

Table 11: Equator Principles Action Plan for the Sonora Lithium Project

EPAP Ref. No.	PS Ref. No.	Description of Corrective Action	Deliverables	Timescales / Date for Completion
1.01	PS1	<p>BL need to develop and implement an Environmental and Social Management System (ESMS). The ESMS will help BL provide value for the environment and affected communities, the organization itself and interested parties. Consistent with the BL's environmental policy, the intended outcomes of an environmental and social management system include:</p> <ul style="list-style-type: none"> • enhancement of environmental and social performance; • fulfilment of compliance obligations; and • achievement of environmental and social objectives. <p>The ESMS will incorporate the following elements:</p> <ol style="list-style-type: none"> (i) policy; (ii) identification of risks and impacts (as identified in the ESIA (EPAP1.02)); (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review. <p>The ESMS will be the overarching system and underneath will be a number of operating and management plans which will comprise the Environmental and Social Management Plan (ESMP), which will be largely informed by the ESIA.</p>	<p>A functioning ESMS certified to an appropriate standard (such as ISO14001).</p> <p>A functioning ESMP comprising all the plans and procedures appropriate for effective environmental and social management of the project.</p>	<p>Prior to appointment of construction contractors.</p>
1.02	PS1	<p>BL to commission a single integrated ESIA (based on the MIAs and the Social and Economic Impact Assessment) for the project after the FEED engineering work is complete, that addresses all components of PS2 to PS8, where applicable.</p>	<p>An integrated ESIA for the project, integrating all components and based on the FEED design. The ESIA will cover all relevant aspects of PS 1 to 8 and include detailed impact assessment and mitigation and develop an appropriate outline ESMP (see EPAP 1.01).</p>	<p>Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.</p>
1.03	PS1	<p>BL to instruct the BOO contractor JV for the co-generation plant to produce an integrated ESIA for the co-generation plant (based on the MIA commissioned by BL) and transport of LNG to the facility. The ESIA should follow GIIP and include a Quantitative Risk Assessment of LNG transport and storage as well as an air dispersion model for assessment of impacts to air quality in the airshed.</p>	<p>An integrated ESIA for the co-generation project, integrating all components and based on the FEED design. The ESIA will cover all relevant aspects of PS 1 to 8 and include detailed impact assessment</p>	<p>Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.</p>

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			and mitigation and develop an appropriate outline ESMP.	
1.04	PS1	BL to produce an operational Stakeholder Engagement Plan (SEP) that embraces all aspects of PS 1 to 8 and includes provisions for Informed Consultation and Participation and for any potential physical or economic resettlement. The SEP will be scaled to the project risks and impacts and development stage and be tailored to the characteristics and interests of the Affected Communities. Where applicable, the Stakeholder Engagement Plan will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives, the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents. All stakeholder engagement activities need to be carefully documented from this point forward.	Operationalised SEP.	Prior to Financial Close
1.05	PS1	BL to produce a Grievance Mechanism for Affected Communities and other external stakeholders which will establish a grievance mechanism to receive and facilitate resolution of Affected Communities' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project and have Affected Communities as its primary user. It should seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies. BL will inform the Affected Communities about the mechanism during the stakeholder engagement process.	Grievance Mechanism for Affected Communities	Prior to Financial Close
3.01	PS3	BL will commission a Best Available Technology (BAT) study to demonstrate the project will implement technically and financially feasible and cost-effective measures for improving efficiency in its consumption of energy, water, as well as other resources and material inputs, with a focus on areas that are considered core business activities. Such measures will integrate the principles of cleaner production into production processes with the objective of conserving raw materials, energy, and water. Where benchmarking data are available comparison will be made to establish the relative level of efficiency.	BAT assessment study and resource efficiency plans (energy, water, other consumables).	Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.
3.02	PS3	In addition to the resource efficiency measures described above, BL will consider alternatives and implement technically and financially feasible and cost-effective options to reduce project related GHG emissions during the design and operation of the project. These options may include, but are not limited to, alternative project locations, adoption of renewable or low carbon energy	GHG Monitoring, Reduction and Reporting Programme	Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.

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		sources and the reduction of fugitive emissions. All GHG related matters will embrace the <i>Recommendations of the Task Force on Climate-related Financial Disclosures</i> (TCFD).		
4.01	PS4	BL need to develop an appropriate influx management plan for the project to address the potential for and consequences of influx during construction and operation.	Influx Management Plan	Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.
4.02	PS4	BL to develop a plan to adopt the <i>Voluntary Principles on Security and Human Rights</i> (VPSHR) covering risk assessment, BL and public sector security and BL and private sector security. In addition, BL to fulfil its obligations to respect Human Rights in line with the <i>United Nations Guiding Principles on Business and Human Rights</i> (UNGPs) by carrying out Human Rights due diligence.	Plan to adopt the VPSHR Annual Human Rights Due Diligence	Prior to commencement of construction.
5.01	PS5	BL to assess potential physical and economic resettlement, particularly in relation to ranchers and to Affected Communities using Ecosystem Services to contribute to livelihoods.	Assessment of Physical and Economic Resettlement and then a Land Access and Resettlement Framework and then either a Livelihoods Resettlement Framework or a Livelihoods Resettlement Plan, as appropriate.	Prior to commencement of construction.
6.01	PS6	BL to commission a Critical Habitats Screening Report to assess on the presence of any critical habitat and then potentially a full Critical Habitats Assessment, to inform a revised assessment of impacts to biodiversity and appropriate mitigation for inclusion in the integrated EIA.	Critical habitats Screening Report Revised Biodiversity Impact Assessment and Mitigation Plan (contributes to EPAP 1.02)	Prior to Financial Close or by a date to be agreed for inclusion as a Condition Precedent.
6.02	PS6	BL to commission an Ecosystem Services baseline and impact assessment that identifies appropriate mitigation and management.	Ecosystem Services Baseline Ecosystem Services Impact Assessment and Mitigation Plan (may feed into EPAP 1.02 and EPAP 5.01)	Prior to Financial Close.