Environmental and Social Review Summary (ESRS)
Dinvertech: Promoting sustainable agriculture in Mexico

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1. General Information of the Project, and Scope of IDB Invest's Environmental and Social Review

The environmental and social due diligence (ESDD) process included, among other aspects, a visit to the high-tech multi-span greenhouses in San Miguel de Allende, Guanajuato, Mexico, as well as interviews and meetings with the Company staff in charge of the environmental and social (E&S), human resources, safety, and production matters, and with the greenhouse and plant workers; it also involved reviewing E&S, and occupational health and safety (OHS) information provided by the Client, like concessions, procedures, guidelines, regulatory documentation, certifications, audits, etc.

In order to make sure the Project is committed to respecting and safeguarding human rights, bears no tolerance to retaliatory actions and is determined to provide and guarantee a safe environment for the affected parties to express their concerns with no fear of retaliation, the ESDD also included a review of the following documents: human resources policy, labor rights policy, zero tolerance policy, anti-bribery policy, global anti-money-laundering policy, ethical trade policy statement, and procedures to measure the impacts on human resources (stakeholders).

2. Environmental and Social Categorization, and Rationale

According to IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified as of category B because it may generate the following impacts and risks, among others: i) conversion of traditional agricultural or natural land into greenhouse infrastructure, ii) possible impacts on the local fauna due to habitat fragmentation; iii) CO_2 emissions caused by gas consumption; iv) generation of plastic waste; v) inadequate handling of chemical waste; vi) possible changes to the quality of life due to the traffic of machinery and staff, and vii) possible resistance from the communities if they are not consulted or involved in the Project.

These impacts and risks are deemed to be of medium-low intensity.

The Performance Standards (PSs) triggered by the Project are: (i) PS 1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS 2: Labor and Working Conditions; (iii) PS 3: Resource Efficiency and Pollution Prevention; iv) PS 4: Community Health, Safety, and Security; and v) PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

3. Environmental and Social Context

3.1 General Characteristics of the Project's Site

The area is characterized by semi-arid climate, with seasonal rainfall and moderate-to-warm temperatures, typical of the Bajío region. The land is mostly flat, with quality agricultural soil, suitable for protected crops. The Project location has long been used for growing crops, and has been fully impacted since 2010. The Project is predominantly surrounded by scrubland and agriculture and livestock farming land. The site has access to road infrastructure and water sources for irrigation. A regulatory weather unit is in place to anticipate external environmental contingencies and also to adjust all the internal control system. From the social point of view, the region lives on agriculture and agribusiness, creating employment for the communities nearby.

3.2 Contextual Risks

In the analysis of contextual risks, the following have stood out: security and conflict, labor risks, retaliation and gender inequality.

Mexico as a whole faces several contextual risks that may affect viability and sustainability. In terms of security and conflict, the region has experienced high levels of violence derived from organized crime activities, which may affect the operations and the workers' mobility and may jeopardize the security of the facilities. As to the labor risk, there are some challenges associated with the working conditions, the compliance with labor regulations and the risks of exploitation or vulnerability of migrant workers. Considering the history of the agricultural sector in Mexico, a critical factor is the risk of retaliation for labor and environmental rights advocates. Lastly, gender has become a significant challenge, given the odds for women to be discriminated against or harassed and to endure gaps in access to opportunities in the workplace. These factors require specific mitigation strategies to guarantee a safe work environment and compliance with international standards.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a Environmental and Social Management System

The Company has implemented an environmental management system (EMS) that focuses on the responsible use of natural resources, sources of energy and fuels, and the responsible management of waste. It has appointed specific personnel for the implementation and management of certain tasks, like documentation, maintenance and waste delivery.

Dinvertech will update the EMS to include all the required elements: (i) policy; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review.

4.1.b Policy

Dinvertech has in place an environmental protection policy that describes the Company's commitment to respecting the natural resources, biodiversity, environmental regulatory compliance, responsible production, rational use of resources and waste management.

It has also developed a land use policy which states the Company's commitment to regarding the rights of the land where the activities are carried out regardless of their occupancy status (ownership, lease or loan for use), and to following the principles of free prior and informed consent if the land is acquired or rented from indigenous peoples and they are negatively affected.

Dinvertech's policy will state who is responsible for enforcing its compliance and will see to its execution within the company. It will also disseminate the policy across its organization.

4.1.c Identification of Risks and Impacts

The Company has prepared a hazard identification and risk assessment matrix per job position, and classifies the hazards, analyzes the consequences, assesses the risks, identifies the preventive measures and the applicable regulations for each one.

Dinvertech will complete the risk identification assessment with considerations of social risks, greenhouse gas emissions, climate change risks and climate adaptations opportunities.

4.1.c.i Direct and Indirect Impacts and Risks

Direct Impacts and Risks: The greenhouses have controlled irrigation systems, but they may strain the local aquifers in areas under hydric stress. The intensive use of pesticides and fertilizers may lead to polluting the soil and water bodies if they are not handled properly; moreover, there is a risk of pest and disease resistance caused by the continuous use of agrochemicals. Prolonged greenhouse use without crop rotation may degrade the quality of the soil. The plastic covers require replacing frequently, which results in waste that is hard to recycle. The greenhouses rely on artificial ventilation and heating, which increases the crop's carbon footprint. Exposure to agrochemicals is one of the risks around the greenhouses, but there can also be health problems derived from long workdays in hot and humid conditions.

Indirect Impacts and Risks: The greenhouses use well water, which could affect its availability for the communities nearby. Land conversion for greenhouses may lead to native vegetation displacement and effects on the local biodiversity. In some extreme cases, it may contribute to fragmentation of the ecosystems. If the demand for peppers falls or prices decrease, the Company may face economic losses.

4.1.c.ii Analysis of Alternatives

Dinvertech has acquired adjacent plots to streamline the Company's operations across good-faith buyer and seller transactions. Moreover, it has analyzed alternatives to use glass instead of plastic. This has several key benefits, like longer durability, better light transmission, higher heat retention, resistance to chemical products or climate events, and lower environmental impact.

4.1.c.iii Cumulative Impact Analysis

The greenhouse expansion in this part of Mexico may cause some environmental effects; for instance, the increasing demand for underground water may worsen the overexploitation of aquifers and create conflicts over the use of the resource, as well as pollution risks due to the use of agrochemicals and plastic waste. Also, the conversion of traditional agricultural land into greenhouse systems may disrupt the local biodiversity and alter the microclimate. In social terms,

the growth in the sector may put pressure on the local infrastructure and services, while a higher demand for labor may expose workers, especially migrants, to labor risks and vulnerability. In addition, the intensive production model may displace smaller producers and lead to economically relying on the export markets.

Dinvertech is mitigating the impacts on water availability with drip irrigation and water recirculation systems. In order to reduce the generation of plastic waste, it is already considering replacing plastic with glass. As to the social aspects, it is working on strengthening the labor rights and working conditions.

4.1.c.iv Gender Risks

The main risks may involve the segregation of work roles based on gender stereotypes, and workplace harassment and gender violence, as well as the lack of suitable measures to balance work and family life, which may mainly affect working women. In order to mitigate these risks, the Company implements gender equality policies, offers training in violence prevention and awareness, and guarantees fair, inclusive working conditions for everyone involved in the Project. See 4.1.c.v. Dinvertech will sign a declaration supporting the Women's Empowerment Principles (WEPs) and complete the WEPs Gender Gap Analysis Tool.

4.1.c.v Gender Programs

In 2024, Dinvertech had 638 employees, 553 of whom were women, 86.7% of the overall payroll. Furthermore, 60% of the senior management is made up of women, which proves its commitment to women inclusion and empowerment within the organization.

Dinvertech has in place a clear strategy that includes a zero-tolerance policy on workplace violence and a policy on sexual harassment. In its child protection and care policy, the Company expresses its commitment to reassigning pregnant women to activities that do not involve considerable efforts or endanger their health in their condition. It offers breastfeeding employees the right to two 30-minute breaks or an hour at the end of the workday to breastfeed their children, if they so decide; they may as well choose to leave an hour earlier or enter an hour later than their normal clock time. These policies reflect its commitment to gender equality and a respectful, safe work environment.

The Company actively promotes training and reflection on gender equality, creating collaborative learning spaces and specific educational resources to support the principles of respect and inclusion at all levels. Dinvertech is currently designing a mentoring program for women that will include leadership and professional development workshops.

Dinvertech's facilities include safe, women-only restrooms. The expansion project plans additional improvements to guarantee optimal conditions, including safe, private, clean, comfortable lactation rooms, and a place to store breast milk while at work.

4.1.c.vi Climate Change Exposure

The Project is located in an area with low water availability, which is expected to intensify in the future due to climate change, with longer drought periods and changes in the rainfall patterns. In addition, hurricanes lashing the coastline may even impact the State of Guanajuato, with intense rainfall and strong winds.

Water scarcity and droughts may jeopardize the availability of the water needed for irrigation and the operation in the packing facilities. Wet hydrometeorological hazards, like hurricanes, may imply a danger for the facilities infrastructure, while causing losses or changes to product quality.

The Project manages the physical risks of water scarcity by controlling its use with its irrigation and recirculation system. Also, the risks of intense rainfall and strong winds will be reduced by shifting to glass, which will be supported by the loan funds.

4.1.d Management Programs

In line with its certifications, Dinvertech has developed different procedures to handle environmental, safety, and occupational health and safety matters. The Company will establish management programs that describe the mitigation and performance enhancement measures and actions, to help deal with the E&S risks and impacts identified for the Project.

4.1.e Organizational Capacity and Competency

Dinvertech has appointed environmental roles in the Environment and Sustainability Department, social roles in the Safety and Social Department, and OHS roles in the Health and Safety Department.

4.1.f Emergency Preparedness and Response

The civil protection internal program describes the actions to be taken before, during and after certain emergency situations, like fires, floods, earthquakes, robberies, bomb threats, chemicals, injuries, situations involving firearms or hostages, gas leaks and power cuts.

Additionally, they have implemented a fire response plan with the actions to be taken, the people in charge, the tasks for the emergency response team members and the evacuation steps. The Company performs emergency drills periodically, engaging all workers.

Dinvertech will complete the analysis of different emergency situations that may occur and affect its staff and locations, considering the identified physical climate risks and natural disasters, as well as the effects of the chronic hazards the Project may face in the coming years.

Moreover, it will update the fire emergency plan of the existing locations and for the expansion works, which shall be carried out by a duly qualified professional; it shall show that the proposed buildings comply with the fire prevention and safety requirements and that fire prevention and safety systems will be designed and installed using the established standards or a performance-based design, following best technical practices. It is recommended to consider the NFPA standards for fire prevention in greenhouses and agricultural and food processing plants (NFPA 61).

4.1.g Monitoring and Review

The Company has prepared a document about internal reviews and regulatory inspections that should be used for all activities related to planning, performing and producing the results of the management system's audits on food safety, social responsibility, health and safety, and the environment carried out by internal staff, external authorities or for certification purposes.

4.1.h Stakeholder Engagement

Dinvertech has identified some of the stakeholders, with whom it engages informally. The Company will develop a stakeholder engagement process that includes a social diagnosis of the stakeholders in the direct area of influence of the Company, including the *rancherías* (small rural settlements). It shall consider the disclosure and dissemination of information through participation and information sessions with representatives of all identified stakeholders and taking into account their mother tongues; consultation and participation instances; a grievance mechanism to be used by all identified stakeholders; and continuous information delivery[1].

4.1.h.i Disclosure of Information

Dinvertech uses the monthly meetings held by the municipal authorities to disclose information about the Company, its projects, work opportunities, etc.

4.1.h.ii Informed Consultation and Participation

The Company is currently engaged in periodic informed consultation and participation activities with the communities nearby through its representatives. Dinvertech will start keeping record of these meetings.

4.1.h.iii Indigenous Peoples

The titled land around the Project is made up of *rancherías*, located over 5 km away to the East; the following are the closest to the Project: Clavellinas (to the West), La Fragua (to the East), and Santa Ana and Lobos Casco de la Hacienda (to the North). The Project offers work opportunities to *rancherías* residents, and the Company keeps a close relationship with the settlers.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External Communications

Dinvertech is encouraged to present the public with periodic reports about its E&S sustainability.

4.1.i.ii Community Grievance Mechanism

Dinvertech will establish a grievance mechanism to receive the concerns and complaints from the communities about its E&S performance and to facilitate their resolution. The mechanism shall 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. The client will inform the affected communities about the mechanism in the course of the stakeholder engagement process.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

[1] Meaningful Stakeholder Engagement https://publications.iadb.org/en/meaningful-stakeholder-engagement-joint-publication-mfi-working-group-environmental-and-social

4.2.a.i Human Resources Policies and Procedures

The Company has produced an employee manual (Code of Ethics), which is handed to the workers when they join the Company to safeguard their fundamental rights in pursuit of everyone's well-being and empowerment.

Some documents have also been prepared in addition to those mentioned in "1.1. General Information about the Project:" an internal work rulebook, a manual of good agricultural and manufacturing practices; a child protection and care policy; a non-discrimination and work equality policy; a policy on workplace bullying and sexual harassment; a pay policy; a non-forced-labor policy; health and safety policy; disciplinary measures and payroll items. It has also implemented a hiring procedure, a grievance procedure and a training procedure.

4.2.a.ii Working Conditions and Terms of Employment

In its pay policy, Dinvertech commits to keeping competitive, motivating, fair compensation practices through a salary, a bonus and social security benefits, in compliance with the national labor regulations.

The labor rights policy includes its commitment to not engaging child or forced labor, pursuing freedom of association, respecting people, and offering equal opportunities. The policy on sexual harassment prohibits all sorts of innuendos or comments, insults or threats, request of favors, jokes, obscene gestures, propositions etc. of sexual nature, and applies to all employees, including heads, managers and directors, as well as visitors, contractors, external or temporary staff. The zero tolerance policy guarantees that its workers, suppliers and clients never feel threatened by actions or behaviors from employees. It forbids causing physical, verbal or emotional damage to, attacking, pushing, harassing, intimidating, bullying or threatening work mates. The child protection and care policy grants parents the necessary leaves to meet their children's educational needs, without considering them as unjustified absences from work.

4.2.a.iii Workers' Organizations

Dinvertech allows its employees to enter collective bargaining and create or join independent workers' organizations as they see fit. Workers currently belong to a regional union (Union of Workers in the Transformation Industry, Chemical Processing, Maquila Operations, Injection, Trade, Freight, and General Ancillary and Related Services of the State of Querétaro), a CTC union.

4.2.a.iv Non-discrimination and Equal Opportunity

The Company has implemented a non-discrimination and work equality policy that prohibits all forms of mistreatment, violence and segregation of the personnel for reasons of physical appearance; culture; disability; language; sex; gender; age; social, economic, health or legal status; pregnancy; marital status; religion; opinion; ethnic or national origin; sexual preferences or migratory situation. This policy guides on how to promote a culture of work equality and non-discrimination in the workplace, and guarantees equal opportunities for all staff.

The employee manual also mentions the Company's commitment to rejecting any form of discrimination, while promising to avoid retaliation against its workers and the use of harassment as a disciplinary action.

Additionally, through its policy of integration and protection of vulnerable groups, the Company pledges to protect minorities and to allow for their full, equal participation across work areas to improve their education, health, employment and living standards. This policy is based on four principles: i) non-discrimination, ii) preservation of the cultural identity of migrants, iii) acknowledgment that migrants are in a less favorable social and economic situation than local residents, and iv) gender equality and equity.

4.2.a.v Retrenchment

Before resorting to massive layoffs, Dinvertech will analyze alternatives to workforce retrenchment. If it cannot be avoided, it will develop and implement a workforce retrenchment plan to mitigate any adverse impacts on the workers. The plan will be based on the non-discrimination principle and will show the Client has consulted the workers and their organizations; it will observe the existing collective bargaining agreements as well.

4.2.a.vi Grievance Mechanism

Dinvertech has in place a grievance procedure allowing workers to raise minor grievances verbally with specific members of staff, in writing via email and anonymously using the box. Major grievances requiring investigation are handled by the Social Commitment Team. Sexual harassment grievances shall follow the suggestion and grievance procedure and are escalated to a specialist.

4.2.b Protecting the Workforce

4.2.b.i Child and Forced Labor

Dinvertech has developed and implemented a child protection and care policy in which it states they will NOT hire minors under 16 years of age to join their workforce, and which is applicable to all suppliers, service providers and clients.

It has also in place a policy that prohibits forced labor, which is based on ILO's fundamental conventions, including forced contractual work, debt bondage, military or slave work, and all forms of human trafficking. Also in its employee manual, it expresses the prohibition of forced labor, human trafficking and slavery.

4.2.c Occupational Health and Safety

The Company has prepared a health and safety policy, established health and safety rules to prevent accidents in an internal work rulebook, and implemented a training procedure for all employees with the methodology, topics and frequency. There is also a health and safety manual, which includes a fire emergency plan, extinguisher inspections, accident notification and investigation, work at heights, confined spaces, welding and cutting, handling manual loads, an ergonomics program and lockout/tagout. It has provided for the creation of the health and safety committee to investigate the causes of accidents in the work places, propose measures to protect them and see they are enforced.

Those workers who apply agrochemicals are tested their cholinesterase levels every six months. If the values appear to be out of range, they are reassigned to a different job, in which they are not exposed to agrochemicals.

In order to prevent dehydration, Dinvertech has come up with a hydration protocol with effective measures for employees to properly handle the hydration stations with isotonic drinks.

4.2.d Workers Engaged by Third Parties

Transportation is the only outsourced service; the service provision requirements are established in the contracts entered with the corresponding service providers.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

Dinvertech has a land use policy that describes the Company's commitment to taking actions that contribute to the preservation, restoration and improvement of the soil, and to keeping valid land use licenses in compliance with applicable laws, rules and regulations. Additionally, the land use permit has been granted, which identifies the current facilities as an agricultural development area. The Company will send IDB Invest the land use permit for the area to be expanded with the loan funds.

4.3.a.i Greenhouse Gases (GHG)

The greenhouses are heated with liquified natural gas during the three coldest months of the year, from November to January, when temperatures drop dramatically.

Natural gas boilers have been installed recently; so the Company will prepare a GHG inventory for the first six months of the year. A third party, as approved by the SEMARNAT, will be hired to such end. Dinvertech will measure Scope 1 and 2 emissions annually. CO_2 emissions from the boiler are reused and injected into the plantations to encourage plant growth and productivity.

4.3.a.ii Alignment with the Paris Agreement

The Project is deemed as aligned with the provisions of the Paris Agreement based on the analysis performed in line with the IDB Group's Paris Alignment Implementation Approach[2].

The operation is considered aligned with the mitigation goals in the Paris Agreement, given the Client's commitment to developing and implementing the recommendations resulting from a technical assistance engagement in an analysis of alternatives for a low-carbon, economically viable heating system for the greenhouses, as per the requirements in the ESAP.

The transaction is considered aligned with the adaptation goals of the Paris Agreement. The analysis concludes that the physical climate risk is managed in the context of the transaction and that the transaction is consistent with the national and regional adaptation goals and priorities.

4.3.a.iii Water Consumption

The water demanded to grow peppers is, on average, 10,000 m³ / ha per year. Dinvertech supplies water to the 22 hectares that are currently in use from its own well, which produces 253,000 m³ a year, and through a 10-year groundwater use concession[3] in force since 2019. In order to guarantee

[2] Document GN-3142-1.

[3] No. 08GUA106552/12AMGE06.

supply and production, the property has a reservoir that can hold 26,000 m³, which equals a month-supply for the greenhouse.

For the 50-ha-expansion works, the Company will require another 500,000 m³ per year; so it is currently working on obtaining a concession for 600,000 m³. The Company will present the concession to IDB Invest and will make sure the concessions remain valid for the duration of the loan.

All greenhouses have a drip fertigation system in line with its water saving policy, which is aimed at using the water resources effectively, by checking and maintaining the water containers to prevent leaks, as well as periodically checking the water pipes, while spreading awareness and best use practices among the Company's workers.

4.3.b Pollution Prevention

4.3.b.i Water Discharge

In every irrigation cycle there is a very small volume of water that is not absorbed by the plants, and is collected in gutters and discharged out of the greenhouse. This waste water is drained from the greenhouses and recycled at the same time.

The waste water coming from the sanitary services goes through a biological water treatment plant, where it goes through sedimentation of solids across four chambers to be further treated. The resulting treated water is used to irrigate alfalfa in the community. Treated water is analyzed for phytopathological elements to prove it contains no physical or biological pollution. However, the Company will analyze the quality parameters of the treated water to be further reused in crops that are not consumed raw[4].

4.3.b.ii Waste

Dinvertech has carried out a waste identification exercise that includes the type of waste, the area where each waste type is generated, the pollutant type, its final disposal and control measures. All waste is staged in a specific area within the Client's facilities. Cardboard and plastic are separated, whereas all other waste is dealt with by a waste collection service to be taken to a sanitary landfill, and further processed for final disposal, which sometimes involves third parties. For managing, temporarily staging and finally disposing of urban solid waste and special waste, Dinvertech will observe the provisions of the General Law for the Prevention and Comprehensive Management of Waste and the Law for the Comprehensive Management of Waste of the State and Municipalities of Guanajuato and its administrative order. Special attention will be paid to plastic waste being properly handled and correctly disposed of.

4.3.b.iii Hazardous Materials Management

The agrochemical containers go through a triple wash before their final disposal, and are kept in a specific place until the provider who supplied the agrochemicals collects them and disposes of them with all the care required by the national regulations.

[4] NOM-003-SEMARNAT-1997 and the National Waters Act (LAN) and its administrative order establish criteria for the use of treated wastewater in agriculture, making sure that the sanitary standards are complied with to avoid health and environmental risks.

The Company will have the authorizations needed to handle hazardous waste and shall dispose of it through a hazardous waste service provider that is duly authorized by the corresponding agencies, and shall submit the relevant evidence annually. It will also get the authorization as a special waste generator.

4.3.b.iv Pesticide Use and Management

Dinvertech has developed an integrated pest management (IPM) guide, considering cultural, physical, biological, biorational and chemical controls in order to consolidate several handling techniques that help to prevent and control pests and diseases. Dinvertech will update this document with an IPM guide per product (pepper, tomato, cucumber).

Furthermore, it has a guide for the good use and management of agrochemicals that includes instructions for the reliable use and management of agrochemicals, the safety measures for the workers, the triple wash for empty containers, the preparation of mixes for agrochemicals, the removal and decontamination of personal protective equipment (PPE), the identification of hazards, and the changes to the labels. It also has in place an agrochemicals and fertilizers guide that is specific for minipeppers. Besides, the Company keeps a written record of the application of agrochemicals.

It is currently using AGRIMEC (abamectin), which is considered as a class Ib pesticide due to its toxicity levels, in extreme cases of peak temperature, which have been more frequent in the recent years. Dinvertech will adopt a commercial and technical policy aimed at eliminating pesticides related to the extremely dangerous (Ia) and highly dangerous (Ib) classes of the WHO. Dinvertech will not use new class Ia and Ib class products. The policy shall include a plan to progressively stop using them over a maximum of three years.

Dinvertech will implement a procedure for properly storing agrochemicals in line with the International Code of Conduct on Pesticide Management of the FAO.[5]

4.4 Community Health, Safety and Security

4.4.a Community Health, Safety and Security

4.4.a.i Infrastructure and Equipment Design and Safety

Dinvertech has developed road safety policies to prevent the risks derived from vehicles running in the areas surrounding the work places. It includes information about layout, signage, visibility and information for drivers and visitors.

[5] https://www.fao.org/pest-and-pesticide-management/pesticide-management/codigo-internacional-de-conducta-para-el-manejo-de-plaguicidas/es/

4.4.a.ii Hazardous Materials Management and Safety

Dinvertech will make reasonable efforts to keep hazardous materials deliveries safe, as well as its transportation and disposal of hazardous waste, and it will enforce measures to avoid or control the exposure of the community to pesticides.

4.4.a.iii Emergency Preparedness and Response

Dinvertech will update the civil protection internal program to help and collaborate with the communities nearby, the local government agencies and other stakeholders to prepare to respond effectively to emergency situations, especially when their participation and collaboration are needed.

4.4.b Security Personnel

Dinvertech has prepared a code of conduct for security personnel to avoid and/or recognize contingencies. This procedure will be updated in line with the principles of proportionality and the recommended international practices for hiring, training, equipping and supervising the security personnel, as well as the rules of engagement and the legislation applicable to them.[6]

4.5 Land Acquisition and Involuntary Resettlement

Not applicable, as the land to develop the Project to be funded have already been acquired by Dinvertech and the Project would not require resettlement.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

4.6.a Protection and Conservation of Biodiversity

One critically endangered species (*Campephilus imperialis*) and four endangered species (*Onthophagus aureofuscus, Thamnophis melanogaster, Leptonycteris nivalis and Procambarus digueti*) were identified in a 5 km-buffer zone. Dinvertech will study the biodiversity to determine it is not a critical habitat using the methodology described in Performance Standard 6, and will implement the resulting action plan.

In compliance with the General Law of Climate Change and the Law for the Environmental Protection and Preservation of the State of Guanajuato for the water consumed in services and processes, the effects on the soil and the emissions generated into the environment, and in order to compensate the environmental system in the area, Dinvertech will carry out soil preservation and water catchment works or activities in a total area of 97 ha in a state-protected natural area or in restoration or compensation areas.

4.6.a.i Legally Protected Areas and Internationally Recognized Areas

In a Project 5 km buffer area, there are no protected areas or key biodiversity areas. The closest areas of interest are located over 20 km away from the Project.

[6] United Nations Code of Conduct for Law Enforcement Officials and the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

4.6.b Management of Ecosystem Services

Water is a resource and service, which the Project directly depends upon for operating. This may affect its availability for the community. Dinvertech will encourage a close relationship with the communities nearby to identify the possible impacts on access to water, and will assure compliance with the licenses in place and promote water efficiency, keeping the best irrigation practices for the greenhouses.

4.7 Indigenous Peoples

Not applicable

4.8 Cultural Heritage

Not applicable

5. Local Access of Project Documentation

The documentation related to the project may be accessed using the following link:
www.greenverland.com