

1. Overview and Perspectives on the Scope of the IDB Invest Environmental and Social Review

Hi-Tec, through its various lines of business, is the leading supplier of high-performance CNC machines, tools, and accessories across many segments of the precision machining industry in Mexico. It represents the industry's leading manufacturers worldwide, offering an extensive line of products and innovative solutions to satisfy the needs and requirements of its customers.

Hi-Tec offers quality pre and post-sales services through its Call Center (CAT) or its website, including: (i) preventive and corrective maintenance services, with qualified and certified technicians that provide the best professional service, and a fleet of more than 30 service trucks fully equipped with the necessary spare parts and tools to solve customers' problems from the first visit; and (ii) application support, through its application engineering department, which is designed to offer comprehensive pre-sales assistance, guiding its customers in the selection and testing of CNC machines suited to their needs, offering recommendations, time studies and demonstrations, and post-sales support, which includes training courses for programmers and operators, as well as programming, testing, and project assistance.

Regarding the sale of spare parts, Hi-Tec has warehouses in the cities of Mexico, Guadalajara, Monterrey, Queretaro and Tijuana, in addition to those spare parts in the more than 30 technical service trucks that travel throughout the Republic of Mexico. Customers can independently access a website to search for and order spare parts (service provided for HAAS® equipment).

The Project consists of a loan for up to US\$ 20 million to finance Hi-Tec's expansion program in Mexico. These resources will be used to provide financing to SMEs in Mexico through Hi-Fin Solution (Co-borrower and one of the Group's main subsidiaries), for the purchase of CNC machines from Hi-Tec CNC Mexico (another Co-borrower and a subsidiary of the Group).

To evaluate Hi-Tec, the scope of the IDB Invest Environmental and Social Review included the review of corporate environmental, social, and occupational health and safety policy, procedures, programs and plans, as well as meetings and conference calls with Hi-Tec representatives. In addition, IDB Invest's environmental and social specialist conducted an environmental and social due diligence (ESDD) visit on July 8, 9, and 10, 2019 in Mexico City, Mexico, which covered the following activities: (i) meeting with company employees; (ii) inspection visit to the showroom, training center, spare parts warehouses and main offices in Tlalnepantla, State of Mexico; and (iii) visit to two Hi-Tec clients, both SMEs in the State of Mexico. At the end of this ESDD visit, documents associated with manuals, procedures, licenses and permits, and operating reports, among others, were reviewed.

2. Environmental and Social Categorization and Rationale

This is a **Category B** Project, in accordance with IDB Invest's Environmental and Social Sustainability Policy, since it is expected that, in general, its environmental and social (E&S) impacts and risks will be reversible and can be mitigated using available measures and existing technologies.

Based on the activities carried out by Hi-Tec and the use of Project funds, the possible E&S impacts and risks are: (i) generation of solid and liquid hazardous and non-hazardous waste; and (ii) occupational health and safety risks.

Finally, given the location of the Project facilities (in cities), natural disasters, such as earthquakes, fires, floods and hurricanes, pose a very low to low risk, both in terms of damage to the physical infrastructure of the show rooms or branch offices, and to users/customers and possible loss of

business.

Based on the ESDD visit and the information provided in the Environmental and Social Questionnaire, the Project is expected to trigger the following International Finance Corporation (IFC) Performance Standards (PS):

- PS-1. Assessment and Management of Environmental and Social Risks and Impacts
- PS-2. Labor and Working Conditions
- PS-3. Resource Efficiency and Pollution Prevention

PS-4, Community Health, Safety and Security, is not expected to be triggered (see Section 4.4); PS-5, Land Acquisition and Involuntary Resettlement, is not expected to be triggered either (see Section 4.5); likewise, PS-6, Biodiversity Conservation and Sustainable Management of Living Natural Resources, is not expected to be triggered (see Section 4.6); finally, neither PS-7, Indigenous Peoples (see Section 4.7), nor PS-8, Cultural Heritage (see Section 4.8), are expected to be triggered. In the event that these PSs are applicable, Hi-Tec will immediately inform IDB Invest of this, and it undertakes to implement mitigation measures.

3. Environmental and Social Context

Hi-Tec is a leading supplier of CNC machine tools, a provider of technical services that is highly qualified in mechanics and electronics, in the execution of "turnkey engineering projects" as an additional technical support to sales, in training and certification through programming and operation courses imparted by a team of highly qualified instructors, and finally, a supplier of accessories and original spare parts directly from the manufacturer. Hi-Tec has offices/branches in Mexico's main cities, including Guadalajara, Monterrey, State of Mexico, Querétaro and Tijuana.

As part of the installation of a new CNC machine, Hi-Tec provides its customers with introductory courses about the machinery and free operator training, both in operation and programming, at Hi-Tec's facilities (1-week course, which includes theoretical and practical material) and at the customer's own facilities. Hi-Tec's environmental risks and impacts in terms of both liquid and solid waste, as well as its occupational health and safety (OHS) risks, are generated during such training activities at its own facilities.

According to the statistics of the Human Resources (HR) Department, since 2015, the workforce has grown by an average of 5%; in 2019, the workforce totals 297 employees, 25% of whom are women. By branch, the gender breakdown of the staff is as follows: In Monterrey, 45 men and 3 women; in Tijuana, 9 men and 1 woman; in the head office in the State of Mexico, 86 men and 63 women; in Querétaro, 45 men and 6 women; and in Guadalajara, 21 men and 2 women. Regardless of the statistics and as part of its commitment to Corporate Social Responsibility (CSR), Hi-Tec has planned a 15% annual growth in the female workforce through good talent recruitment practices that offer benefits in addition to those of the Labor Code (e.g.: agreements with nearby daycare centers, short working Fridays that conclude at 2:00 PM, beauty and relaxation services, etc.) and paid days/leave on special occasions (e.g. school events, parent-teacher conferences, absence due to illness of a direct family member, spouse or children, death of a direct family member, and marriage).

Due to its commitment to CSR, Hi-Tec conducts an annual socio-environmental training to sensitize its employees on environmental and social issues. Similarly, in the last two years it has conducted annual training campaigns on OHS issues, such as: training of brigades for civilian protection; safe handling of forklifts; safety in electrical work; labeling and padlocking, among others.

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 E&S Assessment and Management System

Hi-Tec has launched as CSR initiative and another initiative to develop a Sustainable Development Program based on the United Nations' Sustainable Development Goals (SDGs). To comply with PS-1, however, Hi-Tec shall develop an Environmental and Social Management System (ESMS) specifically based on its operations. To this end, it will develop an ESMS that includes: (i) policy (see Section 4.1.b); (ii) internal procedures to identify, assess, and manage possible E&S, OHS and labor risks and impacts associated with each Project activity and for workers engaged by third parties (contractors and subcontractors); (iii) internal procedures for compliance with the Environmental and Social Management Plan (ESMP); (iv) organizational capacity and competency, including the definition of roles and allocation of responsibilities for the implementation of this ESMS; (v) emergency preparedness and response protocols (see Section 4.1.f); (vi) stakeholder mapping/analysis and engagement planning (and ongoing) (see Section 4.1.h); (vii) external communication and grievance mechanism (see Section 4.1.i); (ix) protocols for the disclosure of information, for decision making and training to communities; (x) protocols for the evaluation and continuous improvement of the ESMS; and (xi) regular audits and inspections of E&S and OSH requirements under Mexico's General Act on Ecological Balance and Environmental Protection (LGEEPA, for its acronym in Spanish) and Federal Labor Code (LFT, for its acronym in Spanish) (Action 1.1 of the ESAP).[\[1\]](#)

4.1.b Policy

Hi-Tec has informed that it has a Health and Safety Policy in place that complies with the requirements of Mexico's labor regulations[\[2\]](#). However, as part of its compliance with PS-1, Hi-Tec will define its Environmental and Social Policy, indicating: (i) the person within its organization who will be responsible for ensuring compliance with and implementation of the comprehensive policy and how this policy will be communicated to all levels of its organization; and (ii) the creation of a mechanism to measure and communicate ongoing improvement in its implementation (Action 1.2 of the ESAP).

4.1.c Identification of Risks and Impacts

Hi-Tec has identified its E&S risks and impacts through its Procedures for handling hazardous solubles, use of shavings, and collection of solid waste, both hazardous and domestic. Likewise, in compliance with Labor and Civil Protection regulations in Mexico, Hi-Tec has identified its OSH risks and impacts through the 2018 Specific Civil Protection Program. Finally, due to seismic activity in Mexico, in 2014 Hi-Tec issued a Structural Security Report for its main facilities in the Municipality of Tlalnepantla de Baz, State of Mexico (warehouse, offices, showroom, parking lot, etc.), prepared by a qualified expert.

Nevertheless, given the dynamic execution and operation of the Project, Hi-Tec, in keeping with PS-1, will continuously update the E&S and OHS matrix for each of its operations, in order to obtain, monitor, and review the corresponding operating/functioning permits or licenses (see Section 4.1.g).

4.1.d Management Programs

Based on its identification of E&S risks and impacts, Hi-Tec has developed the following management procedures that comply with the provisions of PS-1: i) Procedure for handling used

soluble oils; ii) Procedure for handling chips (solid waste generated from metal cutting by CNC machines); and iii) Procedure for handling waste and preventing soil pollution.

In such cases where a branch office was built, as in the city of Tijuana, an Environmental Impact Statement (EIS) was submitted before the start of construction, which included an Environmental Management Program (EMP) that was approved by the Environmental Protection Authority of said Municipality.

4.1.e Organizational Capacity and Competency

Hi-Tec does not have an organizational structure dedicated to E&S issues; however, it does have a General Services Coordinator who monitors and implements the OHS regulations that Hi-Tec must abide by in order to minimize occupational accidents. Pursuant to LFT, NOM-019-STPS-2004 and Items 123 to 126 of the Federal Regulations on Safety, Hygiene and the Working Environment, Hi-Tec has a Joint Safety and Hygiene Commission (JSHC).

To comply with PS-1, however, Hi-Tec shall appoint an E&S Officer as part of its organizational structure, or modify the responsibilities of an existing post to add these functions, responsibilities, and powers, in order to implement the ESMS (e.g., plan, implement, and monitor all required EMP E&S actions). Moreover, Hi-Tec will be required to guarantee suitable financial resources provided for in the ESMS and conduct an introductory and refresher training program least once a year for all personnel responsible for the environment and for OHS (Action 1.3 of the ESAP).

4.1.f Emergency Preparedness and Response

Hi-Tec has a Specific Civil Protection Plan (SCPP) that in turn contains an Emergency Plan, thus complying with PS-1 and national legislation pertaining to the General Law of Civil Protection and Technical Regulation for Civil Protection NTE-001-CGPC-2016.^[3] This SCPP defines prevention, relief and recovery actions designed to safeguard people's physical integrity, to protect and mitigate damage to facilities, goods, and data, and to minimize damage to the environment in the event of a harmful phenomenon. The Prevention Subprogram defines internal civil protection units and brigades, identifies and localizes risks, maps preventive measures and safety or lower risk areas, and includes signposting and the definition of the protective equipment required for emergency response actions. The Emergency Subprogram contains the Emergency Plan, the Evacuation Plan, the Earthquake Emergency Response Plan, the Fire Emergency Response Plan, the initial assessment of damages from the emergency, and the coordination of external assistance. The last Subprogram, i.e. the Recovery Plan, defines the criteria and procedures to declare the end of the emergency, inspection/monitoring procedures to ensure the emergency has been controlled, and the medical examination of exposed employees.

In addition, the safety measures implemented in the facilities of the different Project branches have been certified by the Fire Department of each locality or have been registered in the Contingency Plan of the Civil Protection Department of each Municipality (one or the other).

Finally, as regards regular training to ensure an effective response to the Plan, for the past two years Hi-Tec has implemented an OHS and Civil Protection training program, mainly the Multifunctional Brigade course on first aid, firefighting and prevention, evacuation, and search and rescue.

To comply with PS-1, Hi-Tec will need to develop a Root Cause Analysis procedure as part of the SCPP Recovery Subprogram for each major accident or fatality, as well as a description of the

corrective actions required to minimize the risk of new occurrences. (Action 1.4 of the ESAP).

4.1.g Monitoring and Review

Hi-Tec is responsible for ensuring the implementation of the follow-up, monitoring, and control plans described in the ESMP of each Project site (see Section 4.1.d). In this sense, Hi-Tec will develop a compliance matrix with a set of key performance indicators to measure the effectiveness of the ESMP and compliance with all legal and contractual obligations of each existing Project branch (Action 1.5 of the ESAP). This compliance matrix shall include: (i) the competent Authority granting the authorization or ; issuing the permit/license; (ii) issue and effective dates; (iii) the person within Hi-Tec who is responsible for follow-up/ compliance; and (iv) future communications and compliance procedures.

Moreover, to comply with the requirements of PS-1, and independent E&S consultant is required to prepare for Hi-Tec, on a regular basis, a consolidated report on the compliance status of all environmental, social, and OHS policies and measures applicable to the Project sites, including the progress of ESMS actions related to the identified KPIs; as well as the compliance status with IDB Invest's Environmental and Social Sustainability Policy, Mexico's environmental, social, and OHS legislation, and the IFC Performance Standards (Action 1.6 of the ESAP).

4.1.h Stakeholder Engagement

Through its CSR strategy, Hi-Tec contributes to building a better society for all. To comply with PS-1, however, Hi-Tec requires the implementation of a Stakeholder Dialogue Management Plan for each existing Project branch (Action 1.7 of the ESAP) that incorporates the following aspects: (i) updated identification of all stakeholders, including local authorities and surrounding communities and/or neighbors (within a 250 m radius of each Project site) who may be interested in the Project; (ii) differentiated measures to enable the effective participation of disadvantaged or vulnerable groups; (iii) a mechanism to ensure that community representatives accurately represent the views of the affected communities; (iv) details on how information is disclosed to stakeholders; (v) details on the stakeholder engagement process within these communities and how they can access the grievance mechanism (see Section 4.1.i); and (v) regular reporting on the company's E&S performance to these communities and the general public. Finally, Hi-Tec shall determine the mechanisms to implement and disseminate this Dialogue Management Plan as part of its Staff Training Program (Action 1.7 of the ESAP).

4.1.i External Communication and Grievance Mechanisms

As for the reception of external grievances and complaints from clients, Hi-Tec has only one point of contact on its website. However, pursuant to the provisions of PS-1, Hi-Tec shall document external communications, detailing: (i) how information is received from key stakeholders and/or the general public; (ii) how grievances are evaluated; (iii) how responses are provided and followed up, concluding with closing the grievance; and (iv) any adjustments or improvement to the EMP, in terms of communication and the disclosure of information. Hi-Tec will therefore provide the following:

- An External Grievance Mechanism (focused on the key stakeholders, including the local authorities and the communities and/or neighbors that are affected or with any stake in the indirect area of influence of the Project sites within a radius of approximately 250 m) for the operation of the existing branches of the Project; and copies of evidence of its implementation. Such grievance mechanism shall include details of how these grievances or complaints are recorded, investigated/evaluated, and the respective follow-up and closure/resolution process

(Action 1.8 of the ESAP).

4.1.j Ongoing Reporting to Affected Communities

Hi-Tec offers commercial information about its activities on its website (<http://www.grupohitec.com/>). Even so, Hi-Tec, through its Stakeholder Dialog Management Plan (see Section 4.1.h), shall furnish regular reports on the company's E&S performance to the communities and the general public.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

Human Resources Policies and Procedures

Hi-Tec has a number of instruments to manage its human resources. Some of the most important ones include the following: (i) the internal Work Regulation (2017) in keeping with the LFT, which contains the regulations regarding working days and worksites; paydays and payment location; breaks and vacations; salary bands; obligations of the company and of the staff; occupational health; restrictions and disciplinary measures and sanctions; (ii) the Code of Conduct, which sets out the principles and regulations regarding client, supplier, representative, and consultant relations; relations with co-workers; equal employment opportunity; respect in the workplace; invitations; gifts, and monetary payments; conflicts of interest, among others; and (iii) the Policies of the Ethics and Equity Committee, intended to generate the necessary cultural, working and environmental conditions to promote an environment of equity and inclusion; and the Dress Policy, intended to define the guidelines and criteria for appropriate work attire for employees.

The Internal Labor Regulations ensure compliance with Mexico's labor laws and set forth the conditions for fair treatment, for compliance with appropriate working conditions and terms of employment, notice of dismissal and severance pay. In addition, the Code of Conduct lays down the principles of gender equality, non-discrimination, and equal opportunity.

All these labor and working conditions aspects are managed by the Human Resources Director, with the support of the Head of Talent Recruitment and General Services Coordinator, according to each one's area of competence.

Working Conditions and Terms of Employment

Hi-Tec complies with PS-2 and the (LFT) and its reforms, as well as with the Federal Occupational Health and Safety Regulations, through its Internal Labor Regulations. In addition, Hi-Tec can use the models or procedures of the Human Resources Manual that relate to the recruitment, selection, and hiring of Human Talent.

Workers' Organizations

Mexico is a signatory to a number of international conventions and treaties of the International Labor Organization (ILO) relating to workers' rights, including Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize, and Convention No. 98 concerning the Right to Organize and Collective Bargaining. Hi-Tec, through its Internal Labor Regulations, complies with the LFT, which provides for the obligations and prohibitions of employers with respect to trade union rights and non-interference in the constitution and operation of unions (Art. 132, 133, 154, and Chapters II, III and IV of Title Seven, Collective Labor Relations).

Non-discrimination and Equal Opportunity.

See the description of the Human Resources Policies and Procedures. In addition, Mexico is a signatory to several ILO international conventions and treaties relating to workers' rights, including Convention No. 100 on Equal Remuneration and Convention No. 111 concerning Discrimination in Respect of Employment and Occupation.

Retrenchment

See the description of the working conditions and terms of employment.

Grievance Mechanism

Hi-Tec, as part of its Ethics and Equity Committee Policy, has a system for managing grievances and applying sanctions, where such complaints or reports of violations or deviations from the Code of Conduct are made via e-mail. There must, however, be an alternative grievance channel for situations in which contributors cannot make use of e-mail, such as a link on a website, toll-free telephone line and/or mailbox with pre-set forms, to allow grievances to be raised promptly and, if appropriate, to be addressed anonymously and without retaliation.

Hi-Tec shall therefore adapt its grievance system to comply with the requirements of PS-2, expanding its grievance reception/registration mechanisms to all its employees, contractors and subcontractors (Action 2.1 of the ESAP).

4.2.b Protecting the Workforce

Mexico is a signatory to several ILO international conventions and treaties relating to workers' rights, including Conventions No. 138 concerning Minimum Age for Admission to Employment, Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, Convention No. 29 concerning Forced or Compulsory Labor and Convention No. 105 concerning the Abolition of Forced Labor. In addition, the LFT regulates labor relations by prescribing the minimum rights and duties of employers and workers, and promotes equality and equity in the enjoyment of human, civil, political, economic, social, and cultural rights between women and men. To this effect, Hi-Tec has its own Internal Work Regulations that comply with the LFT and its reforms (see Section 4.2.a).

4.2.c Occupational Health and Safety

Occupational health and safety management at Hi-Tec is overseen by the Human Resources Department, through the General Services Coordinator and the collaboration/supervision of the Joint Safety and Hygiene Commission, as set forth in its Internal Regulations. The analysis of existing information reveals that, in addition to the fact that Hi-Tec complies with the LFT, the Prevention Subprogram of the Specific Civil Protection Program (2018) identifies and localizes internal and external risks and provides for preventive measures, safety zones, safety standards, the use of safety equipment or personal protective equipment (PPE), emergency response equipment, training programs, and dissemination and awareness-raising measures.

In the same vein, Hi-Tec has implemented safety measures and the use of PPE for each piece of equipment through its training programs. Hi-Tec has also developed specific policies/procedures for other activities, such as: i) the Dress Code policy, which specifies the use of uniforms and PPE for each employee according to his/her work area, as appropriate; and ii) the Vehicle Policy, which defines the safe conditions for their use.

Hi-Tec also has an internal healthcare service, which provides care to employees three times a year as part of various health campaigns, which are replicated nationwide.

4.2.d Workers Engaged by Third Parties

All aspects related to labor and working conditions at Hi-Tec are managed by the Human Resources Director, with support from the Head of Talent Recruitment and the General Services Coordinator, as appropriate. To comply with PS-2, however, Hi-Tec shall develop a Policy on the Hiring and Provision of Services of Workers Engaged by Third Parties that complies with the Labor Code and the international conventions of the ILO, including, but not limited to, standards to prevent child labor and forced labor, and that allows it to: i) ensure that its contractors which employ these workers are legitimate companies of proven integrity that have implemented an appropriate E&S Management System allowing them to operate in a manner consistent with the provisions of PS-2; ii) set forth policies and procedures to manage and review the performance of such third-party employers through commercially viable means incorporated into the text of the contractual agreements; and finally, iii) ensure that workers engaged by third parties have access to the grievance mechanism, either that of the Contractor or that of the Promoter itself (Action 2.2 of the ESAP). Hi-Tec will also be required to develop a training program for this Hiring Policy, to be implemented and disseminated to all Hi-Tec personnel who contract outsourced services (Action 2.2 of the ESAP).

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

Water Consumption

Hi-Tec has contracts with municipal utilities in each locality to supply water for domestic use in offices. The average consumption per branch is as follows: Monterrey, 119 m³; State of Mexico, 150 m³; and Queretaro, 24 m³.

Regardless of the fact that no branch office is water intensive, Hi-Tec, in line with its CSR commitments, has sensors in the bathrooms to reduce the use of this resource to the minimum.

Energy

Hi-Tec obtains electricity for each of its branches from the Federal Electricity Commission's (CFE, for its acronym in Spanish) grid. Furthermore, the company's headquarters in the State of Mexico has an electrical substation used to distribute electric loads according to each area's needs. Its main sources of power consumption are its offices; however, due to the nature of the company's business, much electricity is used to power up industrial machines in the showroom. The average consumption per branch, is: Monterrey, 9,828 kWh; State of Mexico, 12,108 kWh; Tijuana, 1,487 kWh; and Querétaro, 2,693 kWh.

Even though no Hi-Tec branch is energy-intensive, Hi-Tec, in line with its CSR commitments and with the improvement of its environmental performance, has implemented the use of skylights in the roof to reduce energy consumption within its offices, warehouses, and storage areas.

4.3.b Pollution Prevention

Non-Hazardous Liquid and Solid Waste

To control domestic liquid effluents, Hi-Tec is connected to the municipal sewer system of each

municipality.

As for waste generation, some branches (e.g., Tijuana) are registered with the State Environmental Protection Authority as Generators of Waste Requiring Special Management, as generators and small generators, in which case they have developed their Special Waste Management Plan. Other branches, however, (e.g., Querétaro) do not generate more than 10 tons/year of non-hazardous solid waste and special management waste and are exempt from registering as generators and from submitting the Special Waste Management Plan.

Finally, Hi-Tec does not transport (domestic) hazardous or non-hazardous solid waste outside its facilities. This waste is managed by companies certified by the Secretariat of Environment and Natural Resources (SEMARNAT, for its acronym in Spanish), such as: Promotora Ambiental, SAB de CV (an ISO 9001-2008 certified company in Mexico, with Environmental Quality certification, Clean Industry certification and Safe Company certification).

Hazardous Materials Management

Hi-Tec uses OAKFLO® DSS 800M as a soluble in the machining and grinding process of various metals, and CINTEX 304 MA Blue with Insol Technology as a lubricant for CNC machines. According to the OAKFLO Material Safety Data Sheet (MSDS), this product may be harmful if swallowed and causes slight skin irritation and serious eye irritation, as well as being toxic to aquatic organisms, with long-lasting harmful effects. Its use and storage require proper handling and effective OHS practices, such as the use of appropriate PPE.

Finally, all hazardous waste is stored in temporary containers that are subsequently delivered to the company certified by SEMARNAT, Promotora Ambiental SAB de CV.

4.4 Community Health, Safety and Security

No impact on the health, safety, and security of the communities located in the proximity of Project branches is foreseen. In addition, Hi-Tec has prepared structural, electrical and Civil Protection (CP) technical reports for its facilities, guaranteeing that they are suitable for their collaborators to perform their work properly.

4.5 Land Acquisition and Involuntary Resettlement

The Project does not involve any development outside of its own land—acquired through a private purchase agreement/contract—and does not involve any involuntary resettlement.

4.6 Biodiversity Conservation and Natural Habitats

The Project will be developed in the company's existing facilities, which contain no vegetation and/or habitats.

4.7 Indigenous Peoples

The Project will be developed within the company's own facilities in major cities in Mexico (e.g., Guadalajara, Monterrey, State of México, Querétaro and Tijuana), where there are no indigenous peoples.

4.8 Cultural Heritage

Again, the Project is developed in existing facilities and does not envisage any type of construction,

excavation and/or soil removal, so no impact on cultural heritage is anticipated.

5. Local Access of Project Documentation

Hi-Tec offers commercial information on its main website <http://www.grupohitec.com/>

6. Environmental and Social Action Plan

The Environmental and Social Action Plan (ESAP) is summarized in [Annex 1](#).

CONTACT INFORMATION

For project inquiries, including environmental and social questions related to an IDB Invest transaction, please contact the client (see **Investment Summary** tab), or IDB Invest using the email requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org or calling +1(202) 623-3952.

[1] Environmental and Social Action Plan (ESAP); see Section 6.

[2] Federal Labor Code (LFT, 04-01-1970); last reform published (LFT, 11-30-2012) and the Federal Occupational Health and Safety Regulation (LFT, 11-13-2014).

[3] Technical Standard of Civil Protection NTE - 001 - CGPC - 2016, which sets out the guidelines and specifications for internal or specific civil protection programs to be developed by the agencies, bodies, and entities of the public, social, and private sectors, with the aim to protect people in their facilities, as well as their property, through prevention, relief, and recovery actions to be taken in the event of risk or disaster.