

**Dinvertech: Promoting sustainable agriculture in Mexico  
Environmental and Social Action Plan (ESAP)**

No.	Aspect	Action	Deliverable	Delivery date
<b>PS 1: Assessment and Management of E&amp;S Risks and Impacts</b>				
1.1	Environmental and Social Management System	1. Update the environmental management system (EMS) to include all the components required by PS 1.	1. Updated EMS	1. 1 year after signing the contract
1.2	Policy	1. State who is responsible for enforcing its compliance and will see to its execution within the company. Also disseminate the policy across its organization.	1. Employee responsible for compliance and execution 2. Evidence of policy dissemination across the organization	1. 6 months after signing the contract
1.3	Identification of Risks and Impacts	1. Complete the risk identification assessment with considerations of social risks, greenhouse gas emissions, climate change risks and climate adaptations opportunities.	1. Identification of risks, including social risks, greenhouse gas emissions, climate change risks and climate adaptations opportunities	1. 6 months after signing the contract
1.4	Gender Risks	1. Sign the declaration supporting the Women's Empowerment Principles. 2. Complete the WEP gender gap analysis tool.	1. Declaration supporting the Women's Empowerment Principles signed 2. Gender gap analysis tool completed	1. 3 months after signing the contract 2. 3 months after signing the contract
1.5	Management Programs	1. 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.	1. Management Programs	1. 9 months after signing the contract
1.6	Emergency Preparedness and Response	1. 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. 2. 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).	1. Complete emergency situation analysis 2. Fire emergency plan updated	1. 3 months after signing the contract 2. 6 months after signing the contract
1.7	Stakeholder Engagement	1. Develop a stakeholder engagement process that includes a social diagnosis of the stakeholders in the direct area of influence of the Company, including the <i>rancherías</i> (small rural settlements). 2. 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. Stakeholder engagement process 2. Evidence of disclosure and dissemination of information	1. 9 months after signing the contract 2. Annually
1.8	Informed Consultation and Participation	1. Keep record of the meetings with the communities nearby	1. Evidence of records of the meetings with communities nearby	1. Annually
1.9	Community Grievance Mechanism	1. 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	1. Grievance mechanism 2. Evidence of dissemination of the grievance mechanism to the communities	1. Prior to signing the contract 2. 3 months after signing the contract

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		<p>the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies.</p> <p>2. Inform the affected communities about the mechanism in the course of the stakeholder engagement process.</p>		
<b>PS 2: Labor and Working Conditions</b>				
2.1	Retrenchment	1. 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.	1. Workforce retrenchment plan	1. 9 months after signing the contract
<b>PS 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Resource Efficiency	1. Submit the land use permit for the area to be expanded with the loan funds.	1. Land use permit	1. Prior to the first disbursement
3.2	Greenhouse Gases	<p>1. Measure Scope 1 and 2 emissions annually.</p> <p>2. Study alternatives for heating the greenhouse and choose the lowest-carbon-producing, most economically viable technology to include in the investment plan.</p>	<p>1. Inventory of Scope 1 and 2 emissions</p> <p>2. Study of low-carbon alternatives for heating the greenhouses and selection of low-carbon, economically viable technology</p>	<p>1. Annually</p> <p>2. 6 months after signing the contract or prior to the purchase of the previously identified boilers</p>
3.3	Water Consumption	1. Submit the water concession needed for the expansion and keep all concessions valid for the duration of the loan.	<p>1. Water concessions for the expansion</p> <p>2. Valid existing concessions</p>	<p>1. As soon as it is obtained or prior to the beginning of the expansion operations</p> <p>2. Before July 19, 2029</p>
3.4	Water Discharge	1. Analyze the quality parameters of the treated water to be further reused in crops that are not consumed raw.	1. Quality parameters of the treated water to be further reused in crops that are not consumed raw	1. 6 months after signing the contract
3.5	Waste	<p>1. 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.</p> <p>2. Guarantee proper plastic waste management so that it is suitably disposed of.</p>	<p>1. Evidence of disposal as instructed by the law</p> <p>2. Evidence of proper disposal of plastic waste</p>	<p>1. 6 months after signing the contract</p> <p>2. 6 months after signing the contract</p>
3.6	Hazardous Materials Management	<p>1. Have the authorizations needed to handle hazardous waste and dispose of it through a hazardous waste service provider that is duly authorized by the corresponding agencies, and submit evidence annually.</p> <p>2. Get the authorization as a special waste generator.</p>	<p>1. Authorizations and contract entered with the service provider</p> <p>2. Authorization as a special waste generator</p>	<p>1. 6 months after signing the contract</p> <p>2. 6 months after signing the contract</p>
3.7	Pesticide Use and Management	<p>1. Update this document with an IPM guide per product (pepper, tomato, cucumber).</p> <p>2. Adopt commercial and technical policies 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.</p> <p>3. Include a plan in the policy to progressively stop using them over a maximum of three years.</p> <p>4. Implement a procedure for properly storing agrochemicals in line with the International Code of Conduct on Pesticide Management of the FAO.</p>	<p>1. Updated IPM guide for peppers, tomatoes and cucumber</p> <p>2. Policy to eliminate Ia and Ib pesticides, including the phase out</p> <p>3. Agrochemical management procedure</p>	<p>1. 1 year after signing the contract</p> <p>2. Prior to signing the contract</p> <p>3. 3 months after signing the contract</p>

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<b>PS 4: Community Health and Safety</b>				
4.1	Hazardous Materials Management and Safety	1. 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.	1. Safety control measures to deliver, transport and dispose of hazardous materials	1. 6 months after signing the contract
4.2	Emergency Preparedness and Response	1. 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.	1. Civil protection internal program updated	1. 6 months after signing the contract
4.3	Security Personnel	1. Update the code of conduct for security guards 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.	1. Code of conduct for security guards updated	1. 6 months after signing the contract
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
6.1	Protection and Conservation of Biodiversity	1. Study the biodiversity to determine it is not a critical habitat using the methodology described in Performance Standard 6. 2. Implement the resulting action plan. 3. 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.	1. Study of critical habitat biodiversity 2. Action plan 3. Site request to the SMAOT 4. Preservation works or activities report	1. 1 year after signing the contract 2. Action plan schedule 3. 3 months after signing the contract 4. 1 year after signing the contract
6.2	Management of Ecosystem Services	1. Encourage a close relationship with the communities nearby to identify the possible impacts on access to water. 2. Promote water efficiency, keeping the best irrigation practices for the greenhouses.	1. Evidence of encouragement of a relationship with the communities nearby in relation to the access to water. 2. Evidence of how water efficiency is being promoted	1. 1 year after signing the contract 2. 1 year after signing the contract