

**Annex 5: Environmental and Social Action Plan (ESAP) - CMI Alimentos**

No.	Reference	Measure	Final product/deliverable	Expected date of conclusion
<b>PS 1: Evaluation 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, either from CMI Alimentos or from each BU, including: (i) policies; (ii) procedures to identify, evaluate and manage the potential environmental, social, OHS and labor risks and impacts associated with each Project activity, as well as for its contractors and subcontractors; (iii) internal procedures for compliance with the environmental and social management plan (ESMP); (iv) organizational capacity and competence, with definition of roles and assignment of responsibilities for the implementation of this ESMS; (v) protocols for emergency preparedness and response; (vi) methods or plans for the participation of key stakeholders; (vii) mechanisms for external communication and receipt of complaints; (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 with respect to applicable environmental, social and OHS requirements under each country's environmental and social laws.	1. Copy of the ESMS of the Project, either from CMI Alimentos or from each BU.	1. Twelve months after the first disbursement.
1.2	Environmental, Social and Occupational Health and Safety Policy (“OHS”)	1. Provide an environmental, social, and OHS policy, that takes into account the context and needs of the Project, at the CMI Alimentos or BU level.  2. Complement this comprehensive policy with the definition of the person or department within CMI Foods or each BU that will ensure compliance with the policy and will be	1. Copy of environmental, social, OHS policy of CMI Alimentos or each BU of the Project, if different.  2. Evidence of the implementation of monitoring and	1. Six months after the first disbursement.  2. Six months after the first disbursement.

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		responsible for its implementation, and establish follow-up programs and communications to all members and levels of the organization.	communications programs to all members and levels of the organization.	
		3. Create a mechanism to measure ongoing improvements in the implementation of this policy.	3. Permanent improvement mechanism.	3. Six months after the first disbursement.
1.3	Identification of Risks and Impacts	1. Carry out an analysis of alternatives and the evaluation of cumulative impacts, within the process of identification and evaluation of environmental and social risks and impacts, for each new construction or expansion, modification and/or improvement of the Project.	1. Copy of the analysis of alternatives and evaluation of cumulative impacts of each new construction or expansion, modification and/or improvement of the Project 45 days before the start of construction of each new construction work or expansion, modification and/or improvement of the Project.	1. 30 days before the start of construction of each new construction or extension, modification and/or improvement of the Project.
1.4	Environmental and Social Management Plan (ESMP)	1. Each BU should develop, for each new work (restaurants, farms and distribution and/or sales sites), expansions or improvements of the Project, a specific ESMP of the construction stage, with the following measures: (i) an Impact Management Program for the physical, biological, and visual environment, which will include mitigation measures for impact on terrain relief (in the case of land removal or movement); compensation for vegetation removal and wildlife disturbance; management of solid waste (hazardous and non-hazardous); control of emissions of polluting gases from construction machinery and	1. Copy of the specific ESMP of the construction stage of each new construction work (restaurants, farms and distribution and/or sales sites), expansions or improvements of the Project.	1. 30 days prior to the commencement of construction of each new construction work (restaurants, farms and distribution and/or sales

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		<p>equipment; disturbance of the environment by increased generation of dust and noise; control of liquid effluents, 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 ensure safe and hygienic-sanitary conditions for workers during construction.</p> <p>2. Develop, for each new project (restaurants, farms and distribution and/or sales sites), expansions or improvements to the Project, an ESMP for O&amp;M that includes the following measures: (i) an Environmental Monitoring and Surveillance Program, (ii) a Comprehensive Solid and Liquid Waste Management Program, which emphasizes measures to reduce, reuse and recycle inert materials such as metal, paper, plastic, etc., and also provide special management measures for hazardous waste, such as oils, greases, paints, solvents, medicines, disinfectants, herbicides, pesticides, or any other special management product used during maintenance activities, whether on restaurants, farms, distribution and/or sales sites, or poultry processing plants or slaughterhouses, based on local environmental and health standards; and (iii) an Occupational Health and Safety Management Plan.</p>		<p>sites), additions or improvements to the Project.</p> <p>2. 45 days prior to the commencement of the operation of each new construction work (restaurants, farms and distribution and/or sales sites), additions or improvements to the Project.</p>
1.5	Organizational Capacity	<p>1. For each Project BU appoint and keep on site an Organizational Structure consisting of (at the very least) a qualified environmental manager and an OHS manager, who will report directly to the Manager/Director, with separate accountability guidelines when reporting to Corporate Management or the General Director. This organizational structure will define: (i) the roles, responsibilities and faculties of each actor in its organizational structure; (ii) the means and channels of</p>	<p>1. Designation of the environmental and social, and of OHS, Organizational Structure in each Project BU.</p>	<p>1. 45 days after signing the loan agreement.</p>

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		communication between the different levels of the organizational structure; (iii) the 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 responsible for environmental, social, labor and OHS issues.		
1.6	Emergency Preparedness and Response	1. Develop an Emergency Response Plan based on the conditions and infrastructure of each new project (restaurants, farms or distribution and/or sales sites, etc.), expansion or improvement of the Project, in order to minimize risks to employees in the event of natural disasters or technological hazards, including: (i) specific emergency response procedures; (ii) trained emergency response teams; (iii) emergency contacts and communication systems/protocols; (iv) procedures for interaction with local and regional emergency and health authorities; (v) permanent emergency equipment and facilities (e.g., first aid stations, extinguishers/hoses, sprinkler systems); (vi) protocols for firefighters, ambulances and other emergency vehicle services; (vii) evacuation routes and meeting points; (viii) training exercises such as annual drills or more frequently if necessary, or actual events in which each BU should include nearby residential and/or commercial properties and other key stakeholders to familiarize them with proper procedures in the event of an emergency.	1. Detailed and specific Emergency Response Plan for each new construction work (restaurants, farms or distribution and/or sales sites, etc.), expansion or improvement of the Project.	1. 30 days prior to the commencement of construction of each new work (restaurants, farms and distribution and/or sales sites), expansion or improvement of the Project.
1.7	Monitoring and evaluation indicators	1. Develop a compliance matrix with a set of key performance indicators that should be monitored and met in order to measure the effectiveness of the ESMP and/or the environmental monitoring program, as well as being a reference for all legal and contractual obligations of each new and existing project site, during the construction and O&M stage. As part of the fulfillment of all legal obligations and regulatory requirements of each country,	1. A copy of the compliance matrix and the list of key management performance and success indicators.	1. 45 days after signing the loan agreement and annually thereafter for the life of the loan.

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		<p>the status/validity of all Permits and/or Licenses necessary for the execution and operation of the Project will be periodically reviewed/updated, including: (i) Environmental License or Permit; (ii) Sanitary Operating Permit; (iii) Health Permit; (iv) Water Use Concession; (v) Environmental Wastewater Discharge Permit; (vi) Fuel Storage Permits (where applicable); (vii) OHS Management Program Registration (where applicable); and (viii) Construction Permit (where applicable). Finally, this matrix of compliance with legal and contractual obligations shall include: (i) the competent authority granting the authorization or issuing the permit/license; (ii) issue and effective dates; (iii) the person within each CMI-Alimentos BU who is responsible for follow-up/compliance; and (iv) communication procedures and future compliance plan (in case of renewal, expiration, etc.).</p>		
1.8	Project compliance with applicable regulations	<p>1. Designate an independent environmental and social consultant, to 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, each country's environmental, social and OHS legislation and the IFC's Performance Standards.</p>	<p>1. Annual report of the environmental and social compliance of all Project works.</p>	<p>1. Annually over the life of the loan.</p>
1.9	Participation of Social Actors	<p>1. Prepare, for each new work (restaurant, farm or distribution and/or sales site), expansion or improvement of the Project, a Comprehensive Plan for the Participation of Key Social Actors both for the construction stage and for the O&amp;M, in which for the latter, the lessons learned during the construction stage are integrated. This Comprehensive Participation Plan should incorporate: (i) updated identification of all stakeholders and affected communities who may be interested in the project; (ii) differentiated</p>	<p>1. Copy of the comprehensive participation plan of the key social actors of each new project (restaurant, farm or distribution and/or sales site), expansion or improvement of the</p>	<p>1. 30 days before the start of construction of each new work (restaurant, farm or distribution and/or sales site), expansion or</p>

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		measures to enable the effective participation of disadvantaged or vulnerable groups; (iii) mechanism to ensure that community representatives represent the views of affected communities; (iv) details on how information is disseminated to stakeholders; (v) details on the participatory process among affected communities and how the complaints mechanism can be accessed.	Project 45 days before the start of construction of each new project (restaurant, farm or distribution and/or sales site), expansion or improvement of the Project.	improvement of the Project.
1.10	External complaints mechanism for the construction stage	1. Develop and implement an external complaints mechanism focused on stakeholders, neighboring communities and/or landowners within the area of indirect influence of the Project works that are affected or have some interest in the construction stage of each new work of the Project. This external complaint mechanism will include details about: (i) how information is received from key stakeholders and/or the general public; (ii) how these complaints are evaluated; (iii) how responses are provided and followed up, concluding with the closure of the complaint; and (iv) any adjustments or improvements to the ESMP, in terms of communication and information dissemination.	1. Copies of the external complaints mechanism for the construction stage of each Project BU	1. 45 days after signing the loan agreement
			2. Copies of evidence of its implementation, in each new work of the Project.	2. Progress report in each environmental and social compliance report.
1.11	External complaints mechanism for operation and maintenance (“O&M”)	1. For each Project work, develop and implement an external complaints mechanism for the O&M that incorporates the experiences and lessons learned during the construction stage.	1. Copies of the external complaints mechanism for the O&M, from each Project BU.	1. 45 days after signing the loan agreement.
			2. Copies of evidence of its implementation, on every existing site of each Project BU.	2. Progress report in each environmental and social compliance report.

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<b>PS 2: Work and Labor Conditions</b>				
2.1	Human Resources Policies and Procedures	<ol style="list-style-type: none"> <li data-bbox="512 303 1264 565">1. Develop the Project's human resources policies and procedures that include, among other things, the promotion of gender equality and non-discrimination, equal opportunities, fair treatment, an agreement with appropriate terms and conditions of employment, notice of dismissal and compensation, based on its Code of Conduct for employees.</li> <li data-bbox="512 565 1264 787">2. Develop a control and monitoring mechanism to ensure that contractors and subcontractors of engineering, procurement and construction services comply with such human resources policy and procedures.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1289 303 1608 565">1. Copy of human resources, CMI Alimentos or each Project BU's policies and procedures (if different) 45 days after signing the loan agreement.</li> <li data-bbox="1289 565 1608 787">2. Copy of the control and follow-up mechanism for compliance with the human resources policy and its procedures.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1633 303 1881 394">1. 45 days after signing the loan agreement.</li> <li data-bbox="1633 565 1881 656">2. 45 days after signing the loan agreement.</li> </ol>
2.2	Workforce Protection	<ol style="list-style-type: none"> <li data-bbox="512 807 1264 1138">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.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1289 807 1608 1036">1. Copy of these three procedures, for each Project BU, according to the business or activity, and the labor legislation of each country.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1633 807 1881 898">1. 45 days after signing the loan agreement.</li> </ol>
2.3	Coexistence Handbook	<ol style="list-style-type: none"> <li data-bbox="512 1245 1264 1305">1. Provide a coexistence handbook (regulations) for Project employees, contractors and subcontractors.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1289 1245 1608 1403">1. Copy of each Project BU's coexistence handbook, according to your business or activity.</li> </ol>	<ol style="list-style-type: none"> <li data-bbox="1633 1245 1881 1336">1. 45 days after signing the loan agreement.</li> </ol>

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2.4	Occupational health and safety, accident prevention	1. Develop or update the Accident Prevention Program based on the conditions and infrastructure of new works (restaurants, farms or distribution and/or sales sites), expansions or improvements of the Project, which, in addition to fulfilling the OHS and Civil Protection regulations of each country, 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.	1. Copy of the Accident Prevention Program, updated or new, for each new work (restaurant, farm or distribution and/or sales site), expansion or improvement of the Project.	1. 45 days before the start of construction of each new work (restaurant, farm or distribution and/or sales site), expansion or improvement of the Project.
2.5	Occupational health and safety, cooling system	2. Implement a Security Plan for CMI-IPA and CMI-IPP for the Comprehensive Management of Ammonia, to ensure that the safety and management of ammonia within the processing plants, complies with the country's safety regulations, the general guidelines of the World Bank Group's General Guidelines on Environment, Health and Safety (EHS Guidelines of the WBG) and the International Ammonia Refrigeration Institute (IARI). This Safety Plan should include training, scheduled drills, and a proactive and regular communication plan for all employees and contractors, in coordination with each country's emergency response authorities and the involvement of communities with a high probability of being affected.	2. Copy of the security plan for the comprehensive management of ammonia, for CMI-IPA and CMI-IPP.	1. 45 days after signing the loan agreement.
2.6	Accidents and fatalities	1. Report major accidents, including fatalities.	1. Notification of major accidents.	1. Within 24 hours of the occurrence of the accident.

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		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. Newspaper in each environmental and social compliance report.
2.7	Internal complaints mechanism for the construction stage	1. Develop and implement an internal complaints mechanism focused on employees, contractors and subcontractors for the construction stage. This internal complaints mechanism will include details about: (i) how information is received from employees, contractors and subcontractors; (ii) how these complaints are evaluated; (iii) how responses are provided and followed up, concluding with the closure of the complaint; and (iv) any adjustments or improvements to the ESMP, in terms of communication and information dissemination.	1. Copies of the internal complaints mechanism for the construction stage, from each Project BU.	1. 45 days after signing the loan agreement.
			2. Copies of evidence of its implementation, in each new work of the Project.	2. Progress report in each environmental and social compliance report.
2.8	Internal complaints mechanism for operation and maintenance	1. Develop and implement an internal complaints mechanism for the O&M that incorporates the experiences and lessons learned during the construction stage.	1. Copies of the internal complaints mechanism for the O&M, from each Project BU.	1. 45 days after signing the loan agreement.
			2. Copies of evidence of its implementation, on every existing site of each Project BU.	2. Progress report in each 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 CMI-IPA and CMI-IPP pig farm and the poultry and swine processing plant, including the emissions generated by the transportation of their animals and supplies. The baseline	1. Copy of the Comprehensive GHG Management Program for CMI-IPA and CMI-IPP.	1. Six months after the first disbursement.

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		for GHG emissions shall be the year 2018 and its variation shall be reported annually, together with an explanation of the causes of the variation.		
		2. Develop, as part of the Comprehensive GHG Management Program of each pig farm and the poultry and swine processing plants of CMI-IPA and CMI-IPP (respectively), a Feasibility Study on the use of biogas from the WWTS to generate heat or electricity	2. Copy of the Feasibility Study on the use of biogas from the WWTS, for CMI-IPA and CMI-IPP.	2. Eight months after the first disbursement.
<b>PS 4: Community Health and Safety</b>				
4.1	Community Health and Safety	1. Develop a specific Road Safety Management Plan for each new construction work (restaurants, farms, and distribution and/or sales sites), expansion or improvement of the Project that will include measures to mitigate possible impacts for affected communities (those crossed by supply routes), especially during the construction stage of the Project, but also addressing within the analysis, the vehicle composition and impacts during O&M.	1. Copy of the specific Road Safety Management Plan for each new construction work (restaurants, farms and distribution and/or sales sites), expansions or improvements of the Project.	1. 30 days prior to the commencement of construction of each new construction work (restaurants, farms and distribution and/or sales sites), additions or improvements to the Project.
4.2	External Security Policy and Protocols	1. Provide a copy of the contract between each Business Unit and 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 and social awareness training, including issues of respect for human rights.	1. Copy of the contracts between each BU and the security company(ies).	1. 45 days after signing the loan agreement.

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<b>PS 5: Land Acquisition and Involuntary Resettlement</b>				
5.1	Land Acquisition	1. Prepare a Land Selection and Acquisition Manual (or similar document) for the Construction of new Project works (whichever they may be: farms, distribution and/or sales sites, etc.), with a specific procedure that complies with the requirements of PS-5.	1. Copy of the Land Selection and Acquisition Manual (or similar document) for the BUs constructing new works (farms and distribution and/or sales sites), expansions or improvements of the Project.	1. 60 days after signing the loan agreement.
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
6.1	Conservation of biodiversity	1. Prepare a procedure within the Land Selection and Acquisition Manual (or similar document) for the Construction of new Project works (whichever they may be: restaurants, farm, distribution and/or sales sites, etc.), in compliance with the requirements of PS-6, where measures are defined to minimize such impacts and restore biodiversity and ecosystem services affected by the location/construction of any of the new Project works.	1. Copy of the procedure within the Land Selection and Acquisition Manual (or similar document) for the BUs constructing new works (restaurants, farms and distribution and/or sales sites), expansions or improvements of the Project.	1. 60 days after signing the loan agreement.
<b>PS 7: Indigenous Peoples</b>				
7.1	Indigenous Peoples	1. Prepare a procedure within the Land Selection and Acquisition Manual (or similar document) for the Construction of new Project works ( whichever they may be: farms, distribution and/or sale sites, etc.), in accordance with the requirements of PS-7; where, in addition to compliance with the environmental and cultural legislation	1. Copy of the procedure within the Land Selection and Acquisition Manual (or similar document) for the BUs	1. 60 days after signing the loan agreement.

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		of the country in question, prior to its construction, it must present a report of the consultation and participation process, as well as a letter of consent from the authorities or legitimate representatives of said indigenous peoples.	constructing new works (farms and distribution and/or sales sites), expansions or improvements of the Project.	
<b>PS 8: Cultural Heritage</b>				
8.1	Cultural Heritage	1. Prepare a procedure within the Land Selection and Acquisition Manual (or similar document) for the Construction of new Project works (whichever they may be: restaurants, farm, distribution and/or sales sites, etc.), in compliance with the requirements of PS-8, where measures are defined to minimize such impacts and risks to cultural heritage due to the location/construction of any of the new Project works.	1. Copy of the procedure within the Land Selection and Acquisition Manual (or similar document) for the BUs constructing new works (restaurants, farms and distribution and/or sales sites), expansions or improvements of the Project.	1. 60 days after signing the loan agreement.