Environmental and Labor Issues:

This is a category B project according to the IIC's Environmental and Social Sustainability Policy because it could produce certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, or design criteria. The main environmental and labor considerations related to the project are efficient resource use and pollution prevention, workplace and labor conditions, and workplace health and safety.

Dina is ISO 9001, ISO 14001, and OHSAS 18001 certified. The company's Comprehensive Management System (CMS) is aligned with these standards, ensuring the quality of its products and services.

Liquid Waste Management: The factory receives water from the network that supplies the industrial complex, which is currently managed by the government of the state of Hidalgo. The water is not for industrial use; it is used mainly for staff bathrooms. A system collects and treats all the wastewater from the industrial complex.

Hazardous liquid waste is processed by a specialized company (RIMSA). Oil waste is burned at a cement manufacturing plant.

Air Emissions: The main air emissions from the Dina factory come from the polyurethane and paint booths and the paint curing ovens. The booths are fitted with a number of particle-trapping filters (metal, fiberglass, and polypropylene mesh filters, as well as plenum filters). Air emissions comply with standard 043 of Mexico's ministry of the environment and natural resources (*Secretaría de Medio Ambiente y Recursos Naturales*, SEMARNAT), which sets limits on solid-particle emissions.

The motors that Dina installs in the units it manufactures meet EPA 07 and Euro 5 emissions standards.

Noise: The entire metalworking process is loud, as is welding, cutting, and polishing equipment. The use of hearing protection equipment is mandatory for all factory personnel. However, these noise levels do not affect the environment outside the factory. Dina has developed a hearing care program that includes regular hearing tests and hearing loss evaluations, measures for adjusting and controlling noise sources, and administrative measures to reduce exposure.

Waste Management: The safety requirements for handling, storing, and monitoring hazardous waste are established in one of the manuals that form part the factory's CMS. The procedures follow SEMARNAT regulations, including those on how to label waste and on conditions in the areas where waste is collected and temporarily stored. The company is registered as a producer of hazardous waste. The waste is collected by a specialized company licensed with SEMARNAT in the state of Hidalgo.

Waste that is not considered hazardous is classified as organic or inorganic, and as recyclable (paper, wood, cardboard, plastic) and non-recyclable, and then sent to the proper destination. Scrap metal is used internally for training welders. Materials are labeled to facilitate handling.

Handling of Hazardous Materials: Safety requirements for handling and storing hazardous materials are established in one of the manuals that form part of the CMS. The manual establishes the requirements for procuring, monitoring, handling, storing, and identifying substances classified as combustible, corrosive, flammable, reactive, or toxic. The company keeps a list of the chemicals it uses, indicating the risk that each poses to health, its flammability and reactivity, the personal safety equipment required for its handling, and its areas of use and incompatibilities, as well as any other

special risks.

Personal Safety and Emergency Response: Manufacturing and assembling chassis and vehicle bodies involves a number of stages and tasks that are primarily manual. This poses numerous potential physical, chemical, biological, ergonomic, and psychological risks. Dina has a procedure in place for identifying and evaluating risks and determining oversight measures to prevent workplace accidents and illness. This procedure is part of the CMS and includes the preparation of a company risk inventory and map. As a result of this procedure, the company has prepared a series of manuals for risk mitigation, including:

• Safety requirements for hot work
• Safety requirements for working at heights
• Safety requirements on machinery or equipment blocking
• Safety requirements for handling compressed gas cylinders
• Safety requirements for scaffolding use
• Safety requirements for torch-cutting equipment
• Safety requirements for working with cranes
• Safety requirements for handling and storing hazardous materials and substances
• Pneumatic tool use
• Manual lifting
• Safe forklift operation
• Supplier, contractor, and visitor safety

The factory has an emergency response plan that places responsibility with key individuals in the organization (safety and health coordinator, floor managers, supervisors, and safety brigade members), as well as a first aid manual. It also has fire, first-aid, and evacuation brigades. Specific emergency plans have been developed to address specific risks, including:

• Emergency earthquake plan
• Height rescue plan
• Emergency flood plan
• Emergency fire plan
• Emergency plan for fire in the hazardous material storage area
• Emergency gas leak, fire, or explosion plan
• Emergency plan for accidents (including subsequent investigation)
• Emergency plan for accidents that take place during travel to and from work
• Emergency plan for leaks or spills of hazardous materials

Additionally, an Internal Civil Protection Program is in place to deal with any man-made or natural disasters.

The factory has a centrally-controlled audible alarm system. The alarm is used during regular simulations and emergencies. The factory has an emergency committee composed of the chief of the internal civil protection unit, the coordinator of the safety brigades, the chief of the fire brigade, the chief of the evacuation brigade, the chief of the first aid brigade, the chief of the security brigade, the safety and health coordinator, the safety and health assistant, the environmental assistant, the staff physician, and the maintenance coordinator. The committee meets at least twice a year to evaluate the emergency plan (including escape routes and safety zones), schedule training, and determine whether any equipment is needed for fire control, communication systems, emergency lights, etc. The factory has a sprinkler system and portable fire extinguishers.

Labor Practices: Dina complies with national labor laws. The core labor standards include social

security contributions and health insurance benefits, freedom of association, organization of workers' unions, prohibition of forced labor, elimination of exploitative and abusive child labor, and nondiscrimination in the workplace. The workforce has a collective bargaining contract and internal labor regulations. All workers have medical coverage through health insurance. The company has also developed a comprehensive preventative medicine program that provides personnel with check-ups and regular follow-up exams through the Mexican social security institute (*Instituto Mexicano de la Seguridad Social*, IMSS), absentee monitoring, training in prevention, vaccination campaigns, and the implementation of a dieting program in the company cafeteria. The company recently launched a transportation service that takes workers to and from the two closest urban areas (Tepeapulco and Ciudad Sahagún) at a reduced price.

Social and Community Issues: As part of its corporate social responsibility initiatives, Dina occasionally conducts activities intended to benefit society (collection for flood victims through the Red Cross, toy collection for Three King's Day, support for Casa de la Mujer Hidalguense) and community support through the preservation of the environment (electronics recycling campaign, day of action against global warming).

Monitoring and Reporting: Dina shall prepare an Environmental and Social Action Plan (ESAP) satisfactory to the IIC to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The ESAP shall include the preparation of yearly reports with information on solid and liquid waste management and air emissions.