

Title:

# Social Management Plan

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**INDEX**

Page.

INDEX.....	2
1. OBJECTIVE AND SCOPE .....	4
2. DEFINITIONS .....	4
3 REFERENCES.....	4
4. ROLES AND RESPONSIBILITIES .....	5
5. PROCEDURE .....	7
6. ANNEXES.....	8

Change Control	
Revision	Remarks
0	First broadcast
1	The plan updates the codifications and names of the documents of the management system applicable to the Central 38 CC Norte III, the section of supervisory responsibilities is replaced by Community Service Manager, the Compliance Department and the Finance Directorate are added, O&M Director is replaced by Asset Director, Indicators for the social management system are added.
2	The content of the Social Management Plan is updated, derived from the review, and updating of the Social Impact Assessment for the operation and maintenance stage of the project.

	Social Management Plan	Document number: <b>ABSA-ES-PN-01</b>	
		LEAF: 4 OF 8	Rev. 2

## 1. OBJECTIVE AND SCOPE

### 1.1 Objective

Present the actions and strategies to be implemented for the continuation of the harmonious relationship that exists between the community and the project allowing the healthy operation of the Combined Cycle Power Plant 38 CC Norte III.

### 1.2 Scope

The Social Management Plan (hereinafter PGS) is mandatory for all personnel working at Abeinsa and service providers within the facilities of the 38 CC Norte III Power Plant.

## 2. REGULATIONS AND REFERENCE DOCUMENTS

- Mexican Laws and Regulations.
- Equator Principles (EP) (in force).
- International Finance Corporation (IFC PS) Performance Standards (current).
- AGREEMENT by which the General Administrative Provisions on the Social Impact Assessment in the Energy Sector are issued.

## 3 DEFINITIONS

**Abeinsa:** Abeinsa Juárez N-III, S.A de C.V., owner of the 38 CC Norte III plant.

**Stakeholders:** The people, communities, groups, organizations, institutions, authorities and any other that may have an influence on the design, implementation, and sustainability of the Project.

**Support:** Supplies, materials, equipment, or movable property that are acquired directly by Abeinsa Juárez N-III for delivery and benefit of the Stakeholders.

**Area of direct influence (AID):** It is the physical space surrounding or contiguous to the Core Area in which the socioeconomic and sociocultural elements that could be directly impacted by the works and activities carried out during the different stages of the Project are located.

**Area of indirect influence (IIA):** It is the physical space surrounding or contiguous to the Area of Direct Influence whose economic, social, and cultural aspects may be affected during the development of activities related to the Project.

**Core Area (NA):** Physical space in which it is intended to build the Project infrastructure and where the activities and processes that compose it are developed; including a buffer zone where the Project activities could impact in a differentiated way the people living in the existing settlements.

**Central:** Refers to Installation 38 CC North III

**Community:** A group of people who inhabit a particular place and share a sense of identity, interests and everyday interactions and have common political and/or social institutions.

**EP:** Equator Principles

**Stages:** One or more phases/activity of the Project.

**EvIS:** Social Impact Assessment, document that contains the identification of the communities and towns located in influence of a Project.

**EHS/QA:** Environmental, Safety, Health, and Quality Assurance.

**IFC PS:** International Financial Corporate Performance Standard

**Environmental impact:** Indicates the impact or impacts that are intended to be prevented, mitigated, corrected, or compensated.

**MAC:** Community Care Mechanism.

**Expansion measure:** Actions that are carried out to maximize the positive social impacts generated by the development of the energy sector project.

**Prevention and Mitigation Measures:** Actions that are carried out to avoid or reduce the negative social impacts generated by the development of the energy sector project.

**Follow-up and monitoring:** refers to the follow-up and monitoring indicators that will be used for the continuity of the proposed measures to address the identified impacts.

**Social Management Plan:** It is the system, strategy or program that includes the set of measures to expand positive impacts and measures to prevent and mitigate negative impacts; the actions and human and financial resources that the promoter will implement in terms of communication, participation, attention to complaints, social investment, and other actions that promote the sustainability of the project and respect human rights.

**Service provider:** Any natural or legal person who offers or presents a service activity.

**Promoter:** Assignee, contractor or anyone interested in obtaining a permit or authorization to develop a project and who is required to submit an environmental impact assessment to the Secretary of Environment and Natural Resources.

**Project:** A single process, consisting of a set of coordinated and controlled activities with start and end dates, carried out to achieve an objective according to specific requirements, including time, cost, and resource constraints.

**QIPS:** Complaints, disagreements, questions, requests, suggestions.

#### 4. ROLES AND RESPONSIBILITIES

##### CEO

It is responsible for setting the objectives and goals of the organization, as well as:

- Provide the necessary resources to ensure the implementation of the present.
- Review the proposals of projects or supports derived from the present.
- It is responsible for ensuring that at all levels of organization they are aware of the expectations of quality, environment, social management, occupational health, and safety of the project.
- It is responsible for ensuring the preparation, review, updating, approval, and implementation of this plan, including its annexes.
- It is responsible for ensuring the correct communication and dissemination of the present.
- It has the authority to carry out Abeinsa voluntary adherence to the comprehensive management policy of the facility operator.
- It has the authority to approve projects or support derived from the present.

### **ASSET MANAGER**

It is responsible for disseminating the objectives and goals of the organization, with its staff in charge to achieve the desired results, as well as:

- Manages the necessary resources before the general management to ensure the implementation of the present.
- Review the proposals for projects or support derived from this one.
- It is responsible for ensuring the preparation, review, updating, approval, and implementation of this plan, including its annexes.
- It is responsible for ensuring that all personnel in charge are fully aware of the expectations regarding compliance with the legal and regulatory requirements of quality, environment, social management, safety, and occupational health of the organization.
- It is responsible for the correct communication and dissemination of the present to all staff.

### **COMPLIANCE MANAGEMENT**

- It is responsible for supervising and monitoring compliance with the procedure **ABSA-CO-PR-01 Compliance Policies North III** and all its annexes.
- It is responsible for reviewing, updating, disseminating the **procedure ABSA-CO-PR-01 Compliance Policies North III** and all its annexes.
- It has the authority to approve the delivery of support, result of the implementation of the social investment plan, based on the procedure **ABSA-CO-PR-01 Compliance Policies North III**.
- It has the authority to approve from the legal field the PGS and the programs derived from it.
- He is jointly responsible with the EHS/QA supervisor for the **ABSA-EN-PR-02 Community Care Mechanism procedure**.

### **FINANCE DEPARTMENT**

- He is responsible for managing the funds for the plant.
- It ensures that it has the funds for the development of projects and social investment support.

### **SUPERVISOR OF EHS/QA**

It is responsible for developing, reviewing, updating, and implementing the PGS and its annexes, as well as:

- Communicate the results of the EvIS and the actions derived from it to the general director, asset director, compliance management and finance management for its proper implementation.
- Advise management and supervisory staff on legislation and procedures in this area, as well as the contractual requirements of Abeinsa and the interested parties.
- He is responsible for submitting PGS follow-up reports to the Chief Asset Officer.
- It is responsible for collecting, organizing, and servicing QIPS.
- It informs the entities that have been selected and approved for projects or support.
- He is responsible for requesting the director of assets to manage the resources necessary for the implementation of the present.
- It is responsible with the direction of compliance of the procedure **ABSA-EN-PR-02 Community Care Mechanism**.

### **PERSONNEL**

You are responsible for complying with the provisions of this and its annexes.

	Social Management Plan	Document number: <b>ABSA-ES-PN-01</b>	
		LEAF: 7 OF 8	Rev. 2

- It is responsible for maintaining conduct in accordance with the provisions of procedure **ABSA-CO-PR-01 Compliance Policies North III**.

## 5. PROCEDURE

### Introduction.

The PGS refers to the plans and actions that Abeinsa will carry out to continue with the assertive link it has had with the inhabitants of the surrounding towns and with neighboring companies.

The PGS is defined by the administrative provisions, issued by the Ministry of Energy (hereinafter SENER), as "the system, strategy or program that includes the set of measures to expand positive impacts and measures to prevent and mitigate negative impacts; the actions and human and financial resources that the promoter will implement in terms of communication, participation, attention to complaints, social investment, and other actions that promote the sustainability of the project and respect human rights.<sup>1</sup>

In accordance with international best practices, such as the IFC Performance Standards, the PGS is a strategic document that sets out the measures and actions necessary to address the social impacts of a project on potentially impacted localities and stakeholders. The objective of this PGS is to ensure that the project is developed in a responsible and sustainable manner, considering the social and cultural aspects of the localities involved.

The PGS is composed of the following elements:

- **Impact care plan:** which presents measures for prevention, mitigation, compensation of negative impacts and measures to expand positive impacts, as well as monitoring indicators.
- **Community Relationship Plan:** in which the community relationship strategy with stakeholders is presented. The type of communication, channels, and messages with each of the actors and interest groups are determined. The procedure **ABSA-EN-PR-02 Community Care Mechanism**.
- **Social Investment Plan:** is a program that seeks to generate strategic social projects and programs throughout the life of the Project, following a series of principles and steps to ensure that social investment in the localities is implemented strategically, thus promoting improvements that last in the quality of life of the localities.

### 5.1 Attention plan of measures to prevent, mitigate and compensate for negative social impacts, as well as the measures that will be implemented to expand positive social impacts.

#### 5.1.1 Identification of prevention, mitigation, or scale-up measures

Derived from the impacts identified in the fieldwork and interviews with stakeholders, measures for prevention, mitigation, and expansion of the identified impacts with "minor" and "moderate" significance were developed, according to their respective assessment, as well as the monitoring indicators. It is specified whether the type of measure is prevention, mitigation, or extension in the format **ABSA-EN-PN01-FR01 Identification of prevention, mitigation, or extension measures**.

With respect to the cumulative impacts identified in the **ABSA-EN-PN01-FR01 format Identification of prevention, mitigation, or expansion measures**, Abeinsa established the following attention measures:

<sup>1</sup> See the "General Administrative Provisions on Social Impact Assessment in the Energy Sector" published in the Official Gazette of the Federation on June 1, 2018, Article 2, Paragraph XVI.


	Social Management Plan	Document number: <b>ABSA-ES-PN-01</b>	
		LEAF: 8 OF 8	Rev. 2

Table 01. Attention measures for cumulative impacts:

No.	VEC	Impact	Guy	Description of the measure
1	Air quality	Modification of air quality	Mitigation	<p>Carry out continuous monitoring of emissions to the atmosphere, to ensure that emissions from combustion are always kept below the limits of the Official Mexican Standard.</p> <p>Presentation of annual reports to the environmental authority SEMARNAT.</p> <p>Carry out continuous monitoring with the air quality monitoring system of the plant, composed of three mobile booths for monitoring air quality in the region, whose parameters to be measured are NOX and Ozone.</p> <p>Presentation of quarterly reports to CFE.</p>
2	Noise	Increase in noise levels	Mitigation	<p>Carry out annual monitoring and verification of occupational and perimeter noise levels of the plant.</p> <p>Derived from the studies of occupational and perimeter noise carried out, disseminate the results with the staff and provide the specific PPE.</p>
3	Soil quality	Modification of soil physical characteristics	Mitigation	Monitoring of physical-chemical parameters in the permanent sampling points of the Project area.
4	Landscape and visual quality	Change in landscape	Compensation	<p>Promote reforestation or the creation of green areas.</p> <p>Avoid improper disposal of waste.</p>
5	Economy	Employment generation	Enlargement	Promote working groups with companies in charge of other projects in the area to promote local employment.

## 5.2 Specific measures for particular social groups

In addition, with the aim of serving all interested parties, and promoting equitable development in the localities of the IA, in section III of the EvIS the presence of groups in vulnerable situations, including children, was identified through newspaper review and fieldwork, older adults and women.

In this sense, the identification of the social impacts for these groups and the appropriate measures to avoid generating any disparity in the progress of these groups during the development of the project were established in the format **ABSA-EN-PN01-FR02 Measures of attention of impacts for specific social groups**.

## 6. ANNEXES

**ABSA-EN-PN01-FR01** Identification of prevention, mitigation, or expansion measures.

**ABSA-EN-PN01-FR02** Measures to address impacts for specific social groups.