

State of São Paulo

SPI/ARTESP

**PPP for the Electrification and Modernization
of Sao Paulo Water Crossings**

P511555

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

For negotiations

December 16, 2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The State of Sao Paulo (the Borrower) will implement the PPP for the Electrification and Modernization of Sao Paulo Water Crossings Project (the Project), with the involvement of the Secretaria de Investimentos e Parcerias (SPI) and Agência Reguladora de Serviços Públicos Delegados de Transporte do Estado de São Paulo (ARTESP), as set out in the Loan Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank), has agreed to provide financing for the Project, as set out in Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower's Representative specified in the Agreement or the director of ARTESP. The Borrower shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	<p>ORGANIZATIONAL STRUCTURE</p> <p>a. Establish and maintain the Project Management Unit (PMU) within the Environmental and Social Superintendence under ARTESP, with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project including a Social Specialist and an Environmental Specialist.</p> <p>b. Require the concessionaire to structure an Environmental and Social Division to manage E&S aspects and implement the appropriate measures and plans to mitigate the risks and impacts from the Project with experienced environmental and social specialists.</p>	<p>a. Establish the PMU and designate the E&S staff as an effectiveness condition and thereafter maintain the PMU and these positions throughout Project implementation.</p> <p>b. Include the requirement in the contract with the concessionaire.</p>	ARTESP
B	<p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Prepare and implement the following capacity building measures:</p> <ul style="list-style-type: none"> Selected team members from ARTESP's E&S team shall attend WB ESF training, if offered in the region or online in Portuguese. ARTESP must enhance its supervising capacity relying on third party verification of the concessionaire environmental and social contractual obligations and performance. 	Throughout Project implementation.	ARTESP
MONITORING AND REPORTING			
C	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the E&S performance of the Project. The reports shall include:</p> <ul style="list-style-type: none"> Status of preparation and implementation of E&S documents required under the ESCP. Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan. Complaints submitted to the grievance mechanism(s), the grievance log, progress made in resolving them and feedback received in closed cases. 	Submit six-monthly reports to the Bank throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 60 days after the end of each reporting period.	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> E&S performance of the concessionaire as reported through semi-annual concessionaire reports. E&S performance of civil works contractors and subcontractors as reported through monthly contractors' and supervision firms' reports. Number and status of resolution of incidents and accidents reported under action E below. Status and E&S performance of ongoing construction contracts under action D below. Status and progress of the Environmental regularization and licensing of all crossings. Status and progress of remediation and rehabilitation of all identified Environmental liabilities 		
D	<p>CONCESSIONAIRE AND CONTRACTORS' REPORTS</p> <p>a. Request the concessionaire and supervising firms to provide every six months the monitoring reports on E&S performance in accordance with the metrics specified in the project's instruments (ESA/ESIA/ESMP) and respective bidding documents and contracts. Submit such reports to the Bank.</p> <p>b. Require the concessionaire to request the civil works contractors to provide monthly E&S performance reports for all terminal civil works, in accordance with the metrics specified in the project's instruments (ESA/ESIA/ESMPs) and respective bidding documents and contracts. Submit such reports to the Bank upon request.</p>	<p>a. Submit the reports to the Bank as annex to the reports to be submitted under action C above.</p> <p>b. Submit to the Bank upon the Bank's request</p>	ARTESP
E	<p>INCIDENTS AND ACCIDENTS</p> <p>a) Require the concessionaire to report any major incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks</p> <p>b) Thereafter, notify the Bank of reported incidents and provide available details of the incident or accident to the Bank upon request.</p>	<p>a) As part of the preparation of procurement documents and respective contracts.</p> <p>b) Notify the Bank no later than 48 hours after learning of the incident or accident. Provide subsequent report to the Bank within a timeframe acceptable to the Bank.</p>	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>c) Arrange for an appropriate review of the incident or accident to establish its direct and contributing factors, and underlying and root causes whenever applicable. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p>	<p>c) Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.</p>	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>a. Require the concessionaire to prepare and implement an Environmental and Social Impact Assessment (ESIA), and corresponding Environmental and Social Management Plan (ESMP) for the construction of new São Sebastião ferry terminal, following São Paulo State Environmental Agency (CETESB)'s Terms of Reference (TOR) and consistent with the ESA and the relevant ESSs, including a biodiversity assessment and potential cumulative impacts of the project when considering the construction of the new São Sebastiao Cargo Port Terminal.</p> <p>b. Require the concessionaire to finalize and implement the Project's ESA and corresponding ESMP for the renovations and operation of all ferry terminals (ESMP for Ferry Terminals). The final ESA will include specific a social assessment on the risks and impacts of vulnerable and disadvantaged groups, including Indigenous Peoples.</p>	<p>a. Prepare the ESIA and ESMP as part of the environmental licensing process and before beginning civil works, and thereafter implement the ESIA and ESMP throughout Project implementation.</p> <p>b. Finalize the ESA and ESMP no later than 90 days after the signing of the transfer instrument and thereafter require the concessionaire to implement the ESA and ESMP for Ferry Terminals throughout Project implementation</p>	ARTESP
1.2	<p>MANAGEMENT OF CONTRACTORS</p> <p>Require the concessionaire to incorporate the relevant aspects of the ESA, the São Sebastião terminal's ESIA and ESMP, the ESMP for Ferry Terminals, and other requirements from this ESCP into the E&S specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter, ensure that the contractors and supervising firms comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Bank.</p>	<p>As part of the preparation of procurement documents and respective contracts. Supervise concessionaire and respective contractors throughout Project implementation.</p>	ARTESP
1.3	<p>USE OF BRAZIL ENVIRONMENTAL AND SOCIAL FRAMEWORK</p>	<p>a), b), and c) throughout Project implementation.</p> <p>d) Notify the Bank immediately after taking notice of the change to the BESF. Subsequent actions, if requested by the Bank, shall be</p>	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>a. Comply and cause the concessionaire to cause contractors, subcontractors, consultancy and supervising firms to comply with the requirements of this ESCP and Brazil’s Environmental and Social Framework (BESF), which includes, inter alia, the country’s relevant policy, legal and institutional framework, including its national, departmental, or local implementing institutions, and the applicable laws, regulations, procedures, and implementation capacity , with regards to fair and equal treatment of the workforce, non-discrimination, freedom of association, working conditions, Occupational Health and Safety (OHS), zero tolerance with child labor, forced labor, SEA/SH and grievance redressing through Ombudsman services.</p> <p>b. Disclose information and cause the concessionaire, contractors, subcontractors, consultancy and supervising firms to disclose information among Project workers on SEA/SH Prevention laws, policies, plans and programs that set standards of behavior and establish responsibilities and procedures for responding to SEA/SH and Gender Based Violence substantiated allegations as well as on the SEA/SH referral services network that are in place at state and municipal levels.</p> <p>c. Disclose information and cause the concessionaire, contractors, subcontractors, consultancy and supervising firms to disclose information among project workers on internal and external grievance mechanisms where project workers can raise concerns about working conditions and terms (including SEA/SH and Gender-Based Violence issues).</p> <p>d. Promptly notify the Bank of any changes to the BESF that may materially adversely affect the Borrower’s ability to manage the E&S risks and impacts of the Project in line with the ESSs and the immediate measures taken or that are planned to be taken to address said changes and the ensuing potential risks and impacts of the Project. If, in the opinion of the Bank, such changes adversely affect relevant E&S risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a manner acceptable to the Bank and shall update the ESCP to reflect such agreed actions.</p>	reflected in an updated ESCP as indicated in paragraph 4 of the Initial Section of this ESCP.	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>USE OF BORROWER’S LABOR FRAMEWORK</p> <p>a) Ensure that the labor management and working conditions of Project workers are consistent with this ESCP and with the BESF relevant for labor management and working conditions.. In case of any changes to such framework, promptly notify as set out in action 1.3.d above.</p> <p>b) Provide information and training on core elements of the BESF relevant for labor management and working conditions, Occupational Health and Safety standards and grievance redressing to Project workers at the time they are hired, and ensure compliance to these standards by Project workers (including those engaged by the concessionaire, contractors, subcontractors, and supervising firms).</p>	<p>a) Throughout Project implementation.</p> <p>b) At hiring, and thereafter ensure their compliance with these normative throughout Project implementation.</p>	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p>OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN</p> <p>Require the concessionaire and therefore the contractors and subcontractors to prepare and implement OHS Management Measures and Plans in accordance with Project's ESA/ESMPs and Brazilian OHS Standards (NRs – <i>Normas Regulamentadoras do Ministério da Trabalho relativas a Segurança e Medicina do Trabalho</i>)</p>	Ensure concessionaire requires its contractors to prepare the OHS Management Plans in accordance with Project's instruments prior to the start of works, and thereafter implement the plan throughout Project implementation.	ARTESP
2.3	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Ensure that all workplace concerns raised by project workers, including grievances related to SEA/SH, are promptly addressed in a transparent and without retribution manner through the specific uptake channels for Project workers in the Concessionaire's grievance mechanism.</p>	Establish grievance mechanism 60 after the signing of the concession agreement and thereafter maintain and operate it throughout Project implementation.	ARTESP
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN</p> <p>a. Require the concessionaire to prepare and implement a Waste Management Plan (WMP), as part of the ESMP for the construction of new São Sebastião ferry terminal.</p> <p>b. Require the concessionaire to implement the WMP as required in the ESA/ESMP for the Ferry Terminals to manage hazardous and non-hazardous wastes, consistent with ESS3.</p>	<p>a. Same timeframe as 1.1 a above.</p> <p>b. Same timeframe as 1.1 b above</p>	ARTESP
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>a. Require the concessionaire to incorporate resource efficiency and pollution prevention and management measures in the ESA/ESMP.</p> <p>b. Require the concessionaire to incorporate resource efficiency and pollution prevention and management measures in the ESA/ESMP for the Ferry Terminals.</p>	<p>a. Same timeframe as 1.1 a above.</p> <p>b. Same timeframe as 1.1 b above.</p>	ARTESP
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	<p>TRAFFIC AND ROAD SAFETY</p> <p>a. Require the concessionaire to prepare and implement a Traffic Control and Road Safety Program as part of the ESMP for the construction of new São Sebastião ferry terminal.</p> <p>b. Require the concessionaire to implement the Traffic Control Program as required in the ESA/ESMP for the Ferry Terminals.</p>	<p>a. Same timeframe as 1.1 a above.</p> <p>b. Same timeframe as 1.1 b above.</p>	ARTESP
4.2	<p>COMMUNITY HEALTH AND SAFETY</p> <p>a) Assess and manage specific risks and impacts to the community arising from Project activities including, inter alia, nuisance from noise and fugitive dust emissions, response to emergency</p>	<p>a. Same timeframe as 1.1 above.</p>	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>situations, behavior of Project workers, risks of labor influx, and require the concessionaire implement respective mitigation measures from the ESMPs.</p> <p>b) Require the concessionaire to obtain and maintain all terminals' certifications from SP State Fire Authority.</p> <p>c) Require the concessionaire to maintain ferries' operations in compliance with Maritime Authority regulations and requirements.</p>	b/c As part of the concession agreement	
4.3	<p>SECURITY MANAGEMENT</p> <p>Require the concessionaire to develop and implement a Property and Personnel Security Management Policy and Security Management Plan, intended for the commercial operation phase, based on a security risk assessment and on consultation with local communities and containing: (i) security management objectives and specific stakeholders; (ii) the internal and external risks identified in the risk assessment; (iii) internal and external security arrangements; (iv) screening security personnel regarding the implications of past incidents (criminal background checks); (v) training in the use of force and appropriate conduct; (vi) coordination between the concessionaire and the local police; (vii) the investigation and reporting of incidents; and (viii) standards for adequate security management.</p>	As part of the concession agreement and thereafter monitor implementation of the Plan throughout Project implementation.	ARTESP
4.4	<p>SEA AND SH RISKS</p> <p>Require the concessionaire to prepare and implement a SEA/SH Action Plan as part of the ESMPs of the Project, to assess and manage the risks of SEA and SH.</p>	Same timeframe as 1.1 above.	ARTESP
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	<p>RESETTLEMENT PLANS</p> <p>Prepare and implement Resettlement Plans (RPs) for each crossing that require land acquisition for Project implementation in a manner consistent with ESS5.</p>	Prepare and implement the respective RPs prior to carrying out the relevant works, including ensuring that before taking possession of the land and related assets, full compensation has been provided and displaced people have been resettled and moving allowances have been provided.	ARTESP
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
6.1	<p>BIODIVERSITY RISKS AND IMPACTS</p> <p>Require the concessionaire to conduct a Biodiversity Assessment as part of the ESIA/ESMP for the construction of the São Sebastião terminal, following the ESS6 requirements, and prepare and implement a Biodiversity Management Plan (BMP), consistent with ESS6, if adverse impacts to Natural or Critical Habitats resulting from the project are found.</p>	Complete the Biodiversity Assessment and prepare the BMP during the Environmental licensing process (<i>Licença Prévia</i> phase) and prior to the commencement of terminal construction works, and thereafter implement the BMP throughout Project implementation.	ARTESP
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	<p>SOCIAL ASSESSMENT AND ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN</p> <p>Require the concessionaire to include Indigenous Peoples in the Social Assessment, part of the ESA/ESMP for the Ferry Terminals, consistent with ESS7.</p>	Same timeframe as action 1.1 b above	ARTESP
7.2	<p>STAKEHOLDER ENGAGEMENT</p> <p>Include specific consultations and an engagement strategy for Indigenous Peoples as set out in the SEP and consistent with ESS7.</p>	Same timeframe as action 10.1 below.	ARTESP
ESS 8: CULTURAL HERITAGE			
8.1	<p>CULTURAL HERITAGE RISKS AND IMPACTS</p> <p>a. Require the concessionaire to prepare and implement a Cultural Heritage Management Plan (CHMP) as part of the ESMP for the construction of new São Sebastião ferry terminal in accordance with the guidelines of the ESA prepared for the Project, IPHAN's guidelines, and consistent with ESS8.</p> <p>b. Require the concessionaire to implement the Cultural Heritage Management Plan (CHMP) as required in the ESA/ESMP for the Ferry Terminals.</p>	<p>a. Same timeframe as 1.1 a above.</p> <p>b. Same timeframe as 1.1 b above</p>	ARTESP
8.2	<p>CHANCE FINDS</p> <p>Require the concessionaire to describe and implement the chance finds procedures, as part of the ESMPs of the Project.</p>	Same timeframe as action 1.1 above.	ARTESP
ESS 9: FINANCIAL INTERMEDIARIES			
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN</p> <p>Require the concessionaire to finalize and implement the draft Stakeholder Engagement Plan (SEP) prepared by for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	Finalize SEP no later than 90 days after the signing of the transfer instrument and thereafter implement the SEP throughout Project implementation	ARTESP

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Require the concessionaire to establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in line with BESF on Ombudsman Services and in a manner consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	<p>As part of the preparation of procurement documents and respective contracts. Grievance mechanism shall be operational no later than 90 days after the signing of the transfer instrument and thereafter maintain and operate the mechanism throughout Project implementation.</p>	ARTESP
<p>INDICATORS FOR IMPLEMENTATION READINESS</p> <p>The following actions are indicators for implementation readiness:</p> <p>A</p> <p>1.1 a</p> <p>1.1 b</p> <p>1.2</p> <p>10.1</p> <p>10.2</p>			