

## 6. Environmental and Social Action Plan (ESAP)

<b>Cimarrón Environmental and Social Action Plan (ESAP)</b>		
<b>Task/Title Description</b>	<b>Anticipated Completion Date</b>	<b>Indicator of Completion</b>
<p>Environmental and social management system (ESMS): Cimarrón will develop a management system encompassing social, occupational health and safety, human resources, and environmental affairs management for all its operations. The ESMS shall comply with IFC performance Standard 1 (PS1) Edition 2012 element requirements (Policy, and procedures manuals for other elements such as Identification of E&amp;S risks and Impacts; Management Programs; Organizational Capacity and Competency; Emergency Preparedness and Response; Stakeholder Engagement; External Communication and Grievance Mechanism; Ongoing Reporting to Affected Communities, Monitoring and Review). The ESMS will also specify operating policy requirements as well as basic procedures that must be in place for compliance during construction and operational phases (during construction the ESMS will address occupational health and safety of the workers; life and fire safety master plan design and certification; community engagement procedures to address impacts resulting from traffic, dust, and noise from construction equipment; generation of waste). During the operational phase, the ESMS will involve procedures for labor relations, implementation of good management practices, employee health and safety (OHS); life and fire safety implementation, emergency contingency plan; food safety; adequate level of water for fire systems; hazardous and non-hazardous waste management; establish procedure to</p>	05/15/2018	Procedures manual for the ESMS

<p>ensure efficient energy and water use; integrated pest management program, community engagement and handling of grievances.</p>		
<p>Policy: The Company will outline a corporate policy fully aligned with the 2012 IFC Performance Standards. The policy shall summarize the commitments that Cimarrón makes to managing environmental and social risks and impacts, include reference to the intent of the project to support its commitments to manage external interactions through an active stakeholder engagement program and a mechanism to receive, and address stakeholder grievances. In addition, the policy shall:</p> <p>1) Include a documented process to periodically revise the policies; and</p> <p>3) Once updated, the policy will be communicated to all workers, contractors and stakeholders using best available communication procedures.</p>	<p>08/15/2017</p>	<p>PS1 Compliant E&amp;S Corporate Policy</p>
<p>Identification of Risks and Impacts: Cimarrón is required implement a formal ESMS procedure for the systematic, documented identification and prioritization of internal risks and impacts during operations, covering environmental, OHS, and labour risks. The risk assessment system to be routinely reviewed and updated across existing, new, and changing activities or law and regulations. Also, potential external negative risks and impacts to neighbouring communities should be assessed. The system to include input from all levels of workers, managers, and communities and other external stakeholders.</p>	<p>8/15/2017</p>	<p>PS1 Compliant Procedure for Identification of Risks and Impacts</p>
<p>Monitoring and Review and KPI's: Cimarrón will enhance their process for periodic monitoring and review to senior management. The Company will implement a process for monitoring and periodic reporting to senior management and monitoring activities that have been identified to have potentially significant impacts on social</p>	<p>9/15/2017</p>	<p>Baseline on 02/15/2017 and report KPI's annually to IIC</p>

<p>issues and the environment, during normal operations and upset conditions. And, will adopt additional Key Performance Indicators (KPIs) to mainstream Environmental, Occupational Health and Safety and social parameters, including: a) Safety – Lost Time Incident Frequency Rate (LTIFR - Number of lost time incidents per million hours worked); Accident Free Days ( Number of Days since last Lost Time Incident); b) Sustainability - Greenhouse gases (kg CO2 emitted / tons produced); Water Usage (m3) and Energy Efficiency (kWh) – Emissions: monitoring effluents and any air emissions parameters; c) Social - Number of environmental and social complaints from communities.</p>		
<p>Establish Stand-alone Environmental and Social Management Unit: Cimarrón will present a copy of the internal memorandum appointing an environmental and social professional, acceptable to IIC, with managerial responsibilities exclusively for environmental, OHS, and social issues, reporting to senior management. Cimarrón will submit evidence to IIC that an adequate plan and appropriate staffing, budgeting, management endorsement, and associated documentation are in place to institutionalize the functions of the Environmental Management Unit. In the future, if completing any consulting work related to IIC and the Performance Standards, the Company will send the draft TORs to IIC for input and send the CVs of potential consultants identified to perform all such social and environmental studies, for approval by IIC.</p>	<p>08/15/2017</p>	<p>Copy of internal memorandum with appointment of environmental and social professional and operational funding</p>
<p>PS1 Compliant ESMS: Cimarrón will present to IIC a PS1 compliant Environmental and Social Management System (ESMS). The latter will be verified by IIC through site supervision visit. To demonstrate compliance of the ESMS, the Company will provide to IIC, for review and clearance, all its</p>	<p>07/15/2018</p>	<p>PS1 Compliant ESMS and procedures manual</p>

Procedures Manual.		
EHS Training: During induction, Cimarrón will include EHS issues as part of the training program.	Condition of Disbursement (“COD”)	Copy of induction content
Environmental and Social Impact Assessment (ESIA): Following PS1 guidance note, Cimarrón will present to IIC for review and approval, the environmental and social impact assessment (ESIA) and the environmental and social Management Plan for the construction and operational phase. Guidelines which will be applicable to this project ESIA shall include: IFC Performance Standards, WBG’s Environmental, Health, and Safety General Guidelines, sector specific Guidelines for Food and Beverage Processing and Annual Crop Production.	COD	PS1 ESIA Compliant
Human Resources Policies and Procedures: the company will conduct an independent third party Human Resources Audit and consolidate comprehensive management system procedures in order to meet all requirements spelled out in the national labor law, and the IFC Performance Standard 2, especially at it relates to the OHS provision based on the risk assessment of the jobs. When finalized, the HR policies and procedures will be communicated to all current employees, and new employees during the induction process. A signed acknowledgement of receipt from each employee shall be requested.	COD	HR policies and management system procedures
Employee Grievance Mechanism (GM): Cimarrón shall implement a Corporate Employee Grievance Mechanism, in compliance with Performance Standard 2, to be managed by the Human Resources Manager and included in the Corporate ESMS as part of labor management practices. The GM shall involve an appropriate level of the Company management, and subject to a timetable for completion of consideration of grievances, using an understandable and transparent process	08/15/2017	PS2 Compliant Employee Grievance Mechanism

<p>that allows also for anonymous complaints, and provides feedback to those concerned. The Company will maintain log of grievances and analyze trends.</p>		
<p>Once the GM document is approved by IIC, it shall be communicated to all employees using best communication channels available.</p>	<p>08/15/2017</p>	<p>Copy of communication to employees of the Grievance Mechanism</p>
<p>Child Labor Monitoring: the Company will develop and implement a child labor monitoring management system procedure, including a monitoring plan and training to supervisors for enforcement.</p>	<p>08/15/2017</p>	<p>Child Labor Monitoring procedure</p>
<p>Occupational Health and Safety: Cimarrón will a) conduct an independent third party OHS Audit, identifying fire prevention and control needs, housekeeping, physical hazards at workstations, chemical odors in storehouses, use of PPE, investigate costs to the company for liability insurance and compensation payouts, lost time accidents; fatalities and other preventable accidents, including fires, materials spills, transport, etc. This audit will propose an OHS Plan that will include technical and financial requirements for its implementation and with allocated responsibilities that defines required tasks, actions and procedures needed to close all observed gaps with OHSAS 18001 and Performance Standard related OHS requirements. The OHS Action Plan will include a schedule for improved working procedures, meeting life and fire safety requirements outlined in the WBG EHS General Guidelines, and provide training to all current and new employees on OHS to reduce the risk of injuries. CIMARROM will train and assign OHS Coordinators for all work areas. The Company will complete institutionalization of Occupational Health and Safety Management System/Program, including all required</p>	<p>a)COD b)10/31/2017</p>	<p>a)OHS Action Plan and audit results b)Baseline on 08/31/2017 and report on OHS statistics annually to IIC</p>

<p>procedures, facility modifications, employee training and data collection and analyses. b) The Company will inform IIC annually of OHS statistics and injury indicators, as well as progress in its direct operations using the OHS audit as a baseline.</p>		
<p>Workplace Heat Monitoring in Greenhouses: Cimarrón will a) provide the temperature records inside the greenhouses of the months of January to December for the past three years (Jan.2014-Dec.2016). b) Contract consultant services, acceptable to IIC, to examine the effectiveness of engineering controls installed to limit the heat load inside greenhouses. If measurements exceed WBG guideline limits, Cimarrón will propose corrective measures, and a schedule to reach compliance with workplace temperature conditions. c) Cimarrón will provide training to employees about heat-induced health issues, and furnish personal protective equipment to limit heat stress potential. d) The Company will also implement work practices (for example scheduled rests) designed to reduce the level of metabolic heat that is generated by each worker. e) The Company will develop and implement a work station temperature monitoring plan.</p>	<p>a) 09/15/2017 b) COD c) 08/15/2017 d) 08/15/2017 e) 08/15/2017</p>	<p>a) Jan.2014-Dec.2016 greenhouse temperature records b) Consultant report including corrective measures if applicable c) Training content and training schedule d) List of practices to prevent heat stress e) Work station temperature monitoring plan</p>
<p>Food Safety Management Systems: Cimarrón will conduct year round repeat training to supervisory personnel and workers involved in the handling of produce. The training should strengthen the importance of proper use of face masks to fully cover the nose and mouth. Training could be based on the principles and recommendations of the U.S. Food and Drug Administration (FDA) for food safety.</p>	<p>10/15/2017 and each year in Annual Report to IIC</p>	<p>List of year round repeat training on food safety</p>
<p>Life and Fire Safety (L&amp;FS) System: Cimarrón will engage consultant professional services of a NFPA Certified Engineer (acceptable to IIC) to</p>	<p>COD</p>	<p>NFPA-based Life and fire safety system management system procedure and Master Plan</p>

<p>upgrade and implement an NFPA-based management system procedure and Master Plan for Life and Fire Safety identifying major fire hazards, applicable codes, standards and regulations (distance to exits, type of extinguishers according to hazard, proper size of extinguishers, quantity of extinguishers needed based on NFPA code for maximum floor area per extinguisher, others). Besides NFPA, the Master Plan must also be responsive to the elements described in National codes, and the WBG General EHS Guidelines. For the new expansion, Cimarrón will request the NFPA Certified Engineer to prepare Master Plan (engineering design of new facility) and conduct during-and-post-construction inspections to verify that the system was installed as designed. Life and fire safety design shall be responsive to the NFPA international life safety code, the Mexico life safety code, and the Life and fire Safety requirements of the WBG General EHS Guideline.</p>		
<p>NFPA (L&amp;FS) Post Construction certification: At the end of construction, besides the approval of national authorities, Cimarrón will provide to IIC a third party certification by the NFPA certified professional, that the design and construction of life and fire safety system complies with the specifics of NFPA life and fire safety guidelines.</p>	<p>COD</p>	<p>L&amp;FS NFPA post construction certification</p>
<p>Safety of LP gas tanks: Cimarrón will perform a safety assessment and gap analysis of the gas storage locations inside Cimarrón premises; (a) Present to IIC both OHS and Fire Safety gap analysis and required remedial measures reports; (b) Begin implementation of corrective measures defined during the OHS/L&amp;F Safety gap analysis, including required OHS training activities; (c) Submit final report with documentary evidence upon completion of agreed date in schedule of implementation, and provide IIC</p>	<p>a) 08/15/2017 b) 09/15/2017 c) COD d) 11/30/2017 and each year in annual report</p>	<p>a) Report of gap analysis b) Schedule of implementation of corrective measures c) Letter of task manager d) List of training to coordinators, content, and attendance</p>

with a letter from the Cimarrón task manager that all observed deficiencies have been corrected; (d) Demonstrate to IIC that area coordinators are adequately qualified and trained, and that employee and contracted workers are aware of the positions, roles and responsibilities for all emergency response events of the LP gas.		
Energy Efficiency: Cimarrón will develop a management system procedure to ensure efficient energy use, and will implement an energy saving plan. The plan will target resource efficiency through improvements in the design of the new facility, selection of equipment and energy source (including the feasibility of using solar) and awareness programs with employees to reduce consumption.	COD	Energy saving plan.
Boiler emissions monitoring: a) Cimarrón shall conduct boiler stack emissions monitoring at all its operations; will assess the compliance of point source emissions with local regulations and applicable WBG EHS Guidelines (General EHS Guidelines or Thermal Power Guidelines according to boiler size). If stack emissions exceed guideline values or regulatory limits, b) Cimarrón will design and implement an approach and implementation schedule to address exceedances or demonstrate that actual emissions are not detrimental to human health and the environment in the downwind area using wind rose and other meteorological measurements for modeling exercises.	a) 09/30/2017 b) COD	a) Results of point source air boiler emissions b) Implementation schedule to reduce the emission
Greenhouse Gases: Cimarrón will implement a Management Systems Emissions Inventory of Greenhouse Gases	COD	Report on Inventory of GHG emissions baseline on 04/31/2017 and annually to IIC
Water Saving: For the new facility, Cimarrón will develop a baseline scenario and saving plan of groundwater daily/annual use for sanitary and domestic use.	COD	Water saving plan as COD and report progress annually to IIC
Wastewater: Cimarrón will a) assess excess wastewater quality at the point of discharge of the greenhouses, and	a) 11/30/2017 b) COD	a) Wastewater quality report b) Implementation schedule to reach compliance



compare against Mexico regulatory standards, and applicable WBG EHS guidelines for soil discharge, and report to IIC. b) If measurements exceed WBG guideline limits, Cimarrón will propose corrective measures, and a schedule to bring all liquid emissions into compliance with guideline requirements.		
Hazardous Materials Management: Cimarrón will build a transitory storage for hazardous waste to hold containers of hazardous chemicals and others until final disposal.	03/30/2017	Transitory storage built
Pesticide use: Cimarrón will: a) identify and eliminate the use of WHO Class 1a and 1b, and Class 2 chemical formulations in all operations; b) implement an integrated pest and disease management program (IPM/IDM); c) use adequate PPE based upon MSDS and/or ICSCs for the chemical materials used; d) fully incorporate all integrated pest and disease management procedures into the ESMS procedures manual, including training of workers on safety operational procedures and correct use of PPE when applying plant protection products; e) monitor the cholinesterase levels in workers applying pesticides and report annually to IIC.	a) 03/30/2017 b) COD c) 05/01/2017 d) COD e) Each year in the Annual Report	a) Report of pesticide use by WHO classes b) integrated pest and disease management program c) Report on PPE use based on MSDS and/or ICSCs pesticide hazard d) IPM/IDM procedures manual e) Annual cholinesterase report
Refrigeration Agents: CIMARROM will a) list all refrigerants used, describe nature of the coolant and safety measures in place, and report to IIC; b) If any of the refrigerants is found to be an ozone depleting substance, Cimarrón will present a plan, for approval by IIC, to use only ozone-friendly refrigerants in all existing refrigeration units in its facilities.	a) 10/31/2017 b) 11/15/2017	a) List of all refrigerants and safety measures b) Plan for replacement of ozone-depleting refrigerants
Community Health and Safety: Cimarrón will a) develop clear community safety guidelines to be enforced. The Company will implement safety guidelines to be enforced on all contracted transport to avoid accidents to members of the public, fire safety, etc. The Company will also develop	a) 09/31/2017 b) 10/31/2017	a) Community health and safety guidelines b) Safety guidelines listed in the Company website.

<p>guidelines to ensure active participation of local government agencies and local Fire Departments and Emergency Care to respond to emergencies due to direct operations; b) All Company community safety guidelines will be listed in the Company website.</p>		
<p>External Communication and Grievance Mechanisms: The company will a) develop a community grievance mechanism (GM) that may be used by the community to express concerns about the company operations and impacts. As part of the ESMS, Cimarrón will b) formalize a stakeholder engagement procedure, will implement an external communication system, and operationalize a Community Grievance Mechanism to collect and act upon any complaints or concerns of communities. The implemented mechanism shall include dissemination of the GM, training of workers on the GM, and how individuals may register grievances publicly or anonymously with Cimarrón, brought to the attention of senior management, and resolved.</p>	<p>a) 09/31/2017 b) COD</p>	<p>a) Community Grievance Mechanism b) Stakeholder engagement procedure</p>
<p>Security Personnel: Operating ESMS procedures will be developed to manage security forces in accordance with IFC PS4 requirements as described in paragraph 12-14.</p>	<p>09/31/2017</p>	<p>Security Operating ESMS procedures</p>