

**Annex 1: KOWI Group  
Environmental and Social Action Plan (ESAP)**

No.	Reference	Measure	Final product/deliverable	Expected completion date
<b>PS 1: Assessment and management of environmental and social risks and impacts</b>				
1.1	Environmental and Social Management System (ESMS)	1. Provide a copy of the final, explicit, detailed and specific ESMS for the Project that includes: (i) policies; (ii) procedures to identify, assess, and manage the potential environmental, social, OHS, and labor risks and impacts associated with each of the activities in the Project, as well as for its contractors and subcontractors; (iii) internal procedures for compliance with the environmental and social management plan (ESMP); (iv) organizational capabilities and competences, with the definition of roles and assignment of responsibilities to implement said ESMS; (v) protocols for emergency preparedness and response; (vi) methods or plans for the participation of key players; (vii) external communication and complaints reception mechanisms; (ix) protocols for the dissemination of information to communities, decision-making and training; (x) protocols for the evaluation and continuous improvement of the ESMS; and (xi) periodic audits and inspections regarding environmental, social, and OHS requirements, applicable under GLEBPE.	1. Copy of the Project's final ESMS.	1. Six months after the first disbursement.
1.2	Environmental, Social, and Occupational health and Safety Policies	1. Provide an environmental, social, and occupational health and safety (OHS) policy that takes into account the context and needs of KOWI and/or the Project, as well as establishing who, within the organization, shall guarantee compliance with the policy and be responsible for its execution.	1. Copy of the Borrower's or Project's environmental, social, OHS policy, if different	1. Six months after the first disbursement.
		2. Complement this comprehensive policy with monitoring programs and communications to all members and levels of the organization.	2. Evidence of the implementation of the communication mechanism	2. Six months after the first disbursement.

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		3. Create a program to measure ongoing improvements in policy implementation.	3. Copy of the ongoing improvement Program	3. Six months after the first disbursement.
1.3	Risk and Impact Identification	1. Conduct an analysis of alternatives and a cumulative impact assessment, within the process of identification and assessment of environmental and social risks and impacts, for each new construction of the Project's Site I farm	1. Copy of the analysis of alternatives and cumulative impact assessment of the Project's new Site I farm	1. 30 days before the start of construction of the Project's new farm.
1.4	Environmental and Social Management Programs (ESMP)	1. Develop a specific ESMP for the construction stage of the Project's new Site I farm, with the following measures: (i) an Impact Management Program for the physical, biological, and visual environment, which will include mitigation measures for the impact on the terrain's elevation (in the case of earth removal or earthworks); compensation for the removal of vegetation and disturbance of wildlife; management of solid waste (hazardous and non-hazardous); control of emissions of polluting gases from construction machinery and equipment; disturbance of the environment by increased generation of dust and noise; liquid effluent control, both industrial and domestic; (ii) an Impact Management Program for the socioeconomic environment, which will include social compensation measures for the communities surrounding the Project; training for managers and construction workers; measures for inter-institutional coordination; and measures to guarantee safe and hygienic-sanitary conditions for workers during construction.	1. Copy of the ESMP specific to the construction stage of the Project's new farm.	1. 30 days before the start of construction of the Project's new farm.
		2. Develop, for the Project's new Site I farm, an ESMP for the operation stage, including the following measures: (i) an Environmental Monitoring and Surveillance Program, which includes compliance with wastewater discharge regulations; (ii) a Comprehensive Solid and Liquid Waste Management Program, which emphasizes measures to	2. Copy of the ESMP specific to the O&M of the Project's new farm.	2. 30 days before the start of construction of the Project's new farm.

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		reduce, reuse and recycle inert materials and also provide special management measures for hazardous waste or any other special management product used during the operation and maintenance (O&M) activities on the farms, based on local environmental and health standards; and (iii) an Occupational Health and Safety Management Plan (OHS)		
1.5	Organizational capacity	1. Define within the ESMS: (i) the functions, responsibilities and faculties of each actor in the organizational structure; (ii) the means and channels of communication between the different levels of the organizational structure; (iii) mechanisms to ensure adequate human and financial resources within each division; and (iv) an introductory and refresher training program, at least once a year, for all personnel in charge of environmental, social, labor and OHS matters.	1. Copy of the updated Organizational Structure, based on the requirements of the ESMS	1. 45 days after signing the loan agreement.
1.6	Emergency Preparedness and Response	1. Develop a Contingency Plan based on the conditions and infrastructure of each of the Project's new farms, in order to minimize risks for employees and animals in the event of natural disasters or emergencies.	1. Detailed and specific Contingency Plan for each of the Project's new farms	1. 30 days before the start of construction of each of the Project's new farms.
		2. Carry out an Environmental Risks Study based on the requirements of the GLEBPE, specifically for risks linked to the storage, use and management of LP Gas in their farms.	2. Copy of the Risk Study for each of the Project's new farms	2. 30 days before the start of construction of each of the Project's new farms.
1.7	Monitoring and evaluation indicators	1. Develop a compliance matrix with its set of key performance indicators that must be monitored and met to measure the effectiveness of the ESMA and/or environmental monitoring program, as well as referencing all legal and contractual obligations for each new and	1. List of key management performance and success indicators	1. 45 days after signing the loan agreement.

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		existing work in the Project's farms, during the construction and O&M stages.		
1.8	Project Compliance with applicable regulations	1. Through an independent environmental and social consultant, prepare a consolidated report on the performance of all environmental, social and OHS issues applicable to all Project works, including the progress of ESMS actions against established key performance indicators; as well as the status of compliance with IDB Invest's Environmental and Social Sustainability Policy, Mexico's environmental, social and OHS legislation and the IFC's Performance Standards	1. Periodic environmental and social compliance report	1. Annually over the life of the loan
1.9	Participation of Social Actors	1. Prepare, for each of the Project's farms, a Comprehensive Key Social Player Participation Plan, both for the construction and O&M stages, where the latter should include the lessons learned during the construction stage	1. Copy of the comprehensive key social player participation plan for all farms in the Project	1. 30 days before the start of construction of each of the Project's new works.
1.10	Complaints mechanism for the construction stage	1. Provide: (i) copies of the complaints mechanism for the construction stage, both internal (focused on direct employees, contractors, and subcontractors) and external (focused on neighboring communities and/or landowners that are affected or of some interest, within the area of indirect influence of the Project works) and (ii) copies of evidence of its implementation. The complaints mechanism will include details of how complaints or grievances are recorded, investigated and assessed, and their follow-up and closure or resolution process.	1. Copies of the internal and external complaints mechanism for the construction phase	1. 45 days after signing the loan agreement.
			2. Copies of the evidence of this implementation	2. Progress report on each environmental and social compliance report.
1.11	Complaints mechanism for operation and maintenance (O&M)	1. Provide a complaints mechanism, both internal and external, during the operation and maintenance (O&M) of the Project's farms, which includes experiences and lessons learned during the construction stage.	1. Copies of internal and external complaints mechanisms for O&M	1. 45 days after signing the loan agreement.
			2. Copies of the evidence of this implementation	2. Progress report on each environmental

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				and social compliance report.
<b>PS 2: Work and Labor conditions</b>				
2.1	Human Resources Policies and Procedures	1. Develop human resources policies and procedures for the Project that include, among other things, the promotion of gender equality and non-discrimination, equal opportunities, fair treatment, agreement with working conditions and appropriate terms of employment, notification of dismissal and compensation, based on its employee Code of Conduct.	1. Copy of human resources policies and procedures	1. 45 days after signing the loan agreement.
		2. Develop a control and monitoring mechanism to ensure that engineering, procurement and construction services contractors and subcontractors comply with such human resources policy and procedures.	2. Copy of the control and follow-up mechanism for compliance with the human resources policy and its procedures	2. 45 days after signing the loan agreement.
2.2	Workforce Protection	1. Provide (i) an employment procedure and evidence of its implementation for own workers and those hired by third parties, in which the conditions for hiring and firing are in accordance with local and International Labour Organization ("ILO") regulations, including, as a minimum, standards to prevent child and forced labor; (ii) procedures for hiring and dismissing/reducing own jobs and those procedures adopted by contractors for their workers; and (iii) procedures for managing and monitoring the performance of own workers and third-party workers	1. Copy of these procedures	1. 45 days after signing the loan agreement.
			2. Copies of the evidence of their implementation	2. Progress report in each environmental and social compliance report.
2.3	Coexistence handbook	1. Provide a coexistence handbook (regulations) for Project employees, contractors and subcontractors.	1. Copy of the coexistence manual.	1. 45 days after signing the loan agreement.
2.4	Occupational health and safety	1. Develop or update the Accident Prevention Program based on the conditions and infrastructure of the Project's new farms, which, in addition to fulfilling the regulations of the	1. Copy of the Accident Prevention Program, updated or new, for	1. 45 days after signing the loan agreement.

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		Ministry of Labor and Social Welfare (MLSW) and Civil Protection regulations, will include: (i) its security policy; (ii) procedures that integrate the measures and actions to be carried out by those performing risky activities; (iii) an organizational structure; (iv) the establishment of exclusive areas where risky activities may be carried out; (v) the definition of intermediate safeguard zones; (vi) systems to address contingency events; (vii) the development and implementation of a maintenance program for systems to address contingency events; (viii) the establishment of a mutual aid agreement for accident prevention and contingency care with the Civil Protection institutions of the State of Sonora	the Project's new farms	
2.5	Accidents and fatalities	1. Report major accidents, including fatalities.	1. Notification of major accidents	1. Within 24 hours of the occurrence of the accident
		2. Prepare a root cause analysis for each major accident or fatality, and ensure the implementation of corrective actions.	2. Copy of the root cause analysis and its corrective actions	2. Periodic in each half-yearly environmental and social compliance report.
<b>PS 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Greenhouse gases (GHG)	1. Implement a Comprehensive GHG Management Program to identify, quantify and report the GHG emissions inventory of all O&M activities of each farm, including the emissions generated by the transportation of their animals and supplies.	1. Copy of the Comprehensive GHG Management Program	1. Six months after the first disbursement
		2. As part of the Comprehensive GHG Management Program, a Feasibility Study will be developed for the use of WWTP biogas for the generation of electrical energy	2. Copy of the Feasibility Study for the use of WWTP biogas	2. Six months after the first disbursement
3.2	Use and handling of Pesticides	1. Develop and implement a comprehensive pest control (CPC) and/or comprehensive vector control (CVC) approach for pest control activities on the Project's farms.	1. Copy of the CIP and CIV approach for the Project's farms	1. 45 days after signing the loan agreement.

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		<p>This CPC and CVC approach will involve the coordinated use of environmental and pest information along with available pest control methods, including cultural practices, and biological, genetic and, as a last resort, chemical means to avoid unacceptable levels of pest damage. Likewise, an application regime will be designed to: (i) avoid damage to natural enemies of the pest, and (ii) avoid risks associated with the development of resistance in pests and vectors.</p>		
<b>PS 4: Community Health and Safety</b>				
4.1	Community Health and Safety	<p>1. Develop a Road Safety Management Plan that includes measures to mitigate potential impacts to affected communities, especially during the Project's construction stage, but that also includes the operation stage and its vehicle composition</p>	<p>1. Copy of the Road Safety Management Plan</p>	<p>1. 45 days after signing the loan agreement.</p>
4.2	External Security Policy and Protocols	<p>1. Provide a copy of the contract or contracts with the security company or companies to verify, among other aspects, that conditions have been included that allow for: (i) conducting reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse in the past; (ii) verifying details of necessary training in relation to the use of force; (iii) verifying restrictions on the use of firearms; and (iv) identifying details of environmental awareness training.</p>	<p>1. Copy of the contract or contracts with the security company or companies</p>	<p>1. 45 days after signing the loan agreement.</p>