

This is a category B project under the IDB Invest Environmental and Social Sustainability Policy, given that it could have moderate and mitigable environmental and social impacts. The main issues associated with the Project include: (i) functionality of the environmental and social management and monitoring systems, (ii) food safety and security; (iii) prevention of chronic renal insufficiency; (iv) wastewater, solid waste, energy consumption, and air emissions management and control; (v) community relations; (vi) supply chain sustainability; and (vii) labor management and suitable working conditions.

IDB Invest performed the environmental and social due diligence for the Project between August 12th and 14th, 2019. The dairy and food concentrate plants in Coyol, the chocolate plant in Gallito, and the beverage plant in Belén were visited, as were two suppliers, one in Alajuela and the other in Guanacaste. Additionally, environmental information—procedures, policies, reports, audits, licenses, and other internal documents of Dos Pinos—was reviewed and personnel from the cooperative's plants and suppliers were interviewed.

Resulting from the Environmental and Social Due Diligence, it was concluded that the impacts of this operation will be managed according to the International Finance Corporation's (IFC) Performance Standards (PS) and Environmental, Health and Safety Guidelines for Dairy Processing, Livestock Production, and Food and Beverage Processing. The PS' that apply to this operation are: The PS that apply to this operation are: 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.

Should any other PS be applicable, Dos Pinos will immediately inform IDB Invest.