

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

According to the investment information provided by CMI Alimentos, these investments will be concentrated in the following Business Units ("BUs"): *Molinos Modernos* ("CMI-MM"), *Restaurantes de Centroamerica* ("CMI-REST") and *Industria Pecuaria*, which in turn is divided into Poultry ("CMI-IPA") and Swine ("CMI-IPP"). CMI-MM will expand milling capacity in Guatemala through a Milling Unit with a capacity of 460 metric tons of wheat per day. This expansion will be developed on its own land (General Property Registry, Property 14050, Folio 178, Book 483), within an area of approximately 455 m<sup>2</sup> of the facilities of *Industria Harinera Guatemalteca, S.A.*, located at 24 Avenida 35-05, zone 12, Guatemala City. CMI-REST will grow its operations through the construction of new restaurants and their ancillary services (access roads, parking lots, wastewater treatment plants -WWTPs-, electricity and public lighting, drinking water, etc.), remodeling/renovation of other restaurants, improvements in existing properties and in the operation of the WWTPs and the purchase of equipment, industrial machinery, furniture, vehicles, etc., in Mexico, Guatemala, El Salvador, Costa Rica and the Dominican Republic. CMI-IPA will grow its operations through the construction of new poultry farms or poultry production units ("UPA", for its acronym in Spanish), the creation of new distribution and/or sales sites (hubs, "chicken houses" or "chicken corner", etc.) in Guatemala, Honduras, Costa Rica and El Salvador, and improve the efficiency of its production processes within its poultry farms, Poultry Processing Plants or slaughterhouses and distribution and/or sales sites existing in the aforementioned countries, through the acquisition/substitution of machinery and equipment, expansions to process lines, expansion/modification of work spaces and areas, etc. Finally, CMI-IPP, will grow its operations through the expansion and construction of new swine farms or swine production units ("UPP", for its acronym in Spanish) in Guatemala, specifically at the Don José Farm, with the construction of 6 additional pens, approximately doubling the production/fattening capacity, at Granja Andáres, with the construction of a new Site I (maternity) farm, increasing its piglet production capacity and expanding the production and supply capacity of the Amatitlán Industrial Center ("CIA", for its acronym in Spanish), in order to double sales through a 5-year investment plan ("*Plan Primero*"); all of the above is defined as "the Project".

The scope of IDB Invest's environmental and social review during the evaluation of CMI Alimentos included the analysis of the Project's environmental and sanitary permits, meetings and conference calls with the Borrower's representatives. In addition, IDB Invest's environmental and social specialists conducted two environmental and social due diligence (ESDD) visits from June 13 to 15 and June 28 to 30, 2018 in Guatemala, which included the following activities: (i) meeting with CMI Alimentos staff from *Molinos Modernos*, *Restaurantes de Centroamerica* and *Industria Pecuaria* business units during the first visit, and the swine operations of *Industria Pecuaria* during the second trip; and (ii) visit to the *Industria Harinera Guatemalteca, S.A.* plant, to a "Pollo Campero" brand restaurant, a typical poultry farm and a poultry processing plant or poultry trail, all in Guatemala, during the first visit, and the traditional Don José swine farm, in Guatemala, during the second visit. At the end of this ESDD visit, the team proceeded to conduct a review of documents pertaining to manuals, procedures, internal and external audit reports, laboratory test results reports (mainly on the quality of the discharge waters), among others.

## 2. Environmental and Social Categorization, and its Fundamentals

In accordance with IDB Invest's Environmental and Social Sustainability Policy, this Project belongs to **Category B**, as its environmental and social impacts and risks are expected to be generally reversible and manageable with current technologies. For construction works, whether from process expansion or the construction of new restaurants, farms and/or distribution centers, potential key environmental and social impacts include: (i) production of hazardous and non-hazardous waste; (ii)

air pollutant emissions (mainly flue gases); (iii) noise pollution; (iv) wastewater generation; (v) earthworks; (vi) removal of natural vegetation; (vii) potential impact on natural and cultural resources; (viii) ground vibrations; (ix) occupational health and safety; and (x) community health and safety concerns related to increased vehicular traffic. During the operation and maintenance ("O&M") of all Project works, possible risks are related to: (i) worker health and safety; (ii) generation of solid (hazardous and non-hazardous) and liquid waste (wastewater from industrial processes), (iii) atmospheric emissions of greenhouse gases ("GHGs") and odors, specifically from poultry and swine farms and processing plants or slaughterhouses; and (iv) use of resources, such as energy and water sources (surface or groundwater), mainly. Natural disasters, such as earthquakes, fires, floods, storms and hurricanes, also present potential threats to CMI Foods because of potential risks to workers and animals (either poultry or swine of any age), but also in relation to structural and environmental damage to physical infrastructure and a possible loss of business.

Based on the ESDD visits and the information provided on the type of investment and on the Environmental and Social Questionnaire sent by IDB Invest, it is expected that for each BU, the following IFC Performance Standards ("PS") will be influenced: (see attached "Table 1")

As indicated in the attached Table 1, CMI-MM does not foresee the application of PS-3, Resource Efficiency and Pollution Prevention, since the project contemplates the use of the best available technology for the efficient consumption of energy, water and other resources; likewise, it is not a project that will produce more than 25 thousand tons of CO<sub>2</sub> per year or whose water consumption is significant and/or will generate significant adverse impacts on third parties; PS-5, Land Acquisition and Involuntary Resettlement, does not apply, since the Project will be developed within its own land; nor does PS-6, Biodiversity Conservation and Sustainable Management of Living Natural Resources, due to the fact that the project will be developed on its own previously intervened, industrial-use land; PS-7, Indigenous Peoples, does not apply, since they do not exist in the project development area; and finally, PS-8, Cultural Heritage, does not apply, due to the fact that it is again a previously intervened land with industrial use.

For CMI-REST, it's not foreseen the application of ND-5, Acquisition of land and involuntary resettlements, since the land where the new constructions will be built will be rented and therefore a private mercantile contract will be concluded between the parties ; nor will it be foreseen the application of ND-7, Indigenous Peoples, since the sites of interest for the location of the new restaurants mostly do not correspond to lands and/or resources of the indigenous peoples, because they are concentrated in urban and suburban areas within the cities.

### 3. Environmental and Social Context

According to information provided by CMI Alimentos, for the *Molinos Modernos* ("CMI-MM") Business Unit, the milling capacity in Guatemala will be expanded by means of a new milling unit and complementary works (wheat silos, flour silos, packing tower, etc.), with a capacity of 460 metric tons of wheat per day. This expansion will be developed on its own land (Gen. Property Reg., Property 14050, Folio 178, Book 483), within an area of approximately 455 m<sup>2</sup> of the facilities of Industria Harinera Guatemalteca, S.A., located at 24 Avenida 35-05, zone 12, Guatemala City. The immediate surroundings are industrial zones (that continue for a radius of >1 km. around it, with the exception of the Northwest, where there is a community called Colonia Santa Elisa), main avenues with significant vehicle loads at peak times (Calz. Atanasio Tzul) and a stream with no name whose mixed effluent indirectly reaches Lake Amatitlán. Based on the investment description for CMI-MM, the environmental and social analysis, in addition to verifying compliance with IDB Invest's Environmental and Social Sustainability Policy<sup>[1]</sup>, focused on compliance with Guatemala's environmental regulations for the construction and/or operation of the new milling unit, and the updating of the Operating License issued by the Ministry of Agriculture, Livestock and Food

("MAGA") and the Health and Water License issued by the Ministry of Public Health and Social Assistance ("MSPAS"). For more detail on the scope and conclusions of CMI-MM's environmental and social analysis, please refer to [Annex 1: ESRS and ESAP - CMI-MM.pdf](#).

CMI Alimentos' *Restaurantes de Centroamerica* Business Unit ("BU") ("CMI-REST") has more than 822 of its own fast food, chicken and pizza restaurants, or cafes (primarily in Central America) and franchises thereof in developing markets such as the United States. Pollo Campero is the main restaurant brand, followed by Pollo Granjero, Telepizza, Café Barista and Don Pollo. Investment within this business unit is concentrated on the construction of new restaurants and their ancillary services (access roads, parking lots, wastewater treatment plants -WWTPs-, electricity and public lighting, drinking water, etc.), remodeling/renovation of other restaurants, improvements in existing properties and in the operation of the WWTPs and the purchase of equipment, industrial machinery, furniture, vehicles, etc., with the aim of improving food preparation and customer service processes. As for the previous BU, the environmental and social analysis for CMI-REST began by verifying compliance with IDB Invest's Environmental and Social Sustainability Policy, and subsequently focused on compliance with the environmental regulations of each country where it operates (Mexico, Guatemala, El Salvador, Costa Rica and the Dominican Republic) for the construction and/or operation of its restaurants, such as: Current environmental permit/license and wastewater discharge permit (technical studies of wastewater or similar document), granted by the Environmental Authorities of each country<sup>[2]</sup>, and Sanitary or Operating License/ Permit issued by the Health Authorities of each country<sup>[3]</sup>. For the construction of these works (restaurants), the municipal construction permits and/or licenses of each country and the inspection certificates of the civil protection authorities or firefighters of each country will also be required. For more detail on the scope and conclusions of CMI-REST's environmental and social analysis, please refer to [Annex 2: ESRS y ESAP - CMI-REST.pdf](#).

Finally, there is the *Industria Pecuaria* BU, which in turn is divided into Poultry ("CMI-IPA") and Swine ("CMI-IPP"). These BUs are the main income contributors to the CMI Alimentos Group. These BUs have 242 poultry farms, 8 swine farms, 7 poultry processing plants located in Guatemala, El Salvador, Costa Rica and Honduras, 1 swine processing plant located in Guatemala and 2 processed food plants located in Guatemala and El Salvador. *Industria Pecuaria* annually produces 300,000 MT of chicken and 10,000 MT of pork, and sells its products, mainly in the local market, for human consumption under three regionally recognized brands: Toledo, Pollo Indio and Pollo Rey. CMI-IPA will grow its operations through the construction of new poultry farms or poultry production units ("UPA", for its acronym in Spanish), the creation of new distribution and/or sales sites (hubs, "chicken houses" or "chicken corner", etc.) in Guatemala, Honduras, Costa Rica and El Salvador, and improve the efficiency of its production processes within its poultry farms, Poultry Processing Plants or slaughterhouses and distribution and/or sales sites existing in the aforementioned countries, through the acquisition/substitution of machinery and equipment, expansions to process lines, expansion/modification of work spaces and areas, etc. On the other hand, CMI-IPP, will grow its operations through the expansion and construction of new swine farms or swine production units ("UPP", for its acronym in Spanish) in Guatemala, specifically at the Don José Farm, with the construction of 6 additional pens, approximately doubling the production/fattening capacity, at Granja Andáres, with the construction of a new Site I (maternity) farm, increasing its piglet production capacity and expanding the production and supply capacity of the Amatitlán Industrial Center ("CIA", for its acronym in Spanish), in order to double sales through a 5-year investment plan ("*Plan Primero*").

For the environmental and social analysis of CM-IPA and CMI-IPP, its operations were divided into two large production segments: (i) Production, which consists of the operation and management of poultry or swine farms; and (ii) Processing, which consists of the operation of poultry or swine

processing plants, also known as slaughterhouses, where such animals are slaughtered and pieced. The analysis of both productive segments included: (i) compliance with the environmental regulations of each country where CMI-IPA operates (Guatemala, El Salvador, Honduras, and Costa Rica)—and, for CMI-IPP in Guatemala, for its construction and/or operation—such as environmental permits granted by the Environmental Authorities of each country[4], and Registration and Operation Permits[5] and/or Single Establishment Code, issued by the Animal Health Authorities of each country[6] or the Health Authority[7] (in the case of El Salvador); (ii) verification of animal welfare conditions, based on the general principles of the Animal Production Systems of the World Organization for Animal Health (OIE); (iii) the source of electrical energy; (iv) generation and management of solid organic waste and by-products; (v) obtaining and quality of water resources; (vi) handling and treatment of process wastewater; (vii) odors and emissions into the air; (viii) handling and storage of hazardous products; (ix) occupational health and safety conditions; and (x) impacts on community hygiene and safety. For more detail on the scope and conclusions of the environmental and social analysis of these BUs, please refer to the following annexes: [Annex 3: ESRS and ESAP - CMI-IPA.pdf](#) and [Annex 4: ESRS and ESAP - CMI-IPP.pdf](#) (respectively).

## **4. Environmental Risks and Impacts, and Proposed Mitigation and Compensation Measures**

### ***4.1 Evaluation and Management of Environmental and Social Risks and Impacts***

#### **4.1.a Environmental and Social Management System**

Based on the analysis of the information provided by CMI Alimentos and to achieve compliance with PS-1, all its BUs are required to formalize an Environmental and Social Management System ("ESMS"); even when they have specific procedures associated with the operation of each business (mills, restaurants, poultry or swine farms, and processing plants or slaughterhouses). In this sense, CMI Alimentos or each BU will develop a specific ESMS for the Project, in compliance with the PS-1 (Action 1.1 of the ESAP").

#### **4.1.b Policies**

CMI Alimentos or each BU shall define an Environmental, Social, and Occupational Health and Safety ("OHS") Policy that complies with the requirements of PS-1 (Action 1.2 of the ESAP).

#### **4.1.c Identification of Risks and Impacts**

Any new construction or expansion, modification and/or improvement to increase the efficiency of any existing process, in addition to verifying compliance with environmental impact regulations in the country where the activity is to be carried out, shall identify and assess environmental and social risks and impacts. Based on the above, independently of the compliance mechanism with each country's local Environmental Law, as part of the process of identification and evaluation of environmental and social risks and impacts, each BU will carry out an analysis of alternatives and an evaluation of cumulative impacts (in case it is not a methodological requirement in each country's environmental legislation), for each new construction or expansion, modification and/or improvement of the Project (Action 1.3 of the ESAP).

#### **4.1.d Management Program**

In accordance with the provisions of each country's environmental, social and OHS regulations, a specific Environmental and Social Management Plan ("ESMP") will be developed for any Project activity for the construction stage of any new farm, distribution and/or sales sites, restaurants,

facilities or expansion/improvement of facilities, and the adaptation of said ESMP for the operation and maintenance ("O&M") stage. Likewise, for those adaptations, modifications and/or improvements to increase efficiencies carried out on existing processes and facilities, the adaptation of the ESMP corresponding to the O&M will be required, in compliance with the environmental, social and OHS measures of each country (Action 1.4 of the ESAP).

#### **4.1.e Organizational Capability and Competence**

To comply with the PS-1, each BU must designate a person responsible for environmental and social issues within its organizational structure; this is not the case for OHS management, for which they already have a corporate and/or regional organizational structure (see Section 4.2.c). In this sense, it will be necessary to establish an Organizational Structure as part of the ESMS, with the functions, responsibilities and powers of each player, for the implementation of the ESMS. Likewise, an introductory and refresher training program will be required at least once a year for all personnel in charge of environment, social, health and occupational safety aspects (Action 1.5 of the ESAP).

#### **4.1.f Emergency Preparedness and Response**

For each new construction work (restaurants, farms or distribution and/or sales sites, etc.), expansion and improvement of the Project, the development or updating of an Emergency Response Plan or Contingency Plan is required, for the construction stages and for the O&M, in order to minimize risks for employees in the event of natural disasters or emergencies, with the contact information of relevant or appropriate third-party collaborators, the provision of equipment and resources, and the scheduling of periodic training to ensure an effective response (Action 1.6 of the ESAP).

#### **4.1.g Monitoring and Evaluation**

Each BU is responsible for ensuring the implementation of the follow-up, monitoring and control plans described in the ESMP of each project site. In this sense, each BU will develop a compliance matrix with its set of key performance indicators to measure the effectiveness of the ESMP and compliance with all legal and contractual obligations of each new and existing work of the Project, during the construction stages and for the O&M (Action 1.7 of the ESAP).

Finally, in compliance with the requirements of PS-1, an independent environmental and social consultant will periodically 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 IFC's Performance Standards (ESAP Action 1.8 ).

#### **4.1.h Participation of Social Actors**

The participation of social actors is a permanent process that, for this Project, should include: (i) analysis of social actors and planning of their participation; (ii) dissemination of information; (iii) grievance/ complaints mechanism; and (iv) provision of periodic reports to the community. In this sense, in order to comply with PS-1, each BU will 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&M, in which for the latter, the lessons learned during the construction stage are integrated (Action 1.9 of the ESAP).

#### **4.1.i External Communication and Complaints Mechanism**

As mentioned earlier, although each BU has regularly consulted the community within the areas of influence of the new Project works, there should also be an external communication and complaints mechanism. As required by PS-1, during construction each BU is required to document external communications through a complaint mechanism, including details of how these complaints are recorded, investigated/evaluated and the follow-up and closure/resolution process (ESAP Action 1.10). Similarly, during the O&M, another complaints mechanism is required that incorporates the experiences and lessons learned during the construction stage (Action 1.11 of the ESAP).

## **4.2 Work and Labor Conditions**

### **4.2.a Human Resources Policies and Procedures**

CMI Alimentos or each BU will develop a human resources policy and its procedures, in accordance with the labor laws in each country in which it operates (Action 2.1 of the ESAP). Similarly, each BU will ensure that its contractors and subcontractors for engineering, procurement and construction services also comply with this human resource policy and procedures.

### **4.2.b Employment Terms and Conditions**

Each BU shall present, in accordance with its line of business or activity and the labor legislation of each country, the following: (i) employment procedures and evidence of their implementation for own workers and those hired by third parties; (ii) procedures for hiring and dismissal/reduction of own work positions and those procedures adopted by contractors towards their workers; and (iii) procedures for managing and monitoring the performance of own workers and those hired by third parties (Action 2.2 of the ESAP). Likewise, each BU, according to its line of business or activity, will prepare a coexistence manual (regulations) for workers, contractors and subcontractors (Action 2.3 of the ESAP).

### **4.2.c Occupational Health and Safety**

Regarding occupational health and safety, according to the information provided, each BU of the Project has experience in the elaboration of Accident Prevention Programs, where the risk assessment of its facilities and activities is described through an analysis of the vulnerability in its physical environment (e.g. geological, hydrometeorological risks, etc.) and the identification and description of the affected population. However, due to the planned construction of new works (restaurants, farms or distribution and/or sales sites), expansions or improvements to the Project, each BU will develop or update the Accident Prevention Program based on the new conditions and infrastructure of these new works, expansions or improvements to the Project (Action 2.4 of the ESAP).

On the other hand, according to the information provided, Processing Plants, both poultry and swine, use refrigeration units that utilize ammonia (NH<sub>3</sub>) as the cooling agent (refrigerant R717<sup>[9]</sup>). CMI-IPA and CMI-IPP have procedures for the operation and maintenance of refrigeration equipment using ammonia; they also know the health risks caused by ammonia exposure and have their own safety procedures for use and storage, and have PPE distribution maps in case of emergency (e.g., masks for ammonia and self-contained suits, etc.). However, to achieve compliance with PS-2, these procedures should be aligned with applicable international standards, such as those of the International Ammonia Refrigeration Institute ("IIAR"). In this regard, a Safety Plan for Comprehensive Ammonia Management should be implemented to ensure that the safety and management of ammonia 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 IIAR (Action 2.5 of the ESAP).



Finally, it will be necessary for each ESMP of new construction (restaurants, farms, distribution and/or sales sites), expansion or improvement of the Project, to contain a procedure for notifying emergency response services and local authorities of a major accident or fatality (Action 2.6 of the ESAP). In addition, this procedure should prepare a Root Cause Analysis of each major accident or fatality, as well as a description of the corrective actions necessary to minimize the risk of a new occurrence.

#### **4.2.d Internal Complaints Mechanism**

The PS-2 requirements establish that each Project BU documents, through an Internal Complaints Mechanism, the communications of its employees, contractors and subcontractors. This internal complaints mechanism should include details of how these complaints or claims are registered, investigated/evaluated, and the respective follow-up and closure/resolution process (Action 2.7 of the ESAP). Similarly, during the O&M, another complaints mechanism is required that incorporates the experiences and lessons learned during the construction stage (Action 2.8 of the ESAP)

### **4.3 Resource Efficiency and Pollution Prevention**

#### **4.3.a Greenhouse Gases**

Based on the inspection visit, the opportunity for management/use for biogas was observed, mainly methane (CH<sub>4</sub>), which is generated in the wastewater treatment plants ("WWTP") of farms (mainly swine farms) and processing plants, causing a polluting emission of greenhouse gases (GHG), which potentially contributes to climate change, was observed.

In this sense, in order to control the biogas generated by wastewater treatment within the WWTPs of each pig farm or poultry and swine processing plant, both CMI-IPA and CMI-IPP will implement a Comprehensive Greenhouse Gas Management Program to identify, quantify and report the GHG emissions inventory of all their O&M activities of each pig farm and poultry and swine processing plant (Action 3.1 of the ESAP), including the emissions generated by the transportation of their animals and supplies. Likewise, 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 for the use of biogas from WWTPs will be developed, for the generation of heat or electricity.

### **4.4 Community Health and Safety**

#### **4.4.a Community Health and Safety Requirements**

Due to the construction of new works (restaurants, farms and distribution and/or sales sites), expansion and improvements of the Project, an increase in the traffic of cargo vehicles is foreseen in the surrounding roads that could generate alteration to the normal patterns of coexistence with the communities. This is an issue that requires consultation with each country's local transit authorities in relation to road and traffic capacity, timing and road safety measures such as signage, speed controls, etc. Therefore, each BU will develop a Road Safety Management Plan 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 vehicle composition and impacts during O&M (Action 4.1 del ESAP).

#### **4.4.b Security Personnel**

During the inspection visit, it was found that, in general, there is security personnel at the vast majority of BU premises. Therefore, each BU will provide a copy of the contract between that

business unit and the security firm or firms to verify, among other aspects, the PS-4 requirements regarding the security personnel hiring, training and awareness conditions (Action 4.2 of the ESAP).

#### **4.5 Land Acquisition and Involuntary Resettlement**

The BUs that acquire the land for the construction of new works (restaurants, farms or distribution and/or sales centers) or land for the expansions and improvements of the works of the Project (CMI-REST, CMI-IPA and CMI-IPP), shall be governed by strict compliance with PS-5, through agreements negotiated to the satisfaction of both parties (buyer and seller) and in compliance with the commercial laws of the country. Involuntary resettlement, both physical displacement (relocation or loss of housing) and economic displacement (loss of property or access to property resulting in loss of sources of income and other livelihoods), as a result of land acquisition, shall be avoided as much as possible. In this sense, the BUs that require the acquisition of new land will prepare a Land Selection and Acquisition Manual for the Construction of new Project works (whichever they may be: restaurants, farms, distribution and/or sales sites, etc.), with a specific procedure that complies with the requirements of PS-5 (Action 5.1 of the ESAP).

#### **4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

As a priority option, any BU that requires land for the construction of new works (restaurants, farms, or distribution and/or sales sites) should try to avoid impacts on biodiversity<sup>[10]</sup> and affecting ecosystem services<sup>[11]</sup>. When it is not possible to avoid these impacts, the BU that requires such land will prepare a procedure within the Land Selection and Acquisition Manual for the Construction of new Project works (whichever they may be: farm, distribution and/or sales sites, etc.), in compliance with the requirements of PS-6 (Action 6.1 of the ESAP), 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.

#### **4.7 Indigenous Peoples**

As in the previous cases, each BU shall ensure that the construction land of any of its new works (restaurants, farms or distribution and/or sales sites) does not affect the lands and resources of indigenous peoples, except where indigenous peoples are partners in the development of the Project, for which the requirements of PS-7 shall be complied with. In this sense, the BU that requires land for the construction of new works (restaurants, farms, or distribution and/or sales sites) will elaborate a procedure within the Land Acquisition Manual for the Construction of new Project works, in compliance with the requirements of PS-7 (Action 7.1 of the ESAP).

#### **4.8 Cultural Heritage**

As with the two previous concepts, each BU shall ensure that the construction sites of any of its new works (restaurants, farms, distribution and/or sales sites) are not located within known and/or legally protected cultural heritage sites. If the impact identification process determines that there is a possibility of risks to cultural heritage, the BU that requires land for the construction of new works (restaurants, farms, or distribution and/or sales sites), in addition to complying with the relevant legislation regarding the protection of cultural heritage, will prepare a procedure within the Land Selection and Acquisition Manual for the Construction of its Works (whichever they may be: farm, distribution and/or sales sites, etc.), in compliance with the requirements of PS-8 (Action 8.1 of the ESAP).

### **5. Environmental and Social Action Plan (ESAP)**



The Environmental and Social Action Plan (ESAP) is summarized in [Annex 5](#).

**Contact Information:**

For inquiries and comments to IDB Invest, please contact: IDB Invest Communications Group. E-mail: [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.org)

For Project inquiries, including questions on environmental and social issues related to IDB Invest investments, please contact the Client or IDB Invest using the contact information provided above.

As a last resort, communities affected by the Project have access to IDB Invest's Independent Consultation and Investigation Mechanism (<https://www.idbinvest.org/en/how-we-work/integrity-transparency>).

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[1] <https://www.idbinvest.org/es/download/4647>

[2] Secretariat of Environment and Natural Resources (SEMARNAT), in Mexico; Ministry of Environment and Natural Resources (MARN), in Guatemala, El Salvador and Costa Rica; Secretariat of Natural Resources and Environment (MiAmbiente), in Honduras.

[3] Secretariat of Health (SSA), in Mexico; Ministry of Public Health and Social Assistance (MSPAS), in Guatemala; Ministry of Health (MAS), in Costa Rica and El Salvador; Ministry of Public Health, in the Dominican Republic; and Secretariat of Health in Honduras.

[4] Ministry of Environment and Natural Resources (MARN), in Guatemala, El Salvador and Costa Rica; Secretariat of Natural Resources and Environment (MiAmbiente), in Honduras.

[5] Presented in Guatemala to the National Poultry Health Program ("PROSA"), which has been established for the prevention, control and eradication of avian influenza, Newcastle, salmonellosis (*S. gallinarum*, *S. pullorum*), avian infectious laryngotracheitis and other diseases of interest to poultry farmers.

[6] Ministry of Agriculture, Livestock and Food (MAGA) in Guatemala; Ministry of Agriculture and Livestock (MAG), in Costa Rica and El Salvador; and Secretariat of Agriculture and Livestock (SAG), in Honduras.

[7] Installation and operation permit issued by the Ministry of Health of the Republic of El Salvador,

in compliance with the Health Code in force and the Technical Standard for breeding establishments and domestic animal slaughterhouses.

[8] Environmental and Social Action Plan (ESAP); see Section 5.

[9] Anhydrous ammonia is used incessantly in the refrigeration industry because of its high energy conversion efficiency and low cost.

[10] Selecting land that does not contain natural habitats of critical importance or significant value for biodiversity

[11] Ecosystem services are: (i) provisioning services, which are the products that people obtain from ecosystems; (ii) regulatory services, which are the benefits that people obtain from regulating ecosystem processes; (iii) cultural services, which are the non-material benefits that people obtain from ecosystems; and (iv) support services, which are the natural processes that maintain other services.