

**Environmental and Social Action Plan - ESAP**  
**NORSON – MEXICO**

No.	Reference	Action Item	Final Product/Deliverable	Anticipated Completion Date
<b>PS 1: Assessment and Management of Environmental and Social Risks</b>				
1.1	Monitoring and evaluation indicators	1. Developing a compliance matrix with all the legal and contractual obligations necessary for the construction and operation of the new infrastructure under the Sharefarming Financing.	1. Copy of the regulatory compliance matrix for the new infrastructure under the Sharefarming Financing	1. 15 days prior to the construction of the new infrastructure under the Sharefarming Financing
1.2	Project Compliance with Applicable Standards	1. Through an internal audit or conducted by an external independent E&S expert (external audit), drafting 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 against the KPIs established, as well as the status of compliance with IDB Invest's Environmental and Social Sustainability Policy.	1. Periodic Environmental and Social Compliance Report (ESCR)	1. Annually over the life of the loan
<b>PS 3: Resource Efficiency and Pollution Prevention</b>				
3.1	Greenhouse Gases (GHG)	1. Preparing an annual list of GHG emissions for Frigorífico Agropecuaria Sonorense S. de R.L. de C. (Norson company) quantifying both direct emissions from fuel consumption (scope 1) and indirect emissions arising from electric power consumption (scope 2).	1. Copy of the annual list of GHG emissions	1. 30 days after the annual COA filing (July each year)
		2. Obtaining from the companies engaged in the projects under the Sharefarming Financing the annual list of GHG emissions quantifying direct emissions from fuel consumption (scope 1) as well as indirect emissions from electric power consumption (scope 2).	2. Copy of the annual list of GHG emissions for the new infrastructure under the Sharefarming Financing	2. Results report in each ESCR

No.	Reference	Action Item	Final Product/Deliverable	Anticipated Completion Date
3.2	Water Concession	1. Obtaining from the companies engaged in the projects under the Sharefarming Financing water feasibility studies including a hydrological balance of water use demands and frequency within the area of influence and the concession deed for each well.	1. Copy of water feasibility studies and of the water concession deed for each well for the new infrastructure under the Sharefarming Financing	1. 15 days prior to the operation of each well
3.3	Electric Power	1. Obtaining from the companies engaged in the projects under the Sharefarming Financing the power supply agreement with the CFE for the new Project farms, and developing the necessary electrical installations, in compliance with NOM-001-SEDE-2012.	1. Copy of the power supply agreements for the new infrastructure under the Sharefarming Financing	1. 15 days prior to the operation of each new farm in the Project
<b>PS 5: Land Acquisition and Involuntary Resettlement</b>				
5.1	Land acquisition	1. Verifying, before any future acquisition of land for new Project farms (whichever the type of farm) or infrastructure, 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.	1. Documentary evidence of the verifications of the conditions of the lands for the new Project farms and infrastructure	1. Prior to the acquisition of land for new Project farms and infrastructure
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>				
6.1	Conservation of biodiversity	1. Selecting, before any future acquisition of land for the new Project farms (of any type) or infrastructure, 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 significant value to biodiversity; and (ii) they should not affect any	1. Documentary evidence of the selection of land for the new Project farms and infrastructure	1. Prior to the acquisition of land for new Project farms and infrastructure

No.	Reference	Action Item	Final Product/Deliverable	Anticipated Completion Date
		ecosystem services <sup>1</sup> of the land directly managed by the companies or regarding which it has considerable influence or which depend on such services.		
<b>PS7: Indigenous Peoples</b>				
7.1	Indigenous People	1. Verifying, prior to any future land acquisition to establish new Project farms (whatever the type of farm) or infrastructure that, if there were indigenous peoples present, in addition to complying with Mexican indigenous peoples legislation and rights <sup>2</sup> , a report on the consultation and engagement process is submitted, as well as a letter of consent from the authorities or legitimate representatives of such indigenous peoples before the beginning of the construction works.	1. Documentary evidence of the verifications of the conditions of the lands for the new Project farms and infrastructure	1. Prior to the acquisition of land for new Project farms and infrastructure
<b>PS 8: Cultural Heritage</b>				
8.1	Cultural Heritage	1. Verifying, prior to any future acquisition of land for the new Project farms (whatever its type) or infrastructure 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>3</sup> , no additional disturbances are generated and actions are taken in line with local legislation requirements and PS8 requirements.	1. Documentary evidence of the verifications of the conditions of the lands for the new Project farms and infrastructure	1. Prior to the acquisition of land for new Project farms and infrastructure

<sup>1</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.

<sup>2</sup> Indigenous Peoples Development National Commission Law.

<sup>3</sup> Federal, Archeological, Artistic and Historical Monuments and Sites Law of 1972, as amended in 1984 and 1986.