

## Environmental and Social Review Summary (ESRS) NORSON – MEXICO

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### 1 General Project Information and Scope of IDB Invest’s Environmental and Social Review

The Project consists in two financing facilities to support Norson Holding, S. de R.L. de C.V (“Norson”, the “Company”, or the “Client”): (i) financial support facility to eligible suppliers from Norson’s supply chain (“Reverse Factoring”), and (ii) limited-resource financing facility to Norson, whereby IDB Invest will finance eligible farmers especially created to develop (design, build, operate and maintain) infrastructure (mainly, pig farms) related to Norson’s value chain under a sharefarming system (the “Sharefarming Financing”, jointly, the Sharefarming Financing and Reverse Factoring, the “Project”).

The specific sites where the projects under the Sharefarming Financing will be carried out have not been identified at this stage; however, they will be located in the State of Sonora, Mexico, and the companies involved in such projects will be created with the sole purpose of rendering services to Norson and engaging in an economic activity related to pig meat production in Norson’s value chain. The Company will act as a minority shareholder, supervisor, supplier, and customer of such special-purpose companies.

In this sense, the Project will strengthen the productive chain integration for Norson helping the Company integrate vertically which, based on scale economies, will improve its margins and foster its productivity. Also, this investment will be carried out in a rural area located far away from the main suburban areas in the State of Sonora, Mexico, thus benefiting the area by, for example, enhancing rural community economies through job demand increases (about 180 direct positions)—currently scarce or nonexistent in this region of Sonora.

Owing to the restrictions arising from the COVID-19 pandemic<sup>1</sup>, the Environmental and Social Due Diligence (ESDD) process was mainly carried out online and included a detailed analysis of Norson’s management system and the environmental and social supply chain management, which are highly critical to develop the projects under the Sharefarming Financing. Supplementary information was also reviewed: environmental management and animal welfare policies, certifications, plans, manuals, and procedures; labor and human resource (HR) policies; occupational health and safety (OHS) programs; waste management information (hazardous and non-hazardous, or requiring special management); procedures for monitoring and assessing the environmental conditions at the workplace; and emergency response plans, among others. The process was supplemented by interviews with the Corporate Environmental and Standards Management and the Finance Management related to the Project.

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<sup>1</sup> COVID-19 is the infectious disease caused by the coronavirus discovered in Wuhan, China, in December 2019 (<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>)

## 2 Environmental and Social Categorization, and Rationale

Under the Environmental and Social Sustainability Policy of IDB Invest, the transaction was classified as Category B since its environmental and social (E&S), and OHS impacts and risks will be, in general, reversible and mitigable with the measures enabled by current technologies.

The key environmental and social impacts will be consistent with the Company's business and will be related to developing the Sharefarming Financing infrastructure including: (i) generation of air-polluting emissions; (ii) dust generation; (iii) noise pollution; (iv) generation of wastewater; (v) alteration of the soil due to excavation and compacting activities; (vi) clearance of natural vegetation; (vii) generation of solid waste (both hazardous and non-hazardous); (viii) occupational health and safety risks; and (ix) community health and safety concerns related to an increase in traffic in access roads to the construction site.

The potential risks and impacts for the activities related to Project operations and maintenance (O&M) include: (i) generation of greenhouse gas (GHG) emissions and nuisance odors due to the microbial action in manure and in wastewater treatment processes; (ii) generation of solid waste (hazardous and non-hazardous) and liquid waste (mainly industrial and domestic wastewater); (iii) occupational health and safety risks; and (iv) use of resources, mainly related to drinking water and energy.

Owing to its different locations, the Project is subject to natural disaster threats, such as earthquakes, storms, droughts and hurricanes, as well as social unrest threats, such as vandalism, and protests or demonstrations. However, these represent a moderate to low risk for damages on the physical infrastructure of the plants and on personnel and suppliers.

The Project triggers the following Performance Standards (PS) of the International Finance Corporation (IFC): PS1, Assessment and Management of Environmental and Social Risks and Impacts; PS2, Labor and Working Conditions; PS3, Resource Efficiency and Pollution Prevention; PS4, Community Health, Safety and Security; PS5, Land Acquisition and Involuntary Resettlement; PS6, Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS7, Indigenous People; and PS8, Cultural Heritage.

## 3 Environmental and Social Context

Over the past forty years, Norson has been distinguished as a leading company in production and sale of pork meat in Mexico. It was founded in 1972 by a small group of pig farmers in Hermosillo, Sonora, and in 1999 it started a strategic alliance with Smithfield Foods, Inc., an American leading company in production and sale of pork meat worldwide.

Its operations are vertically integrated for pork processing and production, including genetics, pig farms (117 in total, including its own farms, rented farms and sharefarming), food mills, a slaughtering and chopping processing plant (PP) (Federal Inspection Type facilities, TIF, for its acronym in Spanish), two added value plants, several leased branches operating as distribution

centers, as well as leased stores where B2C points of sale are installed and called “Tiendas Norson” (Norson stores) located in several cities (jointly, “Business Units”).

Norson is committed to offering the top quality its customers expect; therefore, they have a platform to secure quality and compliance with the national and international health and hygiene standards as supported by the following certifications: TIF (specific for its processing plants, granted by the SENASICA - SAGARPA<sup>2</sup>) and Safe Quality Food (SQF) certifications.

Norson is subject to Mexico’s environmental laws defining the requirements on clean water, clean air, hazardous and non-hazardous waste, hazardous materials transportation, chemical substance management and planning for emergencies. In this sense, Mexican environmental legislation (General Environmental Balance and Protection Law – LGEEPA, for its acronym in Spanish<sup>3</sup>) establishes that pig farms need to have, for their construction and O&M, an effective Integral Environmental License (LAI, for its acronym in Spanish) granted by the Sustainable Development and Environmental Commission (CEDES, for its acronym in Spanish) of the State of Sonora; they also need to obtain duly their Annual Operation Document (COA, for its acronym in Spanish), as the case may be. In this case, since the exact location of the new infrastructure under the Sharefarming Financing has not yet been determined, they still do not have their LAI, which should be requested from the CEDES before the construction works begin.

Likewise, each pig farm should have its beginning of operations notice (*aviso de inicio de funcionamiento*) under the mode of primary production unit (*unidad de producción primaria, UPP*)<sup>4</sup> and a good livestock practices (*buenas prácticas pecuarias, BPP*) certification in a UPP for local consumption or for export<sup>5</sup>, issued by the SENASICA and meeting animal health and good livestock practices provisions under the Federal Animal Health Law (*Ley Federal de Sanidad Animal*)<sup>6</sup> and its regulations<sup>7</sup>.

As to animal welfare, Norson commits to be a leading company in breeding, adequate management and humanitarian slaughter of all the animals reared for consumption. Its animal management is subject to several laws and regulations<sup>4,4,4,4</sup> as well as good livestock practices and Norson’s policy, including administrative systems and medicine and vaccine use programs, and animal welfare.

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<sup>2</sup> The TIF certification is a recognition granted by the Agriculture, Rural Development, Fishing and Food Department (SAGARPA, for its acronym in Spanish) through the National Agrifood Health, Quality and Safety (SENASICA, for its acronym in Spanish).

<sup>3</sup> General Environmental Balance and Protection Law (*Ley General del Equilibrio Ecológico y la Protección al Ambiente, LGEEPA*), published in the DOF (Official Bulletin of the Federation), 01-28-1988; latest amendment published in the DOF on January 24, 2017.

<sup>4</sup> SENASICA-04-038 “Aviso de Inicio de Funcionamiento” under the UPP mode.

<sup>5</sup> SENASICA-04-046-A “Solicitud para obtener el Certificado en Buenas Prácticas Pecuarias en unidades de producción primaria” (request to obtain good livestock practices certificate at primary production units) or SENASICA-04-046-B “Solicitud para obtener el Certificado en Buenas Prácticas Pecuarias en unidades de producción con fines de exportación” (request to obtain good livestock practices certificate at production units for export).

<sup>6</sup> *Ley Federal de Sanidad Animal*, published in the DOF on June 25, 2007; in effect, latest amendment published in the DOF on February 16, 2018).

<sup>7</sup> Administrative Order to the *Ley Federal de Sanidad Animal*, published in the DOF on May 21, 2012.)

In this sense, Norson meets the general animal welfare principles effective in the Livestock Production Systems of the World Organisation for Animal Health (OIE), including: (i) the physical environment, including the substrate (area for walking, resting, etc.), is adequate to minimize the risk of injuries and transmission of disease or parasites to animals, and such physical environment allows for resting comfortably, moving safely and comfortably, including normal position changes and the opportunity to engage in all types of natural behaviors; (ii) the social grouping of animals allows for positive social behavior and minimizes injuries, distress and chronic fear; (iii) in this case, in which animals are put up/placed in pens, the air quality, temperature and humidity support good animal health y prevent them from being aversive; (iv) animals have sufficient access to food<sup>8</sup> and water for their age and needs, to maintain normal health and productivity, and prevent hunger, thirst, malnutrition or dehydration over prolonged periods; (v) there are good management practices to prevent and control illnesses and parasites in place; also, animals with serious health issues are quickly isolated and treated, or humanly slaughtered if the treatment is unfeasible or recovery is improbable, or they are sent to a TIF establishment as provided for in NOM-033-SAG/ZOO-2014<sup>9</sup>; and, finally, (vi) managing these animals promotes a positive relationship between animals and humans, and it does not cause any injuries, panic, lasting fear or avoidable stress.

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

##### **4.1 Assessment and Management of E&S Risks and Impacts**

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

Norson has in place a Comprehensive Management System (CMS) at its farms, balanced feed plants, transport and general warehouse, that includes an Environmental Management System (EMS) based on the ISO 14001:2015 standard meeting PS1 requirements. In addition, the Company has a CMS Manual with several Standard Operational Procedures (SOP) for its effective implementation within the Business Units being the CMS coordinated by the Corporate Standards and Environmental Management. The CMS is audited on an annual basis and reviewed periodically by an authorized auditor.

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

The Company included an Environmental Policy within the CMS stating its commitment to the environment, sustainable development and ongoing improvement, as well as to meeting the applicable legal requirements, managing production with effective and efficient processes, and optimizing the use of natural resources to minimize the environmental impact and prevent pollution. In addition, this policy established that communication and training resources should be the main ways to disseminate among its personnel, contractors, team members, service providers, stakeholders and the supply chain.

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<sup>8</sup> Ensure that Mexican Official Standards are met and observed: NOM-061-ZOO-1999 on the zoosanitary specifications of food products for animal consumption.

<sup>9</sup> NOM-033-SAG/ZOO-2014, Methods for putting domestic and wild animals to death, published in the DOF on August 26, 2015).

Norson also has in place a Sustainability Policy defining the operating roles, responsibilities and procedures regarding sustainability, including: (i) strategy definition; (ii) strategy implementation; (iii) progress monitoring and policy compliance; and (iv) preparation of the sustainability report.

#### 4.1.c Identification of Risk and Impacts

##### 4.1.c.i Direct and Indirect Impacts and Risks

Norson's CMS includes a procedure to identify environmental and hazardous aspects, its assessment of regulatory risks and impacts and indicators which, based on regulations, standards and agreements related to the activities of each Business Unit, identify any major quality, environmental, and stakeholder health and safety risks, opportunities, hazards, aspects or impacts to determine operational controls or corrective actions, and measurement and monitoring mechanisms.

In addition, in compliance with environmental and accident prevention requirements, the PP has a Risk Study identifying any potential risks on the basis of how dangerous the substances and materials used are, specifically those within highly risky activities, the amounts stored and the safety measures implemented.

##### 4.1.c.ii Gender Risk

Although Mexico has in place laws<sup>10</sup> and agencies<sup>11</sup> seeking to protect women from violence and harassment, gender violence and sex crimes, the State of Sonora was ranked 20 among the states in the National Home Relations Dynamics Survey (ENDIREH for its acronym in Spanish) of 2016. According to Sonora statistics, the rate of women who have suffered some form of gender violence has fallen between 2006 and 2017, except for physical violence, which increased by 32% during that period. In 2019, 14.3% of women in Sonora over the age of 15 suffered bullying at school, 20.2% were subject to work violence, 18.6% endured community violence, 8.7% faced family violence, and 23.3% were victims of violence by their partner<sup>12</sup>. Moreover, this statistic is estimated to have worsened in 2020 due to the pandemic.

However, in accordance with the information provided by the Company broken down by type of activity (cattle rearing) and industrial activity (food processing) jointly with the fact that, except for the farms, the Business Units are located in urban centers, it is estimated that the gender risk is low and may be mitigated through the principles of the Company's Code of Ethics and Conduct, and equality and equity practices.

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<sup>10</sup> Federal Law to Prevent and Eradicate Discrimination (*Ley Federal para Prevenir y Erradicar la Discriminación*); General Law for Gender Equality between Men and Women (*Ley General para la Igualdad entre Mujeres y Hombres*) (2006); General Law Granting Women Access to a Violence-Free Life (*Ley General de Acceso de la Mujer a una Vida Libre de Violencia*) (February 2007) and its Administrative Order (March 2008).

<sup>11</sup> National Institute for Women (Inmujeres, for its acronym in Spanish); National Commission to Prevent and Eradicate Violence Against Women (CONAVIM, for its acronym in Spanish); National Discrimination Prevention Council (CONAPRED, for its acronym in Spanish); and National Human Rights Commission (CNDH, for its acronym in Spanish); among others.

<sup>12</sup> Report from the work group formed to take care of Gender Violence Alert Request AVGM/04/2019 in the State of Sonora.

#### 4.1.c.iii Exposure to Climate Change

In general, the Project's infrastructure is moderately exposed to physical risks and natural hazards due to the climate change, as follows: (i) as per a global climate model, there is high exposure to droughts and moderate exposure to changes in precipitation patterns and earthquakes; and (ii) the high exposure to droughts presents a moderate upward trend in the RCP 8.5 climate change scenario<sup>13</sup>.

However, based in information furnished by the Company, the risk from exposure to climate change is expected to be resolved by the measures proposed in the Emergency Response Plan, which is audited twice a year according to the Annual Audit Program in the CMS.

#### 4.1.d Management Program

All the Business Units have mitigation, restoration and compensation measures as described in the environmental impact and environmental risk study regularization reports jointly with compensation programs and contingency and emergency plans in the event of natural disasters. Some of the measures necessary to eliminate or mitigate each of the impacts or risks detected include (i) preventive measures aimed at eliminating or decreasing the frequency and/or severity of negative impacts or risks, supported by preventive and predictive equipment and machinery maintenance programs, as well as ongoing employee training programs and scheduled drills; and (ii) technical and operational recommendations based on compliance with national regulations, specifically in NOM-002-STPS-2010 establishing fire procedures and equipment to address emergency situations.

#### 4.1.e Organizational Capacity and Competency

Norson's organizational structure is engaged in E&S and OHS issues. The Company has a Corporate Standards and Environmental Management which also has analysts for the Food and Farms Divisions; there is also an Environmental Supervisor in the latter. This Management area is in charge of monitoring environmental regulation compliance as well as fostering a sustainable business model which is environmentally friendly and committed to preventing pollution.

As to the OHS aspects, the Company has a Safety and Health area per division and an OHS Coordinator at each of its plants or work centers, which are in charge of applying health, protection and safety procedures for all workers and external personnel (contractors and subcontractors, suppliers, visitors, etc.) in compliance with applicable health and safety laws and regulations, as well as its own policies.

Finally, the Company has a medical service at each plant, which is in charge of implementing and monitoring health and security protocols in response to the COVID-19 pandemic.

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<sup>13</sup> A Representative Concentration Pathway (RCP) is a greenhouse gas (GHG) (not emissions) concentration pathway adopted by the IPCC. The pathways describe the different climate future scenarios, all of which are deemed possible depending on the volume of GHG issued in the coming years. RCPs, originally RCP 2.6, RCP 4.5, RCP 6 and RCP 8.5, are labelled based on a potential range of radiative forcing values in 2100 (2.6, 4.5, 6 and 8.5 W/m<sup>2</sup>, respectively).

#### 4.1.f Emergency Preparedness and Response

As part of the CMS, Norson has an Emergency Response Plan (ERP) for each Project Business Unit meeting the internal civil protection plan required by the regulations issued by the Ministry of Labor and Social Welfare (STPS, for its acronym in Spanish) and in federal and local civil protection legislation<sup>14</sup>. The ERP establishes the mitigation and emergency preventive actions at a site to safeguard the physical integrity of workers, visitors, suppliers, other people or customers within the facilities, as well as to address a wide range of emergencies threatening property and uninterrupted production.

In addition, in compliance with the LGEEPA, the Company has developed Environmental Risk Studies for its plants in order to identify the main risk profile in accordance with the most relevant materials based on how dangerous they are and to describe the measures necessary to eliminate and mitigate each of the risk causes detected.

The General Emergency Coordinator is in charge of establishing the annual training program for emergency brigades, performing drills as required by Mexican regulations applicable in different scenarios (drill assessment) and including ERP implementation and monitoring issues.

#### 4.1.g Monitoring and Evaluation

Norton's goals include meeting all the environmental requirements of the local legislation. Therefore, within the CMS and in order to prevent penalties, the Company has set forth the performance of environmental audits to verify compliance with the legal application requirements in each Business Unit. Under the CMS Internal Audit Procedure, these audits are based on ISO 14001 (effective) standard requirements, as well as the procedures of the audited area, the CMS manual, operational controls and any applicable legal and regulatory documents. Apart from audits, its reports and the non-conformity and preventive and corrective actions procedure, this procedure establishes that the CMS coordinators and audit team responsibilities cover preparing or updating the Audit Program and the Annual Environmental Verification Program at the beginning of each year.

In addition, the Company has in place an Environmental Supervision SOP establishing the methodology to engage in environmental compliance verifications —preferably once a year— using the Environmental Audit Checklist which, according to the CMS requirements and the audited area POEs, could trigger the Corrective Action, Preventive Action and Non-Conformities Procedure.

In this sense, the Company will develop a compliance matrix of all the legal and contractual obligations necessary to build and operate each new Project infrastructure, which will include at least: (i) the effective LAI granted by CEDES from the State of Sonora before the construction works; and (ii) its COA (as the case may be) prior to the operation thereof.

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<sup>14</sup> General Civil Protection Law (*Ley General de Protección Civil*) and its Administrative Order and Law No. 282 on Civil Protection (*Ley de Protección Civil*) of the State of Sonora and its Administrative Order.

Regardless of the above, in full compliance with PS1, Norson will draft<sup>15</sup> a consolidated annual report on the status of compliance with all the E&S and OHS policies and measures applicable to the Project, including the progress of the CMS actions regarding the KPIs established, as well as the status of compliance with IDB Invest's Environmental and Social Sustainability Policy (as applicable to the Project). Through these internal or external audits, the Company will define specific measures to reduce impacts and improve efficiency, and document and report progress and new procedures, and other certifications, under Mexican regulations.

#### 4.1.h Stakeholder Engagement

Norson has identified all the stakeholders, including local authorities, the parties involved in its operations, and it has open and permanent communications with them. As part of the relations with these stakeholders, the Company has implemented (i) an internal and external Communications Procedure; (ii) an inquiries, grievances and claims mechanism; and (iii) digital — web site mainly— posting of the environmental and social performance of its operations.

#### 4.1.i External Communication and Grievance Mechanism

##### 4.1.i.i External Communication

Norson admits its responsibility in offering complete, updated, accurate and objective information in any case involving a statement to the press or public opinion. In this sense, Norson's Communication Committee is in charge of disseminating information and contacts with the press or any other interested party; this includes relevant information on the Company's environmental and regulatory performance.

The Company implemented a Communications Procedure establishing the methodology and guidelines for internal and external communication in the CMS, in addition to the CMS Coordinator, and the area and department head duties to identify the annual communication strategy and means available, whether internal (bulletins, news billboards, screensavers, meetings, e-mail, etc.) or external (web site, advertisements, social networks, etc.) and to address and reply any inquiries on the CMS.

In the event of crises, Norson has in place a Crisis Manual which, in addition to establishing the Crisis Committee, defines the crisis stage (pre-crisis, in-crisis and post-crisis) to determine the risk prevention and detection measures, containment and recovery or damage control. According to the Manual, the five steps to address crises are: (i) crisis cell, in which the Crisis Committee is made up in the first 24 hours of the beginning of the crisis; (ii) strategy, in which the Committee gathers all the information necessary to prevent the Company's image or reputation from being tarnished and generates the message, means to be used, communication frequency, allies and specific courses of action; (iii) message, identifying the target audiences, the appropriate communication channel and the Company's stance; (iv) spokesperson, determining who is the person from the Company in charge of communicating and speaking to the media and setting the message; and (v) degree of visibility, monitoring and assessing the results of the strategy in order to get to know the scope and impact, on both the internal and external audience.

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<sup>15</sup> Whether internally (internal audit) or through an independent external E&S expert (external audit).

#### 4.1.i.ii Grievance Mechanism for Affected Communities

Norson has in place a formal mechanism to receive inquiries, claims or grievances through a complaint box “Norson te Escucha” (Norson listens) in its web site (<https://norsonteescucha.ethicsglobal.com/>), seeking to make the Company’s business management more transparent and to maintain an open and honest relationship. Moreover, in its web site (<https://norson.net/contacto/>) the Company uses an external communication procedure and posts information about the persons in charge of the commercial areas and their contact information for each Branch.

#### 4.1.j On-Going Reporting to Affected Communities

Through its web site (<https://norson.net/sustentable/>), Norson provides information on the Company’s E&S performance and animal care.

## 4.2 Labor and Working Conditions

### 4.2.a Working Conditions and Management of Worker Relationships

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

Norson drafted a Code of Ethics and Conduct compulsory for all its collaborators, establishing: (i) the corporate values of customer service, integrity, their people, safety and the environment, team work and competitiveness; (ii) the commitments to their customers in connection with product quality and honest sale practices; (iii) health and safety commitments and standards among workers; (iv) the commitment to a responsible conduct with the environment and animal welfare; (v) the commitments to engage in business correctly, including the way to act in the event of conflicts of interest, gifts and commercial perks, providing gifts and other perks to government officials, as well as bribes, contributions and political activities, among others; (vi) the commitment to investors to prevent fraud, to have good communication with the media and social networks; (vii) the commitments to the Company regarding the care and good use of its physical assets, information and communication systems, commercial records, governmental investigations, subpoenas and evidence, intellectual property and commercial secrets; and (viii) the commitments to the community supported by the Socially Responsible Company recognition, which includes support through diverse programs and donations to community groups.

The parties in charge of monitoring the Code of Ethics and Conduct are the Ethics Committee or the Human Resources Management, who are responsible for disseminating and training all the workers; while the Purchasing Area is in charge of contractors and suppliers directly involved with the operation of the Business Units using the tool “*Portal de Proveedores*” (Suppliers’ portal).

In addition, in compliance with Federal Labor Law of Mexico, the Company drafted the Norson’s Employees Manual which also includes the Internal Work Regulations (RIT, for its acronym in Spanish) and the regulations and conditions related to: work days, work and break times; vacation; pay days and places; permits, absences and leaves; rights and obligations of both the Company and the workers; work of minors, protection of women and from discrimination or harassment; health

and safety, workers compensation medical services; behavior and disciplinary measures; risk prevention and, in general, compliance with labor laws, including the standards and grounds established by the International Labour Organisation (ILO) and other organizations determining labor regulations.

#### 4.2.a.ii Working Conditions and Terms of Employment

The provisions in the Code of Ethics and Conduct, Employees Manual and RIT meet the requirements of PS2 and local legislation and regulations on work and safety in Mexico. These provisions govern personnel recruiting and hiring forms and conditions; work days and times, break periods; vacation; leave; flexible work schemes to promote collaboration and productivity; salaries and benefits; the rights and obligations of the employer and the employees; conduct and disciplinary measures; safety of assets; prevention of risks, and disabled workers, among others.

To strengthen the knowledge of these working conditions, the Company requires that each worker declare their commitment to comply with the Code of Ethics and Conduct and commits to report any real, potential or apparent situation of noncompliance with such Code.

Norson enforces equal employment opportunities, and recruits and hires talent through transparent, objective, confidential and rigorous processes guaranteeing the respect for the principles of equality and nondiscrimination. In addition, within the recruiting conditions, the Company states that the personnel is selected and hired based on their skills, abilities, professional experience and how closely the candidates relate with the Company's values.

#### 4.2.a.iii Worker Organizations

Upon committing to complying with the applicable local legislation, NORSON recognizes the workers' rights to form labor associations and to be part of them, and it observes and assumes all the responsibilities arising from the legislation, including international treaties and conventions executed by the countries with the ILO<sup>16</sup>. The Company also has a Collective Bargaining Agreement with the Sindicato Estatal de Trabajadores (state workers union) from the agriculture, industrial, aquaculture, agribusiness and services areas of the State of Sonora, which is duly registered with the Junta Local de Conciliación y Arbitraje (local conciliation and arbitration board) of such state.

#### 4.2.a.iv Non-discrimination and Equal Opportunity

Mexico is a signatory of several ILO conventions and international treaties related to workers' rights including Convention 100 on Equal Remuneration and Convention 111 on Discrimination (Employment and Occupation). In addition to meeting these provisions and Federal Labor Law and its administrative orders, the Company establishes within its Code of Ethics and Conduct and the non-discrimination policy the respect for individual diversity and equity acting with justice, equality and impartiality seeking a positive and inclusive social impact.

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<sup>16</sup> Convention No. 87 on Freedom of Association and Protection of the Right to Organise and Convention No. 98 on the Right to Organise and Collective Bargaining.

Norson's Code of Ethics and Conduct, as well as the non-discrimination policy state the Company's position regarding the fact that it rejects discrimination, abuse and harassment in the workplace, as well as its commitment to promoting an environment in which no candidate, employee, supplier or contractor is excluded or discriminated against during a selection process due to their race, color, religion, ethnic origin or nationality, sex, sexual preference, age, disability, economic status or any other characteristic protected by law.

#### 4.2.a.v Grievance Mechanism

Grievances or claims regarding any inappropriate conduct, ethically questionable act or failure to meet labor policies, the values and Code of Ethics and Conduct of Norson should be submitted through the complaint channel "Norson te escucha", which integrates different communication lines including: (i) direct or written reports to the immediate supervisor, Human Resources Manager or a member of the Ethics Committee or (ii) indirect or anonymous reports by digital means, such as hotline, e-mail, web site, employees portal or WhatsApp. The Code of Ethics and Conduct establishes that all reports are confidential and may be carried out anonymously. Any retaliation against those reporting suspected violations or cooperating in the investigation of any suspicious act is prohibited.

All reports go directly to Ethics Global<sup>17</sup>, which is an outside independent company managing and operating the reporting communication lines. When a report is filed by any of the means above, the system will provide a follow-up code which will enable: (i) knowing the status of the investigation; (ii) knowing the conclusion and corrective measures, (iii) contributing additional information; (iv) reporting recidivism, and (v) attaching evidence files.

#### 4.2.b Protecting the Workforce

In compliance with all labor obligations in Mexico, Norson enters into labor relationships enforcing the minimal rights and obligations of employees and employers. The Company also promotes human, civil, political, economic, social and cultural rights equality and equity between men and women.

The Code of Ethics and Conduct, the Employees Manual and RIT establish that Company workers, contactors, third-party workers and suppliers (external persons) need to meet all the applicable Mexican laws and regulations.

In addition, the Company has Visitors' Access Regulations in place (all non-Norson personnel) for Project Plants indicating how they should act and behave at each Business Unit as well as the biosecurity, industrial safety, environmental and animal welfare guidelines to be considered while at the facilities.

#### 4.2.c Occupational Health and Safety

In compliance with Federal Labor Law and Federal Labor Health and Safety Rules, for each Business Unit, Norson implemented the Labor Health and Safety Programs including the guidelines to be

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<sup>17</sup> <https://www.ethicsglobal.com/es/index.html>

followed and actions to be taken to protect the physical integrity of workers, prevent injuries and damage to their health, as well as to prevent process safety from being affected by implementing and executing the procedures related to the emergency response in the CMS, identification of hazards, assessment of risks and establishment of prevention, correction, control and/or transfer of risk measures.

In addition, it also implemented biosecurity measures in compliance with good livestock practices under Mexican health legislation<sup>18</sup>, aimed at preventing the introduction and spread of infectious and contagious agents and preserving the pigs' and workers' health. These include: (i) infrastructure, from the farm site to the natural barriers, perimeter fence, access gate, disinfection gate and wheel wash, etc.; (ii) access control from the disinfection and isolation to the check-out of people, objects, vehicles, etc.; (iii) control of internal movements; (iv) exit control; and (v) records.

In the light of the COVID-19 pandemic, apart from implementing a COVID-19 Communication Committee, Norson has adopted an extensive program made up by four elements: training, healthy distance, health and hygiene, and a protocol to assist in the event of potential cases. In summary, the health, cleaning and biosecurity measures implemented at all of its Business Units are focused on: (i) workers, with recommendations of awareness actions to prevent spread, the use of face masks, the installation of inspection filters, social distancing, the suspension of travel, home office practices and support to vulnerable groups; (ii) customers, contractors and suppliers, by restricting visits to the essential ones only, but by establishing permanent communications in order to meet the commitments undertaken and maintain food supply as a priority; and (iii) operations, by establishing operational continuity, sampling routines or medical check-ups, reducing the number of people per work space, social distancing, modification of entrance, exit and break times, and recording positive cases and deaths.

Moreover, the Company adjusted the ERP in order to include the Emergency Response Plan in the event of epidemic contingencies (human diseases) with the sanitary measures to prevent outbreaks at its facilities apart from specific measures related to: (i) communications; (ii) personnel transportation; (iii) internal farm, office and service area personnel biosecurity; (iv) meetings and trainings; (v) visits by suppliers, contractors or any other person; (vi) travel; (vii) health care; (viii) lockdown and quarantine; and (ix) the use of disinfection products.

Thanks to these protocols and contingency measures, the Company has obtained a sanitary safety distinction from the Mexican Social Security Institute (IMSS, for its acronym in Spanish) for its Plants.

#### 4.2.d Workers Engaged by Third Parties

In accordance with the Code of Ethics and Conduct, all of the Company's labor regulations, its policies and procedures cover its personnel, customers, suppliers, contractors and other third parties equally. Whether the workers - both payroll and outsourced - remain at the Company depends on their compliance with the Code of Ethics and Conduct in addition to any applicable laws and regulations. These measures are reinforced through contractual clauses which have been incorporated in service provision agreements.

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<sup>18</sup> "Manual de Bioseguridad en Porcinos" (manual of pig biosafety) General Animal Health Office, SENASICA.

#### 4.2.e Supply Chain

The Code of Ethics and Conduct establishes that Norson does not condone human rights abuses, including child or forced labor in its operations or those of its contractors and suppliers. It also requires that the Company enforce any applicable legal regulations and the conventions ratified by Mexico including those related to the work of minors. Likewise, Norson's Suppliers Policy establishes that occupational health and safety legislation should be always complied with, as well as industrial safety policies and regulations in order to prevent accidents.

Based on the above, Norson has established within the Suppliers Selection, Approval and Assessment Procedure the following labor requirements applicable to all its suppliers: (i) meeting all labor laws applicable in Mexico; (ii) refraining from using child labor as per local legislation; (iii) refraining from engaging in forced labor practices; (iv) meeting all local non-discrimination laws and, non-discrimination and sexual harassment policies; and (v) meeting all statutory requirements in connection with salaries and benefits, including those related to minimum salary, payment of overtime and other benefits.

On the other hand, the Company has implemented within its Service and Sharefarming Agreements clauses related to being aware of and making its best efforts to comply with all the provisions in the Company's Code of Ethics and Conduct as well as any applicable laws, regulations and standards, mainly those aimed at preserving and taking care of the environment, labor rights and human rights. It is also established that the Supplier should strictly meet all the obligations established in Social Security Law<sup>19</sup> and National Workers Housing Fund Institute (INFONAVIT, for its acronym in Spanish) Law<sup>20</sup> and all the regulations and provisions applicable to its personnel should follow Norson's safety, hygiene and work hours guidelines.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

##### 4.3.a.i Greenhouse Gases

Since 2017 (base year) Norson has been quantifying its carbon footprint or the emission of greenhouse gases (GHG) and in 2018 and 2019 it quantified a reduction of 38% and 31%, respectively. On that same base year, a diesel consumption program was implemented, which consists in increasing the tons of cargo per container and using four-wheel trailers avoiding generating about 7,500 tons of GHG.

To meet PS3 requirements and applicable Mexican legislation, the Company will continue preparing an Annual GHG Emissions List for each of its operations (including those under the Sharefarming Financing) to quantify direct emissions from fuel consumption (scope 1) and indirect emission from

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<sup>19</sup> Social Security Law published in the DOF on December 21, 1995, as amended and published in the DOF of October 21, 2020.

<sup>20</sup> National Workers Housing Fund Institute Law, published in the DOF on April 24, 1972, as amended and published on April 23, 2021.

the consumption of electric power (scope 2). The changes in the results regarding the base year (2017) will be reported on an annual basis and the causes for such variation will be explained.

#### 4.3.a.ii Water Consumption

For the water resource, both the Project Plants and farms have their own well concession deeds issued by the National Water Commission (CONAGUA, for its acronym in Spanish) or their effective public utility supply agreements with the competent state authorities<sup>21</sup>. In 2019, according to the weekly reports of each Business Unit in the agribusiness division, a total of 3.2 million m<sup>3</sup> was consumed by all the Norson farms and a daily average of 250 to 300 m<sup>3</sup> at the Project Plants. The drinking water obtained from the wells and the public system is sampled under current regulations to verify whether it meets human consumption standards<sup>22</sup> and those required for process or livestock water (based on its use).

At present, the Company has established a 1% water reduction goal within the objectives and goals section of the Environmental Management System under ISO 14001-2015 standard. In this sense, the Company has taken the following actions to reduce and optimize water use in its operations: (i) substitution of obsolete or broken devices for state-of-the-art ones to reduce water consumption and avoid waste; (ii) execution of leak detection and repair programs; (iii) use of rainwater harvesting systems as an alternative source of water supply (wherever feasible); (iv) reuse of water treated for irrigation or public services, in compliance with applicable regulations<sup>23</sup>; and (iii) implementation of water use awareness campaigns.

For the new Sharefarming Financing, the Company will request the companies engaged in the Sharefarming Financing Projects to furnish water feasibility studies including a hydrological balance of water use demands and frequency within the area of influence of each well. It will also obtain the concession deed for each well whether from CONAGUA or the State Water Commission for the inherent state assets, based on the volume required for consumption.

#### 4.3.a.iii Energy

Since 2016, Norson has been receiving 70% of the energy used in its processing plants, the balanced food plant and 20 farms from a clean energy co-generator partner (combined cycle). The remaining 30% and the rest of the Business Units are supplied by the national medium voltage transmission grid under an agreement with the Federal Electricity Commission (CFE, for its acronym in Spanish).

As part of its sustainability commitment, the Company has adopted initiatives to minimize energy consumption, including: (i) progressive installation of LED lighting<sup>24</sup>; (ii) installation and replacement of equipment for other with more efficient consumption; (iii) turning off any idle equipment; (iv) preventive maintenance to improve equipment performance; (v) use of natural light in as many areas as possible; and (vi) training employees on energy saving.

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<sup>21</sup> Drinking Water and Sewers Commission of the State of Sonora (COAPAES, for its acronym in Spanish).

<sup>22</sup> NOM-127-SSA1-1994 as amended (November 2000)

<sup>23</sup> NOM-001-SEMARNAT-1996 and NOM-003-ECOL-1997.

<sup>24</sup> LED stands for Light Emitting Diode.

Norson has in place an SOP to build sustainable facilities stating the sustainability criteria for administrative or production buildings in compliance with the specifications, output and efficiency proposed by Mexican thermal and energy regulations (NOM's ENER).

Regardless of the above, for the new Sharefarming Financing infrastructure, the Company will obtain the power supply agreement with the CFE from the companies engaged in projects under the Sharefarming Financing, and will perform the electrical installation (substations, alternating current generators, power lines, etc.) in compliance with NOM-001-SEDE-2012.

#### 4.3.b Pollution Prevention

##### 4.3.b.i Wastes

Under health and environmental legislation<sup>25</sup>, Norson reports the volumes of special waste and of urban solid waste (regular and non-hazardous). At present, the Company separates, classifies and stores on a temporary basis the special waste and the solid urban waste produced at its facilities, and hires an external party authorized by the local environmental authority for its pick-up, transportation and management, whether to be valued and subsequently sold or disposed of at an authorized sanitary landfill. In this sense, the Company has a SOP for special waste management and another one for construction waste management setting forth the adequate management and disposal of such waste through responsible identification, labelling, logging and audit practices.

To dispose of dead pigs, the Company has a dead livestock management and disposal SOP establishing the adequate management and disposal in pits thus complying with environmental<sup>25</sup> and animal welfare<sup>8</sup> regulations.

As to liquid waste, the Company has a SOP for the operation of the stabilization-pond-based wastewater treatment system (WWTS) and another one for managing sludge and biosolids from WWTSs; both provide for the national regulatory compliance through responsible environmental practices. Both SOPs include preventive and corrective actions for cases in which the sustainable operation of the WWTS is endangered. They also include actions within the ERP to deal with extreme internal events (for example, wastewater overflow) as well as with those affecting third parties.

For all the new Sharefarming Financing infrastructure, Norson will provide advisory services and monitoring for the companies involved in these projects, to meet applicable environmental legislation through the Sharefarming Agreement.

##### 4.3.b.ii Hazardous Materials Management

Norson has in place SOPs for managing solid hazardous waste, biological and infectious hazardous waste, hazardous materials, and emergency responses in the event of incidents with waste or materials. These procedures intend to establish the measures necessary to manage these

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<sup>25</sup> NOM-161-SEMARNAT-2011, establishing the criteria to classify special waste and determining which is subject to the Management Plan, as well as including a list thereof, the procedure to be used to be include it or not in such a list, and the elements and procedures to design management plans.

substances correctly with a responsible focus and considering industrial and personnel safety as a priority in addition to environmental care. They also include instructions to determine the measures for collection and internal transportation of each type of hazardous or biological and infectious waste to temporary storage in accordance with the process established in the Waste Management Program in compliance with Mexican legislation<sup>26</sup>, as well as the use of an external waste manager authorized by the SEMARNAT for its final disposal in sanitary landfills.

Likewise, the SOPs include procedures for safe storage of hazardous materials which, jointly with the regulations, the safety sheets (HDS, for its acronym in Spanish) for each product or material in compliance with the current NOM-018-STPS<sup>27</sup>, official safety standards and procedures, includes a compliance control sheet for each hazardous substance, based on its characteristics.

As to fuel (LPG, diesel and gasoline) use, management and storage, Norson has in place a SOP for the unloading operation of such fuels in compliance with Mexican health and safety regulations<sup>28</sup> and trains the personnel authorized to use them; such training course is taught by previously trained personnel (instructors) or qualified personnel from the supplier.

In response to the use of hazardous materials, the ERP sets forth training courses for brigade members on the regulations applicable to each hazardous material, and the techniques to be used during emergencies; in addition, it provides the tools to develop the skills necessary for appropriate labelling, management and isolation practices for such hazardous material.

Again, for all the new Sharefarming Financing infrastructure, Norson will provide advisory services and monitoring for the companies involved in these projects, to meet applicable environmental legislation through the Sharefarming Agreement.

#### 4.3.b.iii Pesticide Use and Management

Norson drafted a SOP for hazardous chemical substances management when pesticides need to be used for sanitary control at any Business Unit. These pesticides are handled, stored, applied and disposed of following applicable regulations and the Pig Farm Good Production Practices Manual, whose compliance is compulsory within the Good Livestock Practices Certification granted by the SENASICA.

Moreover, slaughtering, chopping and added value plants meet the hazardous chemical substance management guidelines as part of the TIF Facilities Certification, which is also granted by the SENASICA and other international good practices recommended for the industry, such as Code SQF in the section on harmful fauna.

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<sup>26</sup> General Prevention and Comprehensive Management of Waste Law (LGPGIRS, for its acronym in Spanish) latest amendment published in the DOF on November 5, 2013, and its Administrative Order, published in the DOF on November 30, 2006.

<sup>27</sup> NOM-018-STPS-2000, System for identifying and reporting chemical substance risks at work centers.

<sup>28</sup> NOM-004-SEDG-2004, on LPG use facilities. Design and construction.

In this sense, the Project has in place appropriate controls to acquire, distribute or use those hazardous chemical substances. Such substances will be difficult to access by personnel lacking appropriate training, equipment and facilities to handle, store, apply and dispose of such products.

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

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

Norson operates its Business Units using the best environmental and OHS practices applicable under Mexican regulations. In addition, it has civil responsibility insurance covering any type of claim apart from any damage caused in nearby properties and environmental and social impacts that the operation may generate.

The new Sharefarming Financing infrastructure will be designed and built by competent, recognized contractors experienced in building and operating each type of facility (farms, access roads, ancillary facilities, etc.) in accordance with Mexican legislation.

Also, in order to prevent any impact on community health and safety, a strict control of animal diseases and adequate use of veterinary medicines avoiding misuse will be implemented during the operations of these farms.

##### **4.4.a.i Infrastructure and Equipment Design and Safety**

Norson hires professionals qualified in life and fire safety (L&FS) so that they may certify that all the facilities of each Business Unit are compliant with the national standards on fire safety and protection at the workplace<sup>29</sup>, which mention the international standards of the National Fire Protection Association (NFPA). These certifications involve inspecting the facilities and the L&FS equipment layout, as designed, and their state of operation as per international requirements.

Norson will verify through the Sharefarming Agreement that the new Sharefarming Financing infrastructure meets these fire safety and protection regulations at the workplace.

In addition, in compliance with LGEEPA, in 2013 the Company prepared an Environmental Risk Study resulting from the expansion of the cooling and freezing system using ammonia as the coolant. The Study concluded that the plant adequately meets the personnel, equipment and facilities level to address a contingency arising from an ammonia leakage and that as long as the plant operates within the design specifications, potential risks are controlled.

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

Norton has a security and surveillance service provided by a specialized security company, which is duly registered. The Company makes sure that all security personnel working at its facilities and plants holds the appropriate registration and certification to perform their duties issued by the

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<sup>29</sup> Mexican Official Standard NOM-002-STPS-2010, Safety conditions – Prevention and protection against fire at the workplace.

applicable authority<sup>30</sup> and that they have been trained in operational personnel duties, such as: (i) requirements to engage in private security guard services; (ii) training in human rights issues as well as any other taught by the Company; (iii) action principles, mainly preventive and deterring, with the use of force as the last resort; (iv) actions to be carried out to notify events to authorities; (v) use of communication, computing and deterring equipment; and (vi) penalties.

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

Norson and the companies which will develop the projects under the Sharefarming Financing will acquire the land where the new Project infrastructure will be built under strict compliance with PS5 through agreements entered at the satisfaction of both parties (buyer and seller) and in compliance with Mexican commercial and mercantile laws. If possible, involuntary resettlement will be avoided both in connection with physical displacement (relocation and loss of dwelling home) and economic displacement (loss of assets or access to assets causing a loss in revenue or other means of livelihood) as a result of land acquisition.

In this sense, before acquiring land for new Project farms (whatever the type of farm) or infrastructure, the Company and the companies engaged in the projects under the Sharefarming Financing will verify that: (i) agreements are negotiated on free-market terms and with the informed involvement of the participants, and (ii) such acquisitions do not cause the physical or economic displacement of people who, although not holding the formal ownership of property, are occupying or exploiting it or such property provides them with access to other resources.

Apart from building new farms or infrastructure for the Project, no new development will be implemented at the existing Business Units; consequently, no physical or economic displacement is expected in connection with the existing sites.

#### **4.6 Biodiversity Conservation and Natural Habitats**

Norson has a SOP for protecting wildlife, which describes the activities to protect wildlife at the facilities (close to the perimeter or entering the facilities by chance) through responsible practices focused on environmental care. Such SOP establishes that any act of aggression, subtraction, capture or traffic of wildlife are strictly prohibited. It also sets forth the relevant safety precautions to be applied by the Environmental and Standards Area when wild animals enter the facilities by chance.

However, before any future acquisition of land for new Project farms (of any type) or infrastructure, the Company and companies engaged in the projects under the Sharefarming Financing will, in addition to meeting biosecurity measures, preferably select previously intervened sites whether by agricultural (crops or livestock) or commercial activities with the following biodiversity characteristics: (i) they should not be located in natural habitats, of critical importance or of

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<sup>30</sup> *Dirección General de Seguridad Privada* (general private security office), from the *Secretaría de Gobernación* (internal affairs office) of the State of Sonora.

significant value to biodiversity; and (ii) they should not affect any ecosystem services<sup>31</sup> of the land directly managed by the companies or regarding which it has considerable influence or which depend on such services.

#### 4.6.a Supply Chain

Norson is aware of the need to control and influence the environmental and social impacts of its suppliers. To such end, in addition to the compliance with Suppliers Policy, the Company has developed a Supplier Selection, Approval and Assessment Procedure with the aim of providing a standard of the applicable requirements regarding asset safety, food safety, food defense, quality, personnel and environmental safety to be met by its suppliers when being added as new suppliers and upon being assessed for performance on an annual basis.

To be added and to remain as approved suppliers, live pig (farms), raw materials and ingredients suppliers must meet certain specific requirements from the Production or Procurement Departments, which include TIF and food safety standards certifications, certifications indicating that the products are free from barred substances or those indicated by Norson, certificates of origin and allergens declaration. For container, product and packaging handling materials, the requirements include mechanical drawings, specifications and technical sheets on the material (elements and raw materials) and their endurance, studies, tests and microbiology support, as well as food safety certificate under any standard recognized by the global Food Safety Initiative (GFSI).

As to the assessment of suppliers, the Procurement Department has in place an assessment system considering (i) the supplier's compliance performance in terms of the time, form and conditions agreed upon; (ii) the food safety and quality assessment for NORSON Alimentos, and safety and environmental assessment for NORSON Agropecuaria, assessing the SQF-approved or ISO 14001 certifications (as the case may be) and departure reports impacting the process, such as impact on the production schedule, customer complaints, non-compliant product, impacts on the audits or regarding SAGARPA, recalled products or idle times, environmental or safety impacts; and (iii) complete and updated documentation as per the type of product or service.

In order to support the procedure above, the Company drafted an Environmental Considerations Guide establishing the specific requirements for different types of suppliers; for example they must: (i) provide only with materials meeting the food safety, quality, safety and environmental standards applicable; (ii) report any potential environmental risk or risk for the health and safety of its products and send an updated copy or furnish the related safety sheet of the chemical substances or hazardous material provided; (iii) advise on resource consumption (energy, fuels, etc.) by the equipment and machinery under normal conditions, on the waste generated and its characteristics, on the maintenance thereof and correct operation measures to reduce environmental impacts and potential accidents and failures; (iv) manage the hazardous waste generated in accordance with effective regulations submitting the documentation supporting its correct management as well as

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<sup>31</sup> 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 the other services.

a copy of its registration as hazardous waste generator; and (v) immediately report any type of incident entailing a risk for the environment (chemical product spills, waste dumping, etc.).

As to the companies created under the Sharefarming Financing, in addition to the obligation to meet the provisions in Norson's Code of Ethics and Conduct mentioned above, the Pig Sharefarming Agreement (the "Sharefarming Agreement") establishes that such sharefarmer should (i) have in place the authorizations, environmental, health and any other permits, concessions, consents or licenses from the government which are legally necessary to meet the obligations it assumes under the Agreement; (ii) keep effective concessions for the extraction of water issued by the National Water Commission; (iii) have evidence that the wastewater discharged onto the aerated lagoons meets all applicable legislation and all the obligations and conditions imposed by applicable authorities; (iv) hire a third party with a permit to transport special waste for the immediate pick-up and final disposal of such waste in accordance with applicable legislation (the farmer will only use and keep waste temporary storage, treatment and disposal facilities approved by applicable federal, state and local authorities); (v) have all the facilities, ancillary services, personnel and inputs necessary to meet its obligations at the farm during the effectiveness of the Agreement; and (vi) meet and enforce the health and biosecurity measures and protocols for anyone entering the facilities.

#### **4.7 Indigenous Peoples**

Norson and the companies which will develop the projects under its Sharefarming Financing will do their best so that the land chosen to build any part of its new infrastructure does not affect the lands and resources of indigenous peoples, except for certain indigenous peoples who may be partners in the Project, in which case the requirements in PS7 should be met.

In this regard, prior to any future land acquisition to establish new Project farms (whatever the type of farm) or infrastructure, the Company and the companies engaged in the projects under the Sharefarming Financing will verify that if there were indigenous peoples present, in addition to complying with Mexican indigenous peoples legislation and rights<sup>32</sup>, a report on the consultation and engagement process should be submitted, as well as a letter of consent from the authorities or legitimate representatives of such indigenous peoples.

#### **4.8 Cultural Heritage**

As in the cases above, before acquiring land for new Project farms (whatever the type of farm) or infrastructure, Norson and the companies engaged in projects under the Sharefarming Financing will verify that: (i) the new infrastructure is not built in known cultural heritage and/or legally protected areas; and (ii) in the event of chance finds, in addition to meeting the relevant legislation regarding the protection of such cultural heritage<sup>33</sup>, no additional disturbances are generated and actions are taken in line with local legislation requirements and PS8 requirements.

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<sup>32</sup> Indigenous Peoples Development National Commission Law.

<sup>33</sup> Federal, Archeological, Artistic and Historical Monuments and Sites Law of 1972, as amended in 1984 and 1986.

## 5 Local Access of Project Documentation

NORSON offers additional information on its corporate and social responsibility, and sustainable performance in its web site (<https://norson.net/sustentable/>).