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1. OBJECTIVE AND SCOPE

1.1 Objective

Be focused on improving and facilitating decision-making in relation to stakeholders and create an atmosphere of understanding that actively involves the parties, through tools that allow them to express their opinions and concerns of the project.

1.2 Scope

This document is an element that makes up the **ABSA-EN-PN-01 Social Management Plan**, which is mandatory for all personnel working at Abeinsa and service providers within the facilities of the 38 CC Norte III 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

EP: Equator Principles

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

IFC PS: International Financial Corporate Performance Standard.

SEP: Stakeholder Engagement Plan.

4. PROCEDURE

4.1 Principles of an effective participation plan

Engagement with stakeholders is generally based on a set of principles that guide interaction. According to IFC PS, common principles for building strong, trusting relationships with stakeholders include the following:

I. Be transparent. Any best practice involves measures to increase transparency, i.e., accountability, as a means of promoting understanding of the project and instilling public confidence.

II. Disclose information on time. To provide relevant information to the relevant social actors before decisions are taken.

III. Disclose objective information. As much as possible and have an open attitude about the project.

IV. Design the dissemination of information in a manner that supports the consultation process. Where appropriate, it is recommended to treat the disclosure of information about the project and environmental and social aspects as an integral part of the consultation process with stakeholders and stakeholders.

V. Provide meaningful information: In an easy-to-understand format and language, adapted to the group of stakeholders to whom you want to transmit the information.

VI. Ensure ease of access to information. Think about the easiest way for the intended recipients to receive and understand the information.

VII. Include gender aspects in the stakeholder engagement process.

4.2 Identification, analysis, and mapping of stakeholders

The stakeholder identification and analysis procedure were carried out using the IFC PS methodology, with information obtained from field sources (field tools such as interviews) and cabinet sources (bibliographic information, databases, journalistic notes, among others). It is important that the process of identification, analysis and mapping of actors is a continuous and permanent exercise throughout the life of the project, as this will allow a higher level of understanding about the socioeconomic and territorial context and will guarantee continuous attention, to:

- Identify the actors and/or interest groups in influence (IA) of the project and define their characteristics.
- Analyze the importance of the actors and / or groups, their degree of influence, positions, impact, interests, and concerns regarding the development of the project.
- Give priority to the actors and / or group with which the project will be related.

4.2.1. Identification

This stakeholder identification was based on the project's 2017 EvIS review. The current link of the project with the actors identified in the 2017 EvIS was analyzed and evaluated, in such a way that it was concluded that there are actors who stopped linking in one way or another in the current stage of operation of the project. In the same way and derived from the linking actions carried out by the project such as community committees, more than 50 actors grouped into 16 categories of interest for the project were identified. With the passage of time, it is common for the actors that were identified in the **ABSA-EN-PR01-FR01 Identification of stakeholder's** format to change due to various factors. These changes can be driven by the evolution and life cycles of projects, policies, and socio-economic conditions, as well as by modifications in the interests, perspectives and power dynamics of the actors involved.

The identification of actors started from the cabinet research, the analysis of the current stage of the project, field work, tours and interviews were made to stakeholders of interest, with the information collected, the analysis of these actors grouped by categories was carried out, considering both their level of interest and their influence with respect to the project.

Communities, local, municipal, state, and federal authorities, as well as organizations and media interested in the development of the project were identified. The stakeholders were gathered into groups derived from the probability of sharing purposes, interests, concerns, in the format **ABSA-EN-PR01-FR01 Identification of stakeholders**, a categorized list of stakeholders and a brief description of each one is shown.

4.2.2 Analysis of stakeholders

In the analysis, the interests and concerns of each stakeholder were identified to finally carry out an analysis of potential interaction with each one that is determined according to the degree of impact that the project could have on the actor, the degree of interest that the latter may have in the project, as well as the influence and importance it may have for its design, Implementation, and sustainability. The resulting interaction can be direct or indirect, the criteria used are the following:

Table 01. Assessment of the criteria for the analysis of actors and interest groups

Category	Rating or description
Importance of the stakeholder for the development of the project (the main	Characteristics of the actor that imply that the relationship with it is key to the success of the project.

concerns of the actor regarding the project are also considered)	
Level of influence or power over other actors and the development of the project	<p>Very High: are figures who have great ability to directly influence the operation or project (example: by their agenda or by their nature).</p> <p>High: are figures that represent a high level of power and influence over others and / or over the development of the project (either directly or indirectly).</p> <p>Average: are those who have a medium influence on others; some decisions depend on them, but not entirely.</p> <p>Low: those who have no influence on other actors and/or on the development of the project; however, they are part of the power structure.</p>
TePo: means Possible Trend (it is a parameter based on the quality of the information, which emphasizes the level of interest-position towards the development of the project)	<p>Green: those who have had a position in favor of the construction of the Project and / or who are in favor of projects of the same nature in the area.</p> <p>Blue: actors who have a neutral stance and/or are indifferent. However, they can be allies if they have information about the project.</p> <p>Yellow: actors who have a neutral stance and/or are indifferent; however, they may be possible antagonists due to mishandling of information about the project.</p> <p>Red: those in which a relationship in conflict with the project and/or with related projects of the same nature in the area predominates.</p> <p>Gray: actors who did not identify with a clear or specific stance.</p>
Degree of impact (potential that the project has to generate changes in the stakeholder of interest)	<p>The project will cause a big change in the stakeholder = 4</p> <p>The project will cause a change in the stakeholder = 3</p> <p>The project may cause a change in the stakeholder = 2</p> <p>The actor perceives the project, but it does not generate any change = 1</p>
Degree of interaction (defines the way in which the project relates to the different actors and stakeholders)	<p>Direct = 1: The relationship between the parties is carried out directly and proactively through the company's staff.</p> <p>Indirect = 2: The relationship between the parties is carried out indirectly and reactively through the communication channels available to the public, and only in isolated and special cases derived from impacts is it done proactively.</p>

The result of the analysis can be consulted in the format **ABSA-EN-PR01-FR02** *Analysis of stakeholders*.

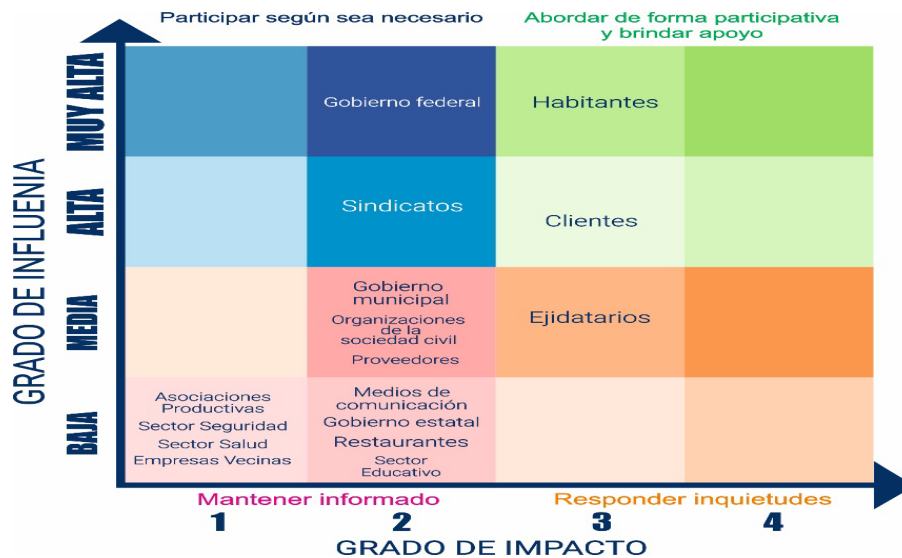
As mentioned in previous excerpts, effective management of communication with stakeholders will minimize the risks of disinformation, while opening two-way channels of communication whose objective will be to establish strong relationships during the life cycle of the project.

According to the IFC, one of the methodological tools for stakeholder analysis is stakeholder mapping. After identifying and defining the position, influence, and degree of impact of stakeholders, the IFC recommends ordering on a map, according to their priority, those with which the company will relate. The resulting blueprint will serve to generate multi-level participation strategies in each of its four quadrants.

- Quadrant 1: They must participate as needed.
- Quadrant 2: You need to address and support them.
- Quadrant 3: You must keep them informed.
- Quadrant 4: You must respond to their concerns.

The previous exercise resulted in the following figure, which shows the actors classified in the various categories, as well as their position, level of influence (Y axis), degree of impact (X axis) and level of participation. Subsequently, the participation strategy will define the specific actions to be carried out to deal with the different stakeholders; The relationship with them should be aligned with the results of this exercise.

Figure 01. Stakeholder mapping for multi-level engagement strategy



The **ABSA-EN-PR01-FR01 Identification of stakeholder's** format is a very useful tool for keeping track of all identified stakeholders. It is necessary to update it periodically when there are important changes in the project or in the social context.


Finally, the research, identification and analysis of the stakeholders **concludes that during the fieldwork no negative actor or with the power to influence the project in an unfavorable way was identified.** This indicates that no actors or groups were found that pose a direct threat or that could hinder the development of the project. This is a positive conclusion, as it suggests that no significant conflicts or resistance are anticipated from the actors involved in the context of the project. However, it is important to be alert and continue to monitor the changes and dynamics of the actors as the project progresses.

4.3 Stakeholder engagement strategies

Based on the previous classification of the actors and interest groups, the most appropriate mechanisms and communication channels for the interaction of the parties are established:

Table 02. Mechanism and channels of communication

Mechanism	Communication Channels
Briefings	They will be carried out to explain the generalities of the Project, answering the questions: who are we? what do we do? how do we do it? in the meetings, the risks,

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	and possible impacts of the Project in the operational stage will be presented and the prevention, mitigation, expansion or compensation measures are communicated. The meeting can use audio-visual means to facilitate the transmission of information.		
Surveys	Household surveys will be carried out, which aim to provide a statistical overview on different topics such as: productive activities, social organization, health, groups in vulnerable situations, communication, perception of impacts, among others.		
Interviews	Interviews will be conducted to broaden the panorama on the characteristics of the locality (economic activities, social organization, health, communication, among other topics) and on the concerns and positions of the different actors that are related to the Project.		
Participation in community events	The on-site social manager participates and has a presence in events organized by the community and/or organized by him in the locality.		
Participatory workshops	Dynamics of work with community groups (including population in vulnerable situations) to identify, investigate, understand, and prioritize social problems that could be addressed through the social investment of the company. The workshops always contemplate the control of expectations and the limitations on possible lines of action.		
Community Care Mechanism	System that records and monitors interactions between company and community, around complaints, disagreements, requests, questions, and suggestions (QIPS). Its function transcends the other communication channels, since it can be used to collect QIPS arising from the other exercises mentioned. It can also (through the QIPS format) serve as a channel for job requests to the corresponding areas, which will establish the appropriate contracting systems. Its operation is explained in detail below.		

Considering these channels and mechanisms, in the format **ABSA-EN-PR01-FR03** *Strategy of participation with stakeholders*, the method of participation with stakeholders is established, which is segmented according to the identified interest groups. The people responsible for implementing the strategy will be those who are part of the community relations and human resources team.

5. ANNEXES

ABSA-EN-PR01-FR01 *Identification of stakeholders*

ABSA-EN-PR01-FR02 *Stakeholder Analysis*

ABSA-EN-PR01-FR03 *Stakeholder engagement strategy*