



SPI PROCESS nº 021.00000891/2024-87
INTERNATIONAL COMPETITION No. 02/2024
PPP LOTE ALTO TIETÊ

EXHIBIT IV.A
ENVIRONMENTAL AND SOCIAL REQUIREMENTS AND GUIDELINES FOR ENVIRONMENTAL LICENSING

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PART I – GENERAL ENVIRONMENTAL AND SOCIAL REQUIREMENTS

1. INTRODUCTION

- 1.1. The CONCESSIONAIRE shall design, build, operate and maintain the CONCESSION, in accordance with: (i) the requirements of the applicable federal, state and municipal legislation; (ii) the PERFORMANCE STANDARDS; and (iii) the World Bank Group (WBG)/IFC General Guidelines for Environment, Health and Safety ("GBM/IFC Guidelines"), and the WBG/IFC Specific Environmental, Health and Safety Guidelines for railway projects (both developed in April 2007 and available in <https://www.ifc.org/en/insights-reports/2000/general-environmental-health-and-safety-guidelines>), as applicable. The applicable environmental and social requirements of IFC and GBM are referred to herein as the "IFC AS Requirements".

1.1.1. In cases of overlap between the requirements, the most restrictive ones will apply.

- 1.2. The required environmental and social studies must be conducted by competent Health and Safety, Environmental and Social (HSES) professionals with relevant experience in conducting impact assessments for similar projects and with adequate experience in applying the IFC AS Requirements as per Appendix 2.

2. PD1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

- 2.1. The CONCESSIONAIRE shall prepare Environmental and Social Assessment(s) – ESIA for the applicable scope of the CONCESSION, which shall be: (i) prepared by a consulting company specialized in HSES, with relevant experience in the metro-rail sector and preferably experience in the STATE, as well as relevant experience in the application of the IFC AS Requirements; and (ii) reviewed and validated by the INDEPENDENT AUDITOR prior to commencing any activity related to construction, maintenance and operation.

2.1.1. The APPROVAL by the INDEPENDENT AUDITOR must be obtained within thirty (30) days of the end of the PRE-OPERATIONAL PHASE.

2.1.2. The CONCESSIONAIRE shall make a comparison between the scope of ESIA presented in APPENDIX 2 and the Environmental Impact Assessment that must be prepared within the scope of the environmental licensing process. In the event that one or more discrepancies are identified between the two scopes and it is not possible to include additional scope in the study for environmental licensing, one or more supplementary studies may be prepared as needed to close all differences between the respective studies to meet all IFC AS Requirements.

- 2.2. The CONCESSIONAIRE shall prepare the Health, Safety, Environment and Social Management

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System (SGSSAS) in accordance with (i) the requirements set forth in PD1 and Brazilian legislation; (ii) the evaluation presented at ESIA; and (iii) the management plans and programs to be prepared in accordance with the TdRs detailed in APPENDIX 2.

- 2.2.1. The SGSSAS must be prepared within 30 (thirty) days of the end of the PRE-OPERATIONAL PHASE. From this point on, it will be up to the CONCESSIONAIRE to implement and keep the SGSSAS up to date.
 - 2.2.2. The SGSSAS must manage the environmental and social risks and impacts of the CONCESSION throughout all its phases, in a structured and continuous manner.
 - 2.2.3. The SGSSAS will be proportionate to the level of risks and impacts of the CONCESSION and designed to manage the risks and impacts related to the HSES in a structured and systematic manner.
- 2.3. The SGSSAS may be an autonomous system or integrated with other management systems of the CONCESSIONAIRE, provided that the following elements are included:
- i. Extensive socio-environmental policy that will indicate who, within the CONCESSIONAIRE's organization, will ensure its compliance and be responsible for its execution.
 - ii. Plan for developing the organizational capacity and competence of the CONCESSIONAIRE to implement, maintain and, if necessary, reinforce the SGSSAS, including the definition of relevant roles and responsibilities of the technical team with appropriate skills and knowledge that fully meet the PERFORMANCE STANDARDS.
 - iii. Environmental and Social Management Plan - PGAS, consisting of Management Programs, including measures and actions for prevention, mitigation, improvement and performance monitoring, which contemplate the risks and impacts of HSES arising from all the CONCESSIONAIRE's activities, identified in the ESIA and in the process of continuous review. Programs must be aligned with applicable Brazilian legislation and the relevant IFC AS Requirements. The Management Programs will be documented by combining operational procedures, practices, plans and relevant supporting documents, covering all HSES risks and impacts related to the CONCESSIONAIRE's activities. The PGAS must include a schedule for the preparation and implementation of the various Management Programs, to be prepared and approved up to thirty (30) days before the start of any impact-generating activity.
 - iv. As part of the Management Programs that will make up the PGAS, a Management Program must be prepared for contracted and subcontracted companies, in order to guide: (a) the assignment of responsibilities between the CONCESSIONAIRE,

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contractors and subcontractors; (b) the inclusion of relevant environmental and social requirements in the respective – in particular, the provisions of each PERFORMANCE STANDARD relevant to employment and working conditions, the obligation to comply with the CONCESSIONAIRE's Code of Conduct, the requirements to develop, implement and maintain environmental and social management plans and procedures in line with those prepared by the CONCESSIONAIRE and adapted to the specific activities carried out by the contractor/subcontractor; (c) the verification of the environmental and social credentials of the responsible team; (d) the supervision and monitoring of compliance with environmental and social contractual conditions and the implementation of corrective actions, when applicable.

- v. INTEREST PARTIES ENGAGEMENT PLAN - IPEP, consistent with the requirements of PD1 and adapted to the characteristics and interests of the Affected Communities, and a comprehensive Grievance and Claims Mechanism (MQR), consolidating existing initiatives and filling any gaps with PD1 related to the initially prepared SGSSAS, according to TdRs presented in APPENDIX 2.
- 2.4. The CONCESSIONAIRE shall prepare and implement the EMERGENCY ACTION PLAN (PAE), which shall include measures for the prevention and response to natural disasters, including an early warning system for hydrometeorological phenomena that may put users at risk (high rainfall and geological risks), and response and contingency actions for existing and planned stations, maintenance yards, substations and disconnecting cabins. The plan will include provisions for ongoing updates as well as evacuation drills at least annually to test effectiveness and training.
- 2.4.1. The EMERGENCY ACTION PLAN shall include the fire safety requirements and means of exit requested by the Fire Department of the State of São Paulo and International Standards of the NFPA ("*National Fire Protection Association*").
- 2.5. The CONCESSIONAIRE shall prepare and/or verify alignment of the existing Emergency Response Plans (PAE) with IFC PD 1 and 4 and with Brazilian legislation, indicating necessary recommendations to address gaps. The PAE must identify and take into account the Potentially Affected Communities by the emergency scenarios raised.
- 2.6. The CONCESSIONAIRE shall develop and implement a supply chain management system, as a minimum: (i) purchasing policy; (ii) Supplier Code of Conduct addressing child labour, forced labour and significant safety issues, in line with PD2; (iii) contractual clauses in commercial contracts with suppliers, requiring compliance with the supplier's Code of Conduct; (iv) verification process to ensure that new suppliers have the policies and procedures in place to meet the requirements of the supplier Code of Conduct; (v) communication strategy to inform suppliers about the Code of Conduct; and (vi) formal process for engagement, effects of non-compliance or disengagement of suppliers, in case of non-conformities that are not corrected.

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- 2.7. The CONCESSIONAIRE shall prepare a CLIMATE RISK MONITORING REPORT, pursuant to Clause 51 of the AGREEMENT, in order to map all risks that may impact the operations of the planned and existing lines, as well as risks to the community that may be exacerbated as a result of interventions by the CONCESSIONAIRE, and propose short-term preventive measures, medium and long term, identifying technical and engineering alternatives to avoid or minimize impacts resulting from EXTREME WEATHER EVENTS and ensure the proper operation of the SYSTEMS and LINES and the safety and adequate provision of SERVICES to USERS.

3. PD2: Working and Employment Conditions

- 3.1. The CONCESSIONAIRE must comply with collective bargaining agreements, national legislation and the requirements of PD2. For workers who are not covered by collective bargaining agreements, the terms and conditions of employment, as well as the benefits of all workers in similar positions, must be substantially equivalent.
- 3.2. The CONCESSIONAIRE shall make reasonable efforts to hire workers who may have been subject to collective dismissal due to the CONCESSION, provided that they have the skills and qualifications adhering to the available positions. The CONCESSIONAIRE's efforts must be documented for evaluation purposes by ARTESP.
- 3.3. The CONCESSIONAIRE shall develop, by the end of the PRE-OPERATIONAL PHASE and, thereafter, implement and keep updated:
- i. Human Resources (HR) policies and procedures consistent with the requirements of Brazilian legislation and PD2. Such policies should: (i) promote fair, safe and healthy employment and working conditions; (ii) promote equal opportunities and non-discrimination for all workers (direct and indirect); (iii) safeguards against the employment of children in any way that is economically exploitative and/or considered dangerous and/or that interferes with the child's education; (iv) safeguards against forced and/or trafficking in persons labour; (v) safeguards against all forms of gender-based violence and harassment (VABG), considering affected workers and communities; (vi) recognize the right of workers to join unions of their choice, or to bargain collectively, without retaliation for the workers involved; and (vii) Code of Conduct for all workers (including security forces), which should include requirements to prevent abuse, exploitation and sexual harassment based on gender and to manage relationships with communities.
 - ii. Policies and procedures to manage and monitor the performance of subcontractors (in all segments and adapted to the CONCESSION phase) in accordance with national labour legislation and the requirements of PD2, including, to the extent possible, specific clauses in the contracts entered into with these third-party employers, including the provision of accommodations, rest areas, cafeteria and sanitary facilities,

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in good hygienic conditions, according to IFC guidelines. The procedures should cover inspections and audits of the working and accommodation conditions and general occupational health and safety conditions of outsourced workers.

- iii. Workers Grievance Mechanism, accessible to all workers (direct and indirect), in order to identify concerns, complaints and all types of work-related grievances, including VABG.
 - a. The registration of occurrences, in cases of VABG, must follow the protocol determined by ARTESP.
 - b. The Mechanism should involve an appropriate level of management and address concerns and complaints in a timely manner, using an understandable and transparent process that provides appropriate responses to stakeholders, and should be available to both direct and contractor workers.
 - c. In the case of VABG complaints, these should be handled with a survivor-centred approach and using appropriate and confidential mechanisms, and should include procedures to adequately support survivors in their reintegration. This Mechanism should be managed by experienced personnel trained to handle cases.
 - d. The Mechanism shall allow for anonymous complaints to be raised and dealt with and not prevent access to other judicial or administrative remedies that may be available under the law or through existing arbitration proceedings, or replace grievance mechanisms provided for through collective agreements.
- iv. Establish, as part of the SGSASS required in PD1, a systematic approach to the management of Occupational Health and Safety (OSH) in line with the IFC AS Requirements and the applicable Brazilian legislation, including the Regulatory Standards (NRs). The OSH component shall include, but not be limited to: (i) comprehensive OSH policy applicable to employees and contractors; (ii) procedures for assessing and identifying OSH hazards and risks; (iii) OSH risk matrices; (iv) OSH management procedures adapted to the nature of the hazards and risks identified, which ensure that all workers (including subcontractors and third parties) have appropriate and appropriate personal protective equipment; (v) OSH training requirements for employees and contractors, occupational health control and monitoring programs; (vi) incident investigation procedures; (vii) emergency response protocols; (viii) OSH inspections and audits; (ix) follow-up and monitoring of corrective and preventive actions; (x) OSH indicators and reporting.

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- v. A demobilisation plan for construction workers should be developed, including adequate and timely communication of the end of the construction phase.

4. DP3: Resource Efficiency and Pollution Prevention

4.1. The CONCESSIONAIRE shall develop, by the end of the PRE-OPERATIONAL PHASE and, thereafter, implement and keep updated throughout the COMMERCIAL OPERATION PHASE, as part of the SGSSAS, Environmental Management Plans (EMPs) and specific procedures consistent with IFC AS Requirements, covering the items indicated, but not limited to:

- i. Resource efficiency strategy to gradually implement technically and financially feasible measures to improve efficiency in the consumption of energy, water and material inputs in the planning, construction and operation of stations, maintenance yards, substations, disconnecting cabins and parking lots;
- ii. Management of direct Scope 1 and 2 Greenhouse Gas (GEE) emissions in accordance with internationally recognized methodologies and International Good Industry Practices (IGIP);
- iii. Management and monitoring of industrial and sanitary liquid effluents;
- iv. Segregation between rainwater and effluents;
- v. Control and monitoring of surface runoff and erosion, including the execution of geotechnical studies prior to engineering work;
- vi. Management of contaminated soil and groundwater;
- vii. Management of hazardous (such as asbestos) and non-hazardous waste, including actions to prevent the attraction of synanthropic fauna and proliferation of disease vectors;
- viii. Management of environmental noise and vibrations, including study for identification and mapping of Critical Potential Receptors (PRCs) in alignment with IPAR / CETESB, pre-construction study of buildings and neighboring structures to identify risk of damage related to noise and vibrations resulting from the works;
- ix. Management of atmospheric emissions and air quality;
- x. Management and transportation of hazardous materials and products, including storage and handling of fuel for locomotives and fluids from electrical equipment; and

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- xi. Integrated vegetation management and control – this EMP must include provisions in accordance with PD3 in the case of herbicides being used for the cleaning and/or maintenance of the operating range.
- 4.2. If applicable, a Pesticide Management Plan should be developed and implemented, stating that pesticides used to control pests, insects and venomous animals will not include those classified as Hazard Class IA (extremely hazardous) or IB (highly hazardous) by the WHO Recommended Classification of Pesticides. Class II pesticides (moderately hazardous) may only be used if appropriate health and safety provisions are in place.
- 4.3. The CONCESSIONAIRE shall carry out a survey of the contaminated areas that may be impacted by the civil works planned for the Project and justify the need to excavate the soil in contaminated areas and the lowering of the water table (pumping of groundwater).
 - 4.3.1. When interventions in contaminated areas are necessary, the CONCESSIONAIRE must ensure that all stages of the Contaminated Area Management process, established by CETESB's Board Decision No. 38/2017 are developed.
- 4.4. If areas with the presence of friable material with asbestos (e.g. Tiles) are identified, the CONCESSIONAIRE must replace this material (e.g. with metal tiles) and handle and dispose of the material with asbestos in accordance with current legislation, ABNT standards and IFC AS Requirements.
 - 4.4.1. Eight (8) indications of the presence of friable material with asbestos were identified through technical inspections carried out in December 2023 and January 2024.
 - 4.4.2. The complete list and quantitative summary of points in which evidence of the presence of asbestos was identified is presented in Exhibit IV.B – Mapping of Environmental and Social Liabilities.
- 4.5. If noise levels above those permitted are identified for areas with PRCs are identified, monitoring and mitigation plans must be developed, in compliance with local legislation and the IFC AS Requirements.

5. PD4: Community Health and Safety

- 5.1. During the planning phase of the Project, the CONCESSIONAIRE shall carry out a study of locational alternatives in order to avoid and minimize, whenever viable and feasible, risks and impacts to the health and safety of the community and potential interference in the access or maintenance of services provided by public and private equipment.

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- 5.2. The CONCESSIONAIRE shall develop Community Health and Safety Management Plans, intended for the COMMERCIAL OPERATION PHASE, including for the execution of the VENTURES, considering at least the following:
- 5.2.1. Special attention to potential risks and adverse impacts on the community related to (i) movement of vehicles and machinery associated with the work, especially in densely populated areas and/or with high pedestrian circulation (such as in the vicinity of schools, health units and commercial areas); (ii) potential interference in the access and/or operation of social facilities and leisure areas; (iii) access to the work area and storage sites for hazardous substances; (iv) atmospheric emissions and noise (especially near sensitive receptors such as schools and health facilities); (v) workers involved in the works (such as communicable diseases, harassment, gender-based violence and racism); and (vi) presence of property security forces.
- 5.2.1.1. The Community Health and Safety Management Plans must be prepared within thirty (30) days of the beginning of the execution of each of the VENTURE, according to the PHYSICAL-EXECUTIVE SCHEDULE prepared by the CONCESSIONAIRE.
- 5.2.1.2. Once prepared, the Community Health and Safety Management Plans must be permanently updated.
- 5.2.2. Risks and impacts on the community during the construction phase related to the following should be considered (i) impact on local traffic, particularly at peak times; (ii) noise and vibrations (with potential risks to public health and damage to adjacent structures); (iii) presence of workers (possible agents of disease transmission and gender-based violence); (iv) presence of property security forces; (v) accumulation of residues that promote the proliferation of disease vectors (e.g. Water accumulation) and attraction of synanthropic fauna.
- 5.2.3. Risks and impacts on the community during the construction phase related to the following should be considered (i) rail circulation for both passengers and the community in the surrounding area; (ii) line crossings (road and/or pedestrian), when pedestrians cross underground or upper passages; (iii) derailment for users and populations residing in the easement area or adjacent areas; (iv) noise and vibrations (with potential risks to public health and damage to adjacent structures); (v) presence of workers (possible agents of disease transmission and gender-based violence); (vi) presence of property security forces; (vii) invasion of the operational range (existing lines); and (viii) accumulation of residues that promote the proliferation of disease vectors (eg. Water accumulation) and attraction of synanthropic fauna.
- 5.2.3.1. The Community Health and Safety Management Plan for the COMMERCIAL

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OPERATION PHASE must be prepared within thirty (30) days of the end of the PRE-OPERATIONAL PHASE and must be gradually updated to the COMMERCIAL OPERATION of the INFRASTRUCTURE TO BE BUILT.

- 5.3. The CONCESSIONAIRE shall develop a Property and Personal Security Management Policy and a Security Management Plan, intended for the COMMERCIAL OPERATION PHASE, based on a security risk assessment and based on consultation with local communities. The risk assessment should assess the risks posed by the planned safety arrangements and assess the safety risks of workers and users. Each safety management plan shall contain: (i) the safety management objectives and specific stakeholders; (ii) the internal and external risks identified in the assessment; (iii) internal and external security provisions; (iv) screening security personnel for implications in past occurrences (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) the performance standards for adequate security management.
- 5.4. The CONCESSIONAIRE shall develop and implement Gender-Based Violence and Harassment Risk Assessment and Management, including awareness-raising campaigns for workers (direct and indirect) and the community and dissemination of specific grievance mechanisms, based on a survivor-centered approach and using appropriate and confidential mechanisms and managed by trained personnel to receive and address VABG complaints.
- 5.5. The CONCESSIONAIRE shall develop and implement an EMERGENCY ACTION PLAN, in line with PD1 and PD4 and Brazilian legislation, including the fire safety requirements and means of exit requested by the Fire Department of the State of São Paulo and International Standards of the NFPA ("National Fire Protection Association").
- 5.5.1. Plans for remodeling/building stations with occupancy greater than 1,000 people (at any given time), and/or with platforms longer than 300 m, should consider smoke and evacuation modeling (specifically computational fluid dynamics modeling). The model shall apply the principles of the Society of Fire Protection Engineers (SFPE) Engineering Guide to Performance-Based Fire Protection Analysis and Design of Buildings: <https://www.sfpe.org/publications/resources/pbdguide>.
- 5.5.2. In addition to legal compliance, the construction/refurbishment of stations must comply with the following international best practices: NFPA 101, Life Safety Code (2024) <https://www.nfpa.org/product/nfpa-101-code/p0101code>; and NFPA 130 Standard for fixed transit systems and passenger rails <https://www.nfpa.org/codes-and-standards/1/3/0/nfpa-130>.
- 5.5.3. If any facility does not have a valid Inspection Report of the Fire Department (AVCB), it must be signaled by the CONCESSIONAIRE. The CONCESSIONAIRE will be obliged to

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maintain the existing AVCBs and ensure that AVCBs for new installations are obtained in accordance with the deadline stipulated by applicable legislation.

- 5.6. The CONCESSIONAIRE shall include specific performance indicators to monitor the maintenance and punctual inspections of safety-critical equipment as part of the SGSSAS, and shall periodically report to ARTESP the result of the evaluation performed.

6. PD5: Land Acquisition and Involuntary Resettlement

- 6.1. The CONCESSIONAIRE shall evaluate, as part of the studies and engineering projects of the VETURES, alternatives to avoid and/or minimize physical/economic displacement, and implement them as far as possible.

- 6.2. In the first year, the CONCESSIONAIRE shall prepare the General Plan for Expropriation, Temporary Occupation, Easement and Resettlement (PG-DOTSR), pursuant to Appendix 4, taking into account updates in the project and schedule of works, in line with PD5, to be approved by ARTESP, with the support of the INDEPENDENT VERIFIER.

- 6.3. Annually, the Concessionaire will develop and implement a Specific Expropriation, Temporary Occupation, Easement and Resettlement Plan (PE-DOTSR) (corresponding to the Resettlement Action Plan and Livelihoods Restoration Plan), in accordance with the Terms of Reference (TdRs) contained in Appendix 4 and PG-DOTSR guidelines approved for the sites to be cleared in the following year, to be approved by the INDEPENDENT VERIFIER. The RAP/LRP shall include provisions to fill the gaps between PD5 and local regulation and mitigations for all current users of the acquired/yet-to-be-acquired land, which shall be compensated in accordance with PD5.

- 6.4. PG-DOTSR and PE-DOTSR should consider the following key principles of PD5:

6.4.1. Prioritization of negotiated agreements, avoiding the use of government authority to enforce relocation, even if the CONCESSIONAIRE has the legal means to acquire land without the seller's consent.

6.4.2. The absence of legal rights relating to land and/or improvements does not prevent peacefully displaced persons from being compensated or benefiting from alternative forms of assistance. Different types of compensation will be eligible for (i) affected people with formal possession of land and affected assets; (ii) affected persons who, despite not having formal possession, have recognized rights (such as adverse possession); (iii) affected persons who do not have legal possession or recognized rights to the property they occupy or use, with compensation limited, in this case, to improvements made to the property.

6.4.3. Compensation for loss of property is carried out at full replacement cost, without

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depreciation or deduction for any purpose and including transaction costs.

- 6.4.4. In the case of assignment of a replacement house, ownership is guaranteed, which offers the resident protection against eviction.
- 6.4.5. Economic displacements (formal and informal) must be compensated for loss of profit and the respective workers compensated for loss of wages, with assistance in the transition guaranteed.
- 6.4.6. Particular attention will be paid to the needs of the poorest, vulnerable disadvantaged groups or individuals through relocation assistance and recovery (or improvement) of livelihoods.
- 6.4.7. No forced evictions will be carried out unless they are carried out in accordance with legal requirements and the requirements of PD5, including measures described in PD5 Guidance Note 55 (PD5 NO55).
- 6.5. The CONCESSIONAIRE shall ensure that persons affected by land acquisition and resettlement (including women and disadvantaged or vulnerable individuals or groups and persons affected by past or ongoing land acquisition and resettlement associated with the CONCESSION) have access to a Grievance and Claims Mechanism (MQR) consistent with PD1, which allows them to receive and address in a timely manner, specific concerns about compensation and relocation expressed by displaced persons or members of host communities, including an appeal mechanism designed to resolve disputes in an impartial manner.
 - 6.5.1. Any claims related to past resettlements (submitted through the MQR) will be eligible for assistance, where after assessing the situation it is confirmed that there are still adverse residual impacts resulting from the resettlement. Assistance will be determined on a case-by-case basis, depending on the significance of the impact and the current situation of vulnerability.
- 6.6. The CONCESSIONAIRE shall make reasonable efforts, observing the procedure provided for in article 10-A of Decree-Law No. 3,365/1941, to only imitate itself in possession of the real estate and related assets after the compensation and other subsidies and assistance related to the displacement process established in the PAR (such as, for example, assistance for the move and subsidies for the transition period) to the communities and displaced persons.
- 6.7. The INDEPENDENT AUDITOR may act as a mediator, in the event provided for in article 10-B of Decree-Law No. 3,365/1941, if this option is made by the private party.
 - 6.7.1. In the event of this item, the INDEPENDENT AUDITOR shall take into account in the mediation the need to implement the compensation and assistance provided for in the

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PE-DOTSR, so that the people affected by the acquisition and resettlement are able to reestablish their living conditions and restore their livelihoods.

7. PD6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- 7.1. The biodiversity-related approach will be conducted within the scope of ESIA, based on the scope defined in Appendix 2, together with the critical habitat study and, if residual impact on the latter is confirmed, the respective Biodiversity Management Plan, in line with PD6.
- 7.2. The CONCESSIONAIRE must carry out the following specific activities to ensure alignment with PD6:
 - i. Update baselines for biodiversity and ecosystem services and assess impacts;
 - ii. Identify areas of Natural Habitat with in situ characterization and assess the potential presence of Critical Habitats;
 - iii. Identify improvements in the layout of greenfield stretches (planned) to avoid, as far as possible, sensitive areas and minimize impacts;
 - iv. Perform calculation of losses and gains to estimate residual impacts.
- 7.3. Develop a Biodiversity Monitoring and Assessment Plan, which should define an adaptive management approach and monitoring requirements to confirm the effectiveness of offsets and address uncertainties identified during the planning/design/implementation of offsets. Implement regular monitoring and reporting, and apply corrective actions as needed.

8. PD7: Indigenous Peoples and Traditional Communities

- 8.1. The CONCESSIONAIRE must comply with the legislation in force regarding indigenous peoples and traditional communities and the requirements of PD7.
- 8.2. Within the scope of the ESIA, according to APPENDIX 2, the CONCESSIONAIRE must prepare complementary studies related to the existence of urban indigenous groups and quilombola communities potentially located in the areas of influence of the CONCESSION, even if not formally recognized, ensuring the inclusion of this topic in the impact assessment studies and the carrying out of consultations with the responsible entities, if applicable.
- 8.3. The reality mapped in the studies prepared must be periodically monitored and, if it is changed, updated in the PEPI and SGSSAS of the CONCESSION.
- 8.4. To align with PD7, the CONCESSIONAIRE must:

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- i. Evaluate, within the scope of ESIA, whether the project may cause interference in the territories of Indigenous Peoples and quilombola communities, and evaluate the applicability of PD7.
- ii. If ESIA confirms the applicability of PD7, the CONCESSIONAIRE must engage with the competent bodies (National Indian Foundation (FUNAI), Palmares Foundation and/or INCRA) to carry out Consultation and Informed Participation (ICP) and, if adverse impacts are unavoidable, minimize/restore/compensate for these impacts with measures defined in a fixed-term plan (Indigenous Peoples Plan). in line with national legislation and PD7. If applicable, the CONCESSIONAIRE shall engage with the competent bodies to implement an engagement process to obtain Free, Prior and Informed Consent (CLPI) in line with PD7, prior to the start of work in the areas that trigger CLPI.

9. PD8: Cultural Heritage

- 9.1. The CONCESSIONAIRE shall comply with the current legislation for the protection of cultural heritage and the requirements of PD8, and shall avoid and minimize risks and adverse impacts on cultural heritage and implement measures aligned with PD8, including, as far as possible, protection and conservation measures at the Jundiapéba and Cesar de Souza stations.
- 9.2. Within the scope of the ESIA, according to APPENDIX 2, the following will be continued: (i) mapping of the existing cultural heritage in the area of influence of the CONCESSION, whether or not it is legally protected or previously affected; (ii) assessment of potential risks and adverse impacts resulting from the CONCESSION, in the COMMERCIAL OPERATION PHASE and demobilization of the SERVICES; (iii) survey of measures to mitigate adverse impacts and measures to enhance cultural heritage (such as listed stations or stations with historical value), which will be implemented in conjunction with the government agencies responsible for cultural heritage (IPHAN, CONDEPHAAT and intervening municipal institutions), as well as in consultation with interested and affected parties.
- 9.3. In the case of implementation of contingency investments at Pari Station (Line 11) and Parque Mooca Station (Line 13), the CONCESSIONAIRE shall identify design alternatives to avoid or minimize adverse impacts on protected cultural heritage.
- 9.4. The CONCESSIONAIRE shall develop and include in the SGAS a Random Discovery Procedure in line with PD8, which shall be implemented in areas identified in the ESIA as having the potential to find cultural heritage, either during construction or during operation, as a way to avoid adverse impacts.

PART II – GUIDELINES FOR ENVIRONMENTAL LICENSING

10. PRESENTATION

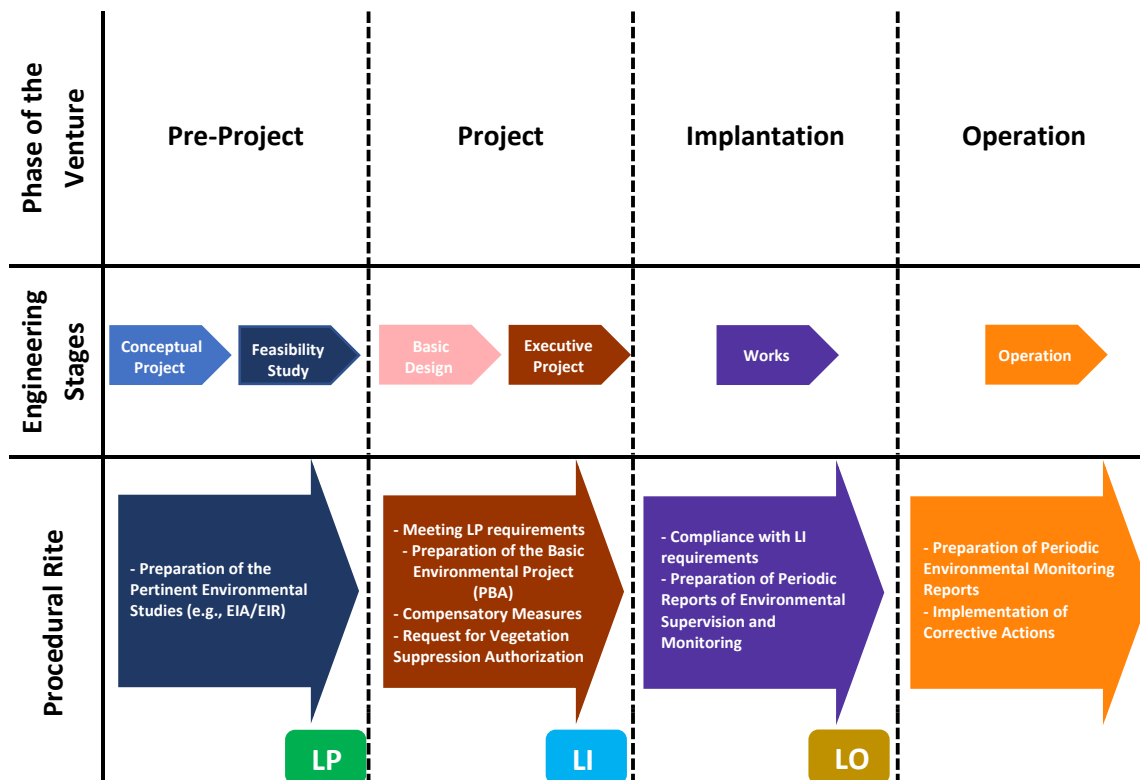
- 10.1. This section aims to present the environmental licensing guidelines for the expansion of the LINES, under the terms of the AGREEMENT, including the identification of the agencies involved.
- 10.2. This exhibit presents, but does not exhaust, the guidelines and actions necessary for the environmental licensing processes and for obtaining complementary authorizations or consents, and the CONCESSIONAIRE must consider the environmental legislation in force and the requirements of the agencies involved.
- 10.3. The defined terms contained in this EXHIBIT shall have the meaning ascribed to them in EXHIBIT VII.

11. GENERAL GUIDELINES FOR ENVIRONMENTAL LICENSING

- 11.1. Environmental licensing is a legal obligation prior to the installation of any activity that potentially pollutes or degrades the environment. The environmental licensing process comprises, generically, three distinct phases, namely: LP, LI and LO, as established in CONAMA Resolutions No. 01/1986 and No. 237/1997.
- 11.2. In order to illustrate the general functioning of the environmental licensing process, Figure 1 below presents the generic flow of a process and the associated activities.

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Figure 1 - Flowchart of the Environmental Licensing process



11.3. In addition to obtaining the LP, LI and LO, according to the specificities of the venture, an environmental licensing process may require the need for prior consultations, technical manifestations, authorizations or complementary consents from the other bodies of the PUBLIC ADMINISTRATION, as listed below:

- i. Licenses and authorizations for areas to support the works (construction sites, temporary industrial facilities, areas for the disposal of surplus materials, loans and others);
- ii. AVS and authorization to intervene in APP;
- iii. Grant for use and/or interference in Water Resources;
- iv. Authorization for interference in CUs or their buffer zones, and other protected areas;
- v. Authorizations from historical, artistic and cultural heritage agencies;
- vi. Authorization for intervention in Listed Property and surrounding areas;

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- vii. Permit for intervention in Watershed Protection Area; and
- viii. Manifestations of Municipal Governments.

12. COMPETENCE OF ENVIRONMENTAL LICENSING

- 12.1. CONAMA Resolution No. 237/1997 and additionally Complementary Law No. 140/2011, determine that environmental licensing can be processed at the federal, state or municipal level, depending mainly on the size of the enterprise and the geographic scope of its area of influence.
- 12.2. In the STATE, the São Paulo Environmental System is responsible for environmental management in the territory of the state of São Paulo. This system has SEMIL as its central body (Decree No. 67,435/2023), as well as is composed of coordinators, institutes, foundations, and other related bodies.
- 12.3. SEMIL is responsible for analyzing and monitoring sectoral public policies, as well as articulating and coordinating plans and actions related to the environmental area. In addition, it is responsible for carrying out activities related to environmental inspection, and promoting environmental education, standardization, control, regularization, protection, conservation and recovery of natural resources. For this reason, most of the legislation that governs licensing was prepared by this Secretariat.
- 12.4. One of the sub-secretariats that make up SEMIL is the Undersecretary of Logistics and Transport, responsible for planning the logistics and infrastructure of the means of transport in the STATE.
- 12.5. The body linked to SEMIL and which is responsible for environmental control, inspection, monitoring and licensing is CETESB.
- 12.6. In the case of the CONCESSION, the environmental licensing for the expansion of the planned SERVICES must be conducted at the state level, with CETESB. The legislation allows CETESB to delegate the future licensing of interventions that are classified as having a local impact to the municipal sphere. According to CONSEMA, all municipalities crossed by the systems would be able to carry out environmental licensing depending on the classification of the impact, which are: São Paulo, Guarulhos and Mogi das Cruzes license local ventures of up to medium environmental impact, while Itaquaquecetuba, Poá, Suzano and Ferraz de Vasconcelos license only local ventures of low environmental impact.
- 12.7. It should be noted that, along the operating range that will receive the intervention works for the installation of the expansion of the LINES, there are existing railway systems, where shared rail operations for cargo transport (federal concession) and passengers (state concession) currently take place.

13. PROCEDURES FOR THE ENVIRONMENTAL LICENSING OF PROJECTS AND INTERVENTIONS

- 13.1. The prior environmental licensing of the expansion of the LINES must be conducted at the state level, in accordance with the rite and procedures for environmental licensing with Impact Assessment practiced by CETESB, provided for in SMA Resolution No. 49/2014 and in CETESB's Board Decision No. 153/I/2014.
- 13.2. As provided for in article 1 of Board Decision No. 153/I/2014, the assessment of the environmental feasibility of an enterprise must be carried out with the support of environmental studies, to be defined according to the potential for degradation of the expected impacts, as follows:
- i. For enterprises, works and activities considered to have low potential for environmental degradation, environmental licensing must be instructed with a Simplified Environmental Study (SES);
 - ii. For enterprises, works and activities considered to potentially cause environmental degradation, environmental licensing will be instructed with a Preliminary Environmental Report (RAP); and
 - iii. For enterprises, works and activities considered to potentially cause significant environmental degradation, Article 5. of Resolution SMA 49/2014 determines that the request for LP must be instructed by an Environmental Impact Study and the respective Environmental Impact Report – EIR.
- 13.3. Thus, considering that it is a large project that will exceed the limits of the operating range in specific locations (potentially implying significant environmental and social impacts to be evaluated and mitigated), the CONCESSIONAIRE must consider the guidelines listed below to obtain environmental licenses.
- 13.4. For the LP Obtaining Phase, the State of São Paulo, through the State Secretariat for Investment Partnerships - SPI, must provide the necessary institutional arrangement to allow the sharing of responsibilities of the intervening agents, both with the CPTM and the future CONCESSIONAIRE, in the prior environmental licensing.
- 13.5. CETESB will define whether the environmental feasibility assessment will be carried out through the preparation of an EIA/EIR, or through the preparation of Preliminary Environmental Reports (RAP), and the Simplified Environmental Study (EAS) is not applicable to this type of project.
- 13.6. In ordinary cases of licensing, after the presentation of the environmental studies determined by the environmental agency (in this case EIA/EIR), the agency will analyze them and, after the necessary complements (if any), issue the LP.

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- 13.6.1. In possession of the LP, the CONCESSIONAIRE must meet all the conditions, which will include, among other technical products and obligations, the details of the Environmental Programs in a Basic Environmental Plan (PBA) for the execution of the VENTURES, detailing the measures for prevention, mitigation, control or compensation of the impacts identified in the EIA/EIR, for the purpose of obtaining the LI.
 - 13.6.2. During the execution of the works, the CONCESSIONAIRE must assume the implementation of the Environmental Programs in the range of operation under its responsibility, as well as the necessary reports to CETESB and the maintenance of the socio-environmental quality in the intervention areas.
 - 13.6.3. In order to obtain the LO, or rectification of the existing LO/LOR, the future CONCESSIONAIRE must prepare an application demonstrating proof of compliance with the requirements established in the LI and in the other authorizations obtained (ASV, Authorization for Fauna Management, etc.), in the case of the VENTURES under its responsibility.
- 13.7. In cases of filing environmental licensing processes for reconstruction, rehabilitation and/or modernization works of existing stretches and/or stations, CETESB may request the preparation of Preliminary Environmental Reports (RAP) that support the obtaining of Preliminary Licenses (LPs) or Installation Licenses (LIs) associated with existing licenses.
- 13.7.1. If the agency understands that the scope of the ENTERPRISE's licensing does not cover the planned reconstruction, retraining and/or modernization works, a new LP may be requested upon presentation of the RAP and associated Descriptive Memorial.
 - 13.7.1.1. The agency will analyze the documents filed and, after the necessary complements (if any), will request the details to the PBA Environmental Programs for the execution of the activities, adopting the measures for prevention, mitigation, control or compensation of the impacts identified in the licensing of the VENTURE, as well as the necessary reports to CETESB and the maintenance of the socio-environmental quality in the intervention areas, for the purpose of obtaining LI.
 - 13.7.2. In the case of the licensing of specific works that consider structures already covered in the licensing of the VENTURE, after the presentation of documents such as the RAP and associated Descriptive Memorial, the agency will analyze them and, after the necessary complements (if any), will issue the LI.
- 13.8. Once the LI has been obtained and during the execution of the works, the CONCESSIONAIRE must meet all the established conditions, which will include, among other technical products

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and obligations, continuous compliance with the PBA Environmental Programs for the execution of the activities, adopting measures for prevention, mitigation, control or compensation of the impacts identified in the licensing of the VENTURE, as well as the necessary reports to CETESB and the maintenance of socio-environmental quality in the intervention areas, for the purpose of obtaining the LO.

- 13.9. In order to obtain the specific LO for reconstruction, retraining and/or modernization works of existing stretches and/or stations, the future CONCESSIONAIRE must prepare an application demonstrating proof of compliance with the requirements established in the LI and in the other authorizations obtained (AVS, Authorization for Fauna Management, etc.), in the case of the VENTURES under its responsibility.
- 13.10. Once the LO is obtained, the CONCESSIONAIRE must meet all the conditions, which will include, among other technical products and obligations, the annual reports of the Environmental Program of the VENTURES Operation, informing the procedures carried out to mitigate impacts and comply with current legislation.
- 13.11. The digital documents of the licensing processes with environmental impact assessment must be filed in the e-environment Electronic System", according to the instructions established in Board Decision No. 247/2017/I, of August 28, 2017.

14. AUTHORIZATIONS FOR SUPPORT AREAS

- 14.1. For the execution of the expansion of the LINES, it will be necessary to use support areas, which may include: construction sites, loan areas, deposits of surplus material (boot-aways), among others legally established.
- 14.2. Usually, these support areas are operationalized within the limits of the VENTURE area.
- 14.3. However, when it is impossible to use it within the limits of the area of the VENTURE, it becomes necessary to search for additional areas, which consequently demands the need to conduct complementary environmental licensing processes with CETESB and the municipalities to obtain an authorization permit for the construction site, in addition to consents from the DAEE.

15. AUTHORIZATIONS FOR VEGETATION SUPPRESSION (AVS) AND INTERVENTION IN PERMANENT PRESERVATION AREAS (APP)

- 15.1. Federal and state legislation provides for the need for authorization from the competent environmental agency in cases of suppression of native vegetation in the Atlantic Forest Biome (Federal Law No. 11,428/2006, article 14, paragraph 1 and article 25). Intervention in APP is allowed in cases of public utility, social interest or low impact, as recommended by article 8 of

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Federal Law No. 12,651/2012 (New Forest Code), and depends on authorization from the competent environmental agency, as provided for in articles 1 and 2 of CONAMA Resolution No. 369/2006.

15.2. At the state level, the cutting of isolated native trees also requires authorization from CETESB, as determined by article 1 of Board Decision No. 287/2013/V/C/I. CETESB establishes as the necessary documentation for the opening of the request¹, in addition to the documents related to the property, the following:

- i. Planialtimetric plan on a compatible scale containing the demarcation of the area(s) subject to suppression of native vegetation, the demarcation of isolated native trees indicated for suppression, of specially protected plant species, of specially protected areas (APP, Legal Reserve, Green Area, etc.), of areas subject to compensation/recovery, containing a legend that differentiates them and compatible with the Vegetation Characterization Report, as well as the demarcation of water bodies, paths, roads, existing and to be built buildings, confronting, geographic coordinates or UTM and indication of the horizontal DATUM;
- ii. Vegetation Report, containing identification of the stages of development of native vegetation, identification of isolated trees, compensatory measures for carrying out the work and current photographs;
- iii. ART of the qualified professional;
- iv. Fauna Report, according to Board Decision No. 167/2015/C, which establishes "Procedure for the Preparation of Wildlife Reports for Environmental Licensing Purposes and/or Authorization for Suppression of Native Vegetation", and provides other measures. According to article 2 of Board Decision No. 167/2015/C, studies of native wildlife for the purposes of Environmental Licensing and/or Authorization for the suppression of native vegetation will be requested under the following conditions:
 - a. In urban areas – for the suppression of native vegetation in the Atlantic Forest biome:
 - In primary and secondary vegetation in a medium or advanced stage of regeneration, when the vegetation to be suppressed is equal to or greater than 0.2 ha;
 - In secondary vegetation in the initial stage of regeneration, when the vegetation to be suppressed is equal to or greater than 1.0 ha and is

¹ The list of required documents is available at: [autorizacao-intervencao-app-listagem-documentos-v3.pdf \(cetesb.sp.gov.br\)](https://cetesb.sp.gov.br/autorizacao-intervencao-app-listagem-documentos-v3.pdf)

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located contiguous to the APP or connected with Forest Fragments of native vegetation. A contiguous area is understood when there is no physical barrier such as buildings and streets.

- b. In rural areas – for the suppression of native vegetation in the Atlantic Forest biome:
 - When the vegetation to be suppressed is equal to or greater than 1.0 ha, regardless of the successional stage.

16. AUTHORIZATION FOR WILDLIFE MANAGEMENT IN THE LICENSING PROCESS

- 16.1. If it is necessary to carry out a survey of wildlife *in situ*, due to the need to collect, catch, capture or manipulate species of native wildlife during the surveys, the *in situ* Management Authorization must be obtained by DeFau, as provided for in SMA Resolution No. 92/2014 and SMA Resolution No. 36/2018.
- 16.2. It is also worth noting that, if the need to suppress vegetation for the implementation of the VENTURES is identified, the CONCESSIONAIRE must request a new authorization from DeFau regarding the stretches under its responsibility, intended for the control of the activities of scaring away, rescue and release of fauna, to be carried out during the activities of suppression of vegetation, considering the item 15.2, iv.

17. GRANTS FOR USE AND/OR INTERFERENCE IN WATER RESOURCES

- 17.1. According to article 12 of DAEE Ordinance No. 1,630/2017, the execution of works or services that may alter the regime, quantity and quality of water resources, surface or groundwater, depends on a grant. These authorizations will have a specific expiration date, to be defined by the agency in question.
- 17.2. According to article 14 of the Ordinance mentioned above, every project must be preceded by an application with preliminary information on the uses and interferences in water resources, to be presented by the legal representative at the respective board of the hydrographic basin, which will assess the application and the information and issue a statement to the interested party on the feasibility of the conception of the uses and interferences of the project. Projects already installed do not depend on this declaration, and only the regularization of existing uses is required.
- 17.3. The CONCESSIONAIRE must comply with the procedures set forth in the technical instructions of the Granting and Inspection Procedures Board – GIB. It should be noted that the procedures are integrated into the environmental licensing process, as provided for in Joint Resolution SMA/SERHS No. 01/2005.

18. AUTHORIZATIONS FOR INTERFERENCE WITH CONSERVATION UNITS

- 18.1. As established in SMA Resolution No. 85, of 10/23/2012, in licensing processes in which direct allocation may occur in the CU or its buffer zone, the prior authorization of the body responsible for the administration of the CU must follow the provisions of CONAMA Resolution No. 428/2010 and SMA Resolution No. 85/2012.
- 18.2. According to the information available in the database of the Ministry of the Environment, no buffer zone is intercepted. The only conservation unit intercepted by the project is the Tietê River Floodplain APA, therefore, the consent of its managing body (São Paulo Forestry Foundation) on the project must be requested.

19. AUTHORIZATION FROM THE COMPETENT BODIES AT THE FEDERAL, STATE AND MUNICIPAL LEVELS FOR THE MANAGEMENT OF HISTORICAL, ARTISTIC AND CULTURAL HERITAGE

- 19.1. As provided for in IPHAN Normative Instruction No. 001/2015, which revoked IPHAN Ordinance No. 230/2002, this Institute must be called upon to manifest itself in the environmental licensing processes regarding the feasibility of the VENTURE whose AID intervenes in safeguarded cultural assets (listed property, archaeological, registered and valued assets).
- 19.2. Thus, during the environmental licensing process, the CONCESSIONAIRE must consult IPHAN, by filling out the Activity Characterization Form (FCA) or equivalent document, and presenting the necessary technical documents according to IPHAN normative instruction No. 001/2015 and other requirements and procedures established by the agency.
- 19.3. The ENTERPRISE will be classified into Levels in accordance with the provisions of Annexes I and II of the aforementioned normative instruction, according to its typology and characteristics, by means of indication in the FCA and subsequent conclusive manifestation of IPHAN that will guide the following procedures.
- 19.4. The ENTERPRISES, a priori, may be classified as Level I, Level II or NA (not applicable).
- 19.5. For ENTERPRISES classified as "Not applicable – NA", a priori, IPHAN will not require the application of this Normative Instruction, without prejudice to the incidence of Law No. 3,924 of July 26, 1961.
- 19.6. Level I corresponds to projects with low interference on the current soil conditions, located in altered areas, not coinciding with registered archaeological sites, and Level II considers that the construction activities will be of low and medium interference on the current soil conditions and whose characteristics and dimensions are compatible with the adoption of adjustments or preventive measures in the field.

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19.7. For Level I, the required procedure is only the presentation of the TEC, according to article 15 of Normative Instruction No. 001/2015.

19.8. For Level II, the required steps are listed below:

19.8.1. Phase of Obtaining the LP:

- i. Filling out the FCA and TEC;
- ii. Attendance to the studies necessary for Licensing defined in TRE issued by IPHAN;
- iii. Presentation of the Impact Assessment Report on Listed Property, Valued and Registered Cultural Assets (if required by the TRE); and
- iv. Presentation of the Archaeological Heritage Impact Assessment Report.
 - IPHAN will analyze the applicable Impact Reports and forward a conclusive statement to the responsible environmental agency (CETESB) favorable (or not) to the issuance of the LP, and this LP may include any conditions pointed out in IPHAN's statement.

19.8.2. Phase of Obtaining the LI:

- i. Presentation of the Management Program for Listed Property, Valued and Registered Cultural Assets (if required); and
- ii. Submission of the Application for Authorization for Archaeological Monitoring.
 - IPHAN will analyze the Program and the Authorization Request and issue the Archaeological Monitoring Authorization. In addition, it will send a conclusive statement to the environmental agency in favor (or not) of the issuance of the LI, which may include any conditions pointed out in IPHAN's statement.

19.8.3. Phase of Obtaining the LO:

- i. Presentation of the Management Report of Listed Property, Valued and Registered Cultural Assets (if required); and

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ii. Presentation of the Archaeological Monitoring Report.

- Once again, IPHAN will analyze the reports that were prepared during the construction phase and will subsequently forward the conclusive statement to the environmental agency in favor (or not) of the issuance of the LO, ending the licensing process.

19.9. For the intervention of protected assets at the state or municipal level, the competent bodies must be consulted for the issuance of necessary authorizations.

20. AUTHORIZATION FOR INTERVENTION IN LISTED PROPERTY AND SURROUNDING AREAS

20.1. Considering the planned extension of the LINES, 44 cultural heritage sites and heritage property listed by IPHAN or CONPRESP were identified and that will be potentially intercepted by the planned line and that would be located within a radius of up to 300m from the route², therefore, they would be potentially intercepted. The indication of these cultural and heritage assets is contained in APPENDIX 1. No archaeological sites have been identified in the area of the route.

20.2. The listed property in the LINES are not limited to those identified in APPENDIX 1. On the part of the CONCESSIONAIRE, at the municipal level, it will be necessary to instruct the consultation and analysis process with CONPRESP, linked to the Municipal Department of Culture of São Paulo, due to possible interventions in listed municipal assets.

20.3. On the part of the CONCESSIONAIRE, at the state level, it will be necessary to instruct a consultation and analysis process with CONDEPHAAT, linked to the Secretary of Culture of the State of São Paulo, due to possible interventions in listed municipal property.

20.4. On the part of the CONCESSIONAIRE, at the federal level, it will be necessary to instruct a consultation and analysis process with IPHAN, linked to the Ministry of Culture, due to possible interventions in listed municipal property.

20.5. For interventions that are in the area surrounding a listed property, the CONCESSIONAIRE must also request authorization from the body responsible for the listing, at the federal, state and municipal levels.

20.6. Additionally, considering the dynamism of the listing processes, it is important that the CONCESSIONAIRE carry out consultations with the preservation agencies, at the federal, state and municipal levels, to verify any property that have recently been listed.

21. MANIFESTATIONS OF MUNICIPAL GOVERNMENTS

² Considered from the definition of State Law No. 13,426 of 1979, which defines a radius of 300 meters from the listed property as an envelope area, protecting the entire urban area created by this polygonal.

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- 21.1. The Municipalities of the municipalities intercepted by the LINES (Ferraz de Vasconcelos, Guarulhos, Itaquaquecetuba, Mogi das Cruzes, Poá, Suzano and São Paulo), must be consulted by the CONCESSIONAIRE in the environmental licensing process, in accordance with CONAMA Resolution No. 237/1997, considered at the state level through SMA Resolution No. 22/2009.
- 21.2. Thus, still in the Prior Environmental Licensing phase, as provided for in article 1 of SMA Resolution No. 22/2009, the licensing process must present to CETESB the Certificates of Land Use and Occupation issued by the municipalities, declaring that the location and type of enterprise are in compliance with the municipal legislation applicable to the use and occupation of the land.
- 21.3. In addition, Article 5 of SMA Resolution No. 22/2009 establishes that the examination and technical manifestation by municipal bodies, regarding the environmental impacts of the project (referred to in the sole paragraph of Article 5 of CONAMA Resolution No. 237/1997), must precede the technical opinions issued by the licensing body in the LP phase, and when applicable in the LI and LO phases.
- 21.4. In cases where the City Hall does not have a technical staff qualified to prepare the aforementioned technical examination, it must issue a document declaring such impossibility, stating the date of its issuance and effectiveness.
- 21.5. In some municipalities there is municipal legislation that provides for the presentation of EIV/Neighborhood Impact Report, as established in specific legislation, and depending on the work, it will be up to the municipality to request an assessment of the local neighborhood impacts.

22. ENVIRONMENTAL COMPENSATION GUIDELINES

- 22.1. Another important aspect related to environmental licensing concerns the environmental compensations required by legislation. Thus, 2 (two) types of compensation must be considered, as a result of environmental impacts that are not subject to prevention, control and mitigation, which are listed below:
- i. Compensation related to projects with significant environmental impact, licensed through EIA/EIR; and
 - ii. Compensation related to vegetation suppression and interference in APP and cutting of isolated trees.
- 22.2. The works provided for in the CONTRACT are, potentially or effectively, causing significant environmental degradation, that is, they will be licensed in processes instructed by means of

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EIA/EIR. In these processes, Federal Law No. 9,985/2000 (article 36) establishes an environmental compensation mechanism through support for the implementation and/or maintenance of CUs of the full protection group. Regulated by Federal Decree No. 6,848/2009, the mechanism is based on the definition of the degree of impact on ecosystems, and may result in compensation amounts ranging from 0 to 0.5% of the investment value, excluding amounts related to plans, projects and programs required in the environmental licensing procedure to mitigate impacts caused by the project.

- 22.3. In the STATE, as provided for in Resolution SMA 24/12, the Environmental Compensation Chamber aims to analyze and propose the application and destination of resources from environmental compensation of enterprises and activities whose licensing is subject to the presentation and approval of EIA/EIR.
- 22.4. With regard to compensation for the suppression of native vegetation, cutting of isolated native trees and interference in APP, the parameters for calculating the estimate of the compensatory planting of the improvement works must consider the guidelines provided for in SMA Resolution No. 07/2017, which provides for the criteria and parameters for environmental compensation as a result of the suppression of native vegetation, cutting of isolated trees and intervention in permanent preservation areas in the Atlantic Forest Biome.
- 22.5. SMA Resolution No. 07/2017 determines, in its article 3, that the compensation parameters will be defined according to the criteria presented on the map and in the table of "Priority areas for restoration of native vegetation". As a result, depending on the framework of each intervention section of the intended project, the compensation factor for suppression of vegetation and/or intervention in permanent preservation areas may vary from 1.25 to 6 times the authorized area. For the cutting of isolated native trees, the compensation factor can vary from 10:1 to 30:1, depending on the framework of the interventions.
- 22.6. For some of the municipalities intercepted by the LINES, legislation was identified that establishes the parameters and factors that must be applied for compensation, as presented in the following items. The CONCESSIONAIRE shall carry out a new survey of municipal legislation in due course to verify the existence of new laws on the subject.
- 22.6.1. São Paulo – Decree No. 37,821/1999 – Establishes the São Paulo Verde Program; Provides for the planting, adoption of trees already planted, conservation and protection of trees in public places.
- 22.6.2. São Paulo – Decree No. 53,889/2013 – Regulates the Environmental Commitment Agreement (TCA).
- 22.6.3. São Paulo - SVMA Ordinance No. 61/11 - Publishes List of Native Tree Species of the Municipality of São Paulo for Terms of Conduct Adjustment and Forest Recovery,

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Floristic Enrichment, Landscaping, Environmental Compensation Projects, among others that require the planting of native tree species.

- 22.6.4. São Paulo - SVMA Ordinance No. 130/13 - Regulates criteria and procedures for environmental compensation - management, by cutting, transplanting or intervention in the environment. Defines the rules, criteria and procedures for environmental compensation regarding the suppression or management of vegetation in the municipality of São Paulo.
- 22.6.5. Guarulhos - Decree No. 34,633/2017 - Provides for the criteria and procedures for environmental compensation for the management of tree species by pruning, cutting, transplanting or any other intervention to the environment, regulates environmental infractions and administrative sanctions for non-compliance with this instrument, and provides other provisions.
- 22.6.6. Guarulhos - Ordinance No. 19/2010 - Determines the criteria to be adopted in environmental compensations regarding the conversion of planting and/or replanting and maintenance for a minimum period of 2 years, for inputs and services to be donated to SM.
- 22.6.7. Mogi das Cruzes – SVMA Resolution No. 6/2020 - Provides for the criteria and parameters for Environmental Compensation of areas subject to authorization request for the suppression of native vegetation, cutting of isolated trees and for interventions in Permanent Preservation Areas in the STATE.
- 22.6.8. Mogi das Cruzes – Decree No. 20,919/2022 - Provides for the criteria and parameters for municipal environmental licensing of low, medium and high local impact, authorization for cutting an isolated tree or for suppressing a fragment of vegetation or interventions in APP and environmental compensation.
- 22.6.9. Itaquaquecetuba – Decree No. 5752/2006 – Regulates the suppression, removal and pruning of trees from urban vegetation cover and the penalties for suppression of vegetation in permanent preservation areas, including aspects related to associated environmental compensation.

LIST OF ATTACHMENTS

APPENDIX 1 – TECHNICAL BOOKLET OF ENVIRONMENTAL LICENSES OF THE SERVICES

APPENDIX 2 – GUIDELINES FOR THE PREPARATION OF THE ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT STUDY



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APPENDIX 3 – GUIDELINES FOR THE PREPARATION OF THE STAKEHOLDER ENGAGEMENT PLAN

APPENDIX 4 – GUIDELINES FOR THE PREPARATION OF THE RESETTLEMENT ACTION PLAN

APPENDIX 5 – STRUCTURE OF THE CONCESSIONAIRE'S ENVIRONMENTAL AND SOCIAL MONITORING
REPORT – RAAS