, and language. This IPPF (in Spanish and Yoreme languages) will be disclosed in a public place in a manner that is culturally appropriate and accessible to the appropriate communities.

Monitoring and Reporting Arrangements

The implementation of any IPP(s) will be monitored. A set of monitoring indicators will be determined during IPP preparation. RIC Energy will carry out monitoring and independent experts may need to be engaged; this will be specified in the IPP(s) and depends on the degree of social risk. Field visits will be conducted prior to and during construction to observe project progress and to provide responses to problems, if needed, during site visits. If any significant issues are found, RIC Energy, Transition Industries, and lending partners will formulate and agree on a corrective action plan or an update to the IPP(s).

Some key indicators for monitoring and evaluation of IPPs include (i) process of the consultation activities; (ii) status of vulnerable people as identified in the ESIA; (iii) any negative impacts to the Indigenous Peoples that was not anticipated during the preparation of IPP that required corrective actions; and (v) grievance redress issues.