

Environmental and Social Review Summary (ESRS) Agrovisión – Peru

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1. Scope of the Environmental and Social Review

Agrovisión (the “Company”) engages in the planting, production, and packing of fresh fruit for export, with blueberries as its main crop. The Company began operations in Peru in 2015 and consists of two companies, Agrovisión Peru and Arena Verde,¹ which operate under the jurisdiction of the districts of Olmos and Mórrope in the department of Lambayeque. The Company is the third largest blueberry producer in Peru (12% market share), and also produces asparagus, avocados, and grapes in 1,793 hectares in the department of Lambayeque in Peru.

Its main blueberry production is in three lots (C5, C6 and A9) within the Olmos - Tinajones Special Irrigation Project² (“PEOT” for its spanish acronym). Lot C5 also houses the packing plant for the Company's agricultural products, which has a throughput of 1,060 tons per day. The Company has three additional estates on land adjacent to the PEOT where it has 483 hectares planted with asparagus; these lands are under a 100-year lease with the Peasant Community of San Pedro de Mórrope (“SPM”).

IDB Invest visited the company's operations in Peru. The visit included crop fields, the packing plant, campsite, forest reserve, associated infrastructure, and interviews with the Company's environmental, social, human resources, purchasing and logistics, irrigation, production, occupational health, and safety (“OHS”) and forest reserve management, SPM authorities, and representatives of the Mórrope health center, among others. IDB Invest's Environmental and Social Due Diligence (“ESDD”) process included the review of technical documents and those related to environmental, health and safety (“EHS”) practices submitted by the Company and obtained from official sources.

2. Environmental and Social Categorization and Rationale

This is a Category B operation under IDB Invest's Environmental and Social Sustainability Policy, as it may have a limited number of environmental and social impacts that can be avoided or mitigated by adhering to generally recognized Performance Standards (“PS”), guidelines, or design criteria. The environmental and social issues associated with the operation are: i) functionality of the environmental and social management and monitoring systems; ii) sustainable management of

¹ Arena Verde operates in the area and has been interacting with the San Pedro de Mórrope Campesino Community since 2008.

² The PEOT consists of transferring water from the Huancabamba River from the Atlantic slope to the Pacific slope through the 20 km long Trans-Andean Tunnel to be used for irrigation of uncultivated land in the Olmos Valley and hydroelectric power generation. <https://www.regionlambayeque.gob.pe/web/tema/detalle/2002?pass=MTA1Nw==>

water resources; iii) management of workers' labor conditions; iv) use and management of agrochemicals; v) emergency response; vi) management of local labor contracting; and vii) biodiversity conservation.

IDB Invest's environmental due diligence indicates that the investment could have impacts that should be managed in a manner consistent with the International Finance Corporation's ("IFC") Environmental, Health, and Safety Guidelines for Perennial Crop Production and the following Performance Standards ("PS"): i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety, and Security; v) PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

3. Environmental and Social Context

3.1 General environmental and social characteristics

Agrovisión's crops are grown in the Olmos and Mórrope districts, both of which are very dry areas with sandy soils and a desert ecosystem of uncultivated land suitable for agriculture. The climate is semi-tropical or tropical dry, which is fragile and poor in biological diversity, with seasonal rainfall regimes (very light in summer and absent the rest of the year). Rains intensify in the presence of the "El Niño" phenomenon, and in some cases are accompanied by thunderstorms. Minimum and maximum temperatures range between 20°C to 35°C in summer-spring and 12°C to 27°C in autumn-winter.

Part of Agrovisión's sustainability strategy is to build an agro-ecosystem with the greatest possible species diversity, which in turn ensures sustained development from a physical, chemical, and biological standpoint, which is why it has earmarked 700ha for the creation of a Private Forest Reserve in strategic areas within its estates in Mórrope.

In terms of accessibility, Agrovisión's estates in the PEOT are accessed from a road located at kilometer 855 of the North Pan-American Highway; inside the PEOT there are two roads, the north and south branches that connect Lots C5, C6, and A9. The main source of water in lots C5, C6, and A9 comes from the PEOT's Palo Verde reservoir, which then passes into the Limón dam where it is stored and then distributed to each of the Olmos-Tinajones irrigation lots. Agrovisión's fields are equipped with hydrants, connections and groundwater and surface water pipelines (wells are used as a complement). On the other hand, power is obtained through an electrical substation which is controlled by the supplier COELVISAC.

Socially, Agrovisión's operations are developed in an area characterized by high poverty rates and the presence of the peasant communities of Santo Domingo de Olmos ("SDO"), in the Olmos district, and that of San Pedro de Mórrope ("SPM"), in the district of the same name. The district of Mórrope is the most populated of all the districts in the Province of Lambayeque. Its population is 46,046 inhabitants (according to the 2015 Census), and it has 36 hamlets, 4 population centers and 70

annexes. Its population is predominantly rural (48%) and dispersed.³ On the other hand, the district of Olmos has 40,642 inhabitants⁴, 11 Minor Population Centers, 4 Young Villages, 3 Urbanizations, 1 Human Settlement, and 173 Hamlets⁵; its territory constitutes 51% of the area of Lambayeque.

The company has an environmental license issued by the Ministry of the Environment, which is updated every 5 years, but has no expiration date. It also holds a water use license, certificates of absence of archaeological remains, and an archaeological monitoring plan approved by the Ministry of Culture.

3.2 Contextual Risks

The Department of Lambayeque has a high crime rate and a low perception of personal safety both in terms of property damage and family violence.⁶ According to the Peruvian Public Prosecutor's Office, Lambayeque ranks first at the national level in terms of the highest number of teenage offenders for crimes against property.⁷ Similarly, the capital of Lambayeque (Chiclayo) was the city with the most human rights violations reported in Peru in 2015,⁸ and is now the fifth region with the highest number of reports of violence against women and family members, as well as being among the top three regions with the highest rate of missing women. In 2022 alone, more than 2,000 cases of violence against women were reported in the region.⁹

Both SDO and SPM are in the Company's area of influence. In addition to the issues mentioned in the previous paragraph, both peasant communities are exposed to land conflicts as a result of invasions, illicit trafficking, untitled ancestral lands and the lack of clear boundaries between them. Each of these communities has started legal proceedings for land issues against PEOT and other third parties. The SPM is in a conciliatory process with the PEOT, since there are 22,000 hectares that are about to be auctioned by the State (Phase II of the PEOT) that are currently occupied by community members engaged in livestock, beekeeping and agricultural activities.¹⁰ On the other hand, in December 2021 the SDO filed a complaint before the Inter-American Court of Human Rights ("IACHR") against the Peruvian State in order to recover lands expropriated by the PEOT without the latter having recognized a negotiation process and payment of a fair price.¹¹ This action follows the declaration of inadmissibility handed down by the Peruvian Constitutional Court in August 2021¹² to the constitutional grievance filed by the SDO in June 2019.

³ <http://www.munimorropo.gob.pe/poblacion/>

⁴ <https://www.distrito.pe/distrito-olmos.html>

⁵ https://www.peru.gob.pe/Nuevo_Portal_Municipal/portales/Municipalidades/1266/entidad/pm_municipalidad_tematicos.asp?cod_tema=76059

⁶ <https://web.ua.es/es/giecryal/documentos/delinuencia-lambayeque.pdf>

⁷ <https://diariocorreo.pe/edicion/lambayeque/la-region-lambayeque-ocupa-el-primer-lugar-en-delinuencia-juvenil-noticia>

⁸ <https://rpp.pe/peru/lambayeque/chiclayo-es-la-ciudad-con-mas-denuncias-contra-los-derechos-humanos-noticia-910595?ref=rpp>

⁹ <https://larepublica.pe/sociedad/2022/08/28/lambayeque-reporta-mas-de-2000-casos-de-violencia-contra-la-mujer-en-lo-que-va-del-ano-lrnd/>

¹⁰ <https://www.facebook.com/Comunidad-Campesina-San-Pedro-de-M%C3%B3rrope-2022-2023-112086403658271/>

¹¹ <https://www.facebook.com/CCSDOLAMBAYEQUE/>

¹² <https://docssisgedo3.regionlambayeque.gob.pe/docs/sisgedo/uploads/0408202112334066382432.pdf>

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a E&S Assessment and Management System

The Company has an Environmental Management Policy committed to maintaining and seeking continuous improvement of its environmental management system and makes sustainable production essential aspect of its strategy. Since Agrovisión has several certifications, over time it has gradually formalized its agricultural and industrial operating programs and procedures in response to the requirements of each. For this reason, the Company is in the process of consolidating and standardizing all management programs related to environmental and social issues in an integrated management system under ISO 14001 standards.

4.1.b Policy

Agrovisión has an Environmental Management Policy approved in December 2021 by the Company's general management. The Policy commits to principles of environmental care and social responsibility as part of its sustainable production, as well as compliance with the legislation in force, the non-impact on communities and inhabitants of the area of influence, and the efficient use of natural resources.

4.1.c Identification of Risks and Impacts

4.1.c.i Direct and Indirect Impacts and Risks

The risks and impacts of Agrovisión's operations are identified and evaluated in different environmental management instruments according to the corresponding lot. Thus, lot A9 has a semi-detailed Environmental Impact Assessment ("EIA"), which was last modified in August 2020; lots C5 and C6 each have an Environmental Impact Statement ("EIS") for the construction of agricultural infrastructure works, including the fresh fruit packing plant. In addition, PEOT updated its EIA between June and September 2021, ensuring that the programs and plans of its environmental management instruments include prevention, correction, mitigation or compensation measures to manage the Project's impacts.¹³ At the OHS level, the Company has a HIREC (Hazard Identification, Risk Evaluation and Control measures) Matrix that allows it to identify hazards and evaluate the risks associated with its operations. The Company is in the process of consolidating all the environmental and social impacts of its operations to establish an integrated management.

4.1.c.ii Gender Risks

Peruvian national legislation, to which Agrovisión adheres, guarantees non-discrimination by also providing protection and benefits for pregnant and breastfeeding women, including work breaks and change of assignments if necessary. In addition, Agrovisión has a hazard identification and risk

¹³ <https://www.regionlambayeque.gob.pe/web/noticia/detalle/34741?pass=MTA1Nw==>

assessment matrix for its operations that includes vulnerable populations (women, people with disabilities, and the elderly) and has a health care program for this group of employees. The Company's sanitary facilities (toilets, showers and changing rooms) are separated by gender, and the transportation and lodging services offered have conditions suitable for both men and women. The physical security team also has female personnel, who, when required, oversee female employees.

The Company's policies adhere to human rights, to maintaining workplaces where there is no discrimination or physical or verbal harassment and where equity is promoted, which is even highlighted as the axis of its Community Relations Plan. To this end, it has instruments that operationalize its policies, such as the Procedure for the Prevention and Punishment of Sexual Harassment, and it promotes training sessions against gender-based violence among its employees and in the community.

4.1.c.iii Climate Change Exposure

The agri-food industry is very sensitive to climate change impacts, with temperature levels, water availability and the incidence of pests and diseases being critical issues for the industry. In response to this, Agrovisión has incorporated a differential approach to sustainability into its business model, encouraging adherence to certifications that guarantee its sustainable agricultural management and promote actions for the conservation, restoration, and protection of natural dry forest corridors.

The Company's Environmental Management Policy highlights the promotion of research and development of new technologies that contribute to climate change mitigation as one of its fundamental principles. The Company has identified the consequences that the El Niño-Southern Oscillation ("ENSO") could bring to its operations. The risks of constant and abundant rainfall associated with the ENSO phenomenon cause the Olmos River to swell, generating floods and carrying suspended sediments and bottom material, which could cause damage to water transfer structures and irrigation systems. For this reason, mitigation measures such as the identification of water corridors, protection of dry riverbanks, and plant reinforcement along the edges of the water drainage system to prevent flooding have been established, as well as organized work between the PEOT and neighboring companies to achieve, among other things, sustainable management of the aquifer.

Since the Company's operations are mainly carried out as part of an irrigation project that transfers water from the Atlantic to the Pacific slope, drought risk exposure is reduced. In this regard, the Company focuses its water resource management not only on surface water available through the PEOT, but also on technical studies of the aquifer and using groundwater to supplement the water supply for its agricultural operations. In addition, it performs runoff management outside the work areas and on susceptible soils. As a result of these efforts, Agrovisión obtained the certification of sustainable water use given by AWS (Alliance for Water Stewardship) in December 2021.

4.1.d Management Programs

The Company's Management Programs are derived from the Environmental Management Plans approved in the preliminary, semi-detailed and detailed environmental assessments of its different

production units. Environmental programs include: i) solid waste management, ii) biodiversity monitoring, iii) environmental monitoring (air quality, groundwater, domestic effluents, occupational and environmental noise emissions), iv) environmental risk contingencies, v) control of pesticides in the air, soil, and water table, vi) training and onboardings, vii) particulate matter control measures. In addition to these, there are the social programs derived from its Community Relations Plan: i) Sowing Life, ii) Sowing Peace, iii) Sowing Hope, iv) Sowing Joy, v) Sowing Health, vi) Sowing Identity, vii) Sowing Education, and viii) Staple Food Supply Plan. Likewise, the OHS area manages an Annual OHS Program that consolidates the OHS activities to be prioritized during the year, one of them being the implementation, preparation, and update of its Programs, Procedures, and Instructions.

Agrovisión holds several management certifications that it reviews annually, such as Global Gap's Good Agricultural Practices and the British Retail Consortium's (BRC Food) Global Food Safety Certification, which applies to the areas of agricultural production and packaging processes. At the social-commercial level, it also holds SMETA¹⁴ certifications from Sedex,¹⁵ EFI,¹⁶ and GRASP,¹⁷ all of which are renewed annually. At the OHS level, the Company is in the process of approving its system to obtain ISO 45001 certification.

4.1.e Organizational Capacity and Competency

The Company has the organizational capacity and competencies required to implement and follow up on the programs undertaken in its ESMS. Agrovisión incorporates professional and experienced personnel into the organization to manage environmental, social, occupational health and safety, and legal requirements. Team roles are defined at the operational and corporate levels. Each area prepares an annual work plan with goals, deadlines, budget allocation, and performance indicators.

4.1.f Emergency Preparedness and Response

The Company has a Contingency Plan for its general operations and a specific one for the fresh fruit packing plant that contains a set of preventive measures before, during, and after a threat materializes. The general plan identifies risk and vulnerability analyses for natural factors such as earthquakes and rainfall, as well as human/technological factors such as fires, spills, explosions, hazardous substance leaks, etc. On the other hand, the plan designed for the Packing Plant contains the risk assessment related to the activities that take place in this facility. The Plan establishes the Civil Defense Committee for emergencies, different types of brigades (first aid, fire, etc.), the

¹⁴ Ethical trade audit procedure for Sedex members using the ETI code (most relevant international standards based on ILO conventions) and local laws as a tool to assess suppliers and supply chains in order to understand working conditions. <https://www.sedex.com/es/nuestros-servicios/auditoria-smeta/que-es-smeta/>

¹⁵ Global membership organization that facilitates the creation of good businesses and hosts the largest global collaborative platform for sharing data on responsible supply chains. <https://www.sedex.com>

¹⁶ *Equitable Food Initiative*, certification that provides greater assurance to buyers and consumers about how the fresh fruits and vegetables they purchase are produced. It includes aspects of working conditions, food safety, and pest management at all levels of the farming operation. <https://equitablefood.org/certificacion-efi/>

¹⁷ GLOBAL G.A.P. Risk Assessment on social practices which covers the main issues of the UN Guiding Principles on Business and Human Rights and the core labor conventions of the International Labor Organization (ILO) through four main issues: workers' voice, information on human and labor rights, human and labor rights indicators, and the protection of children and young workers. <https://www.globalgap.org/es/for-producers/globalg.a.p.-add-on/grasp/>

communications procedure including internal and external support contacts, and specific procedures to be applied before, during, and after each of the identified risks (earthquakes, explosions, fires, rain/floods, medical emergencies, gas leaks, hold-ups, etc.). It also identifies drills and their procedures, the Company's risk map, the distribution of fire extinguishers and evacuation routes.

4.1.g Monitoring and Review

The Company monitors and reports the environmental, social and OHS performance of its operations to senior management using indicators, as established in its Environmental Management Policy. Monitoring also includes crop-related monitoring, such as pest monitoring to determine pesticide application, release of natural enemies, and others. Agrovisión applies an Internal Audit Procedure whose scope includes its Quality Management System, the BASC system,¹⁸ the labor ethics and OHS system, as well as an annual program of external audits related to the Company's process and product certifications. It also applies document regulation procedures, procedures for the operation of its wastewater and drinking water treatment plants, and the preparation of reports for the authorities, among others.

At the regulatory level, the Company is monitored by the National Agricultural Health Service ("SENASA" for its spanish acronym) and the Ministry of Labor, the former focused on product quality issues and the latter on compliance with worker benefit laws. It is also supervised by the National Forestry and Wildlife Service ("SERFOR" for its spanish acronym) and the Office of Environmental Evaluation and Oversight ("OEFA" for its spanish acronym) on the Plan approved to achieve the conservation and restoration of a total of 1,978 hectares of dry forest.

4.1.h Stakeholder Engagement

The Company's Code of Ethics emphasizes that Agrovisión and its employees aim to create open, sincere, and mutually beneficial relationships with the society and communities where it operates. For this reason, Agrovisión has developed different social assistance programs, which have a differential approach to achieve a greater positive impact on vulnerable populations. The Community Relations Plan includes the following programs: (i) Sowing Peace, which works with vulnerable populations and provides psychological care to victims of violence; (ii) Sowing Life, through which it supports the provision of drinking water to communities with water shortages; (iii) Sowing Health, through which it promotes comprehensive health campaigns; (iv) Sowing Joy, which consists of the implementation and improvement of environments in early childhood schools; (v) Sowing Education, through which it provides training to local producers; and (vi) Sowing Identity, which promotes cultural identification activities in the community.

The Company actively participates in the generation of direct and indirect employment in the communities in its area of influence, in addition to offering technical training opportunities to the inhabitants so that they can achieve better professional development prospects. Employment opportunities also include opportunities for business growth as it considers community

¹⁸ Business Alliance for Secure Commerce

entrepreneurs for opportunities to be personnel transportation providers, supporting them in the required formalization process.

4.1.h.i Disclosure of Information

The Company uses each of the activities it implements, whether through its social programs or through local labor recruitment campaigns, to exchange information with the population and spread the word about Agrovisión's operations. Information dissemination initiatives use social media, radio, direct interaction with community, municipality, hamlet, and town authorities, as well as with representatives of educational, health, and public safety institutions.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External Communication

Agrovisión has an active presence on social media, which it uses to disseminate information relevant to its management. For this reason, the Company also developed a "Protocol for the Management of Digital Complaints and Incident Reporting" which is aimed at addressing complaints and suggestions received through Agrovisión's digital channels (Facebook, SMS, call center, WhatsApp, etc.). Finally, since 2020, Agrovisión has been preparing its Environmental and Social Sustainability Report following the Global Reporting Initiative (GRI) standards.

4.1.i.ii Community Grievance Mechanism

Agrovisión has a "Procedure for attending to community grievances and suggestions" that allows it to attend to and clarify disputes with the inhabitants of SPM. The procedure establishes responsibilities not only for Company personnel, but also for SPM to resolve disputes. In this regard, the Social Affairs Secretariat of SPM is responsible for recording the statements of the person submitting the petition, complaint, claim or request ("PCCR") and through bimonthly meetings of an Advisory Council composed of representatives of Agrovisión and the community. The procedure includes the preparation of case reports to be shared with the areas involved.

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

The company has had a Labor Policy in place since 2017, which was last updated in August 2022. This policy is updated every three years and is signed by general management and employee representatives from each of the Company's operating lots, including the packing plant. The Policy emphasizes the commitment to promote an open and inclusive workplace, where all employees are valued and motivated to reach their highest possible performance. The Policy is complemented by the Internal Labor Regulations ("ILR"), Code of Ethics and Conduct, OHS Regulations, among others,

which are provided to employees at the time of their incorporation and are part of the Company's Training and Development Management Plan.

Agrovisión also has a "Procedure for Recruitment and Selection of Employees and Workers", which highlights the processes, activities, responsibilities, and respective implementation records. The Company employs 8,328 direct employees, which as of July 2022 include 4,834 men and 3,494 women. The promotion of women's participation is a clear hallmark of its management. At the administrative level (assistants, analysts, coordinators, supervisors, heads), Agrovisión has 48% women and 52% men, while at the managerial and assistant managerial levels, 41% women and 59% men.

4.2.a.ii Working Conditions and Terms of Employment

Agrovisión's commercial strategy focuses on premium varieties, which command premium prices and provides competitive salaries and bonuses to its workers in comparison to the local labor market. At the local hiring level, the SPM and SDO populations are the main beneficiaries and are the focus of early and planned recruitment processes to meet peaks of up to 17,000 workers (estimated for 2022), making it one of the Company's most robust programs. A procedure has also been established for management, hiring, and benefits for foreign applicants in which specialized legal support is available for hiring under applicable Peruvian law.

Working hours are in accordance with Peruvian laws regarding working hours, overtime, and benefits. Overtime is voluntary and occurs in exceptional circumstances for essential work. All workers have one day off per week, access to clean toilets and drinking water, cafeterias where they can store their food (established by labor policy), and some have access to accommodation. The camp has a capacity for 4,000 people, but is currently operating at 50% due to COVID-19 restrictions. It has rules that establish procedures and behaviors that workers and visitors must respect during their stay.

4.2.a.iii Workers' Organizations

There are no labor unions at the Company's operations; instead, there is a "Workers' Representatives Committee" whose functions include addressing labor issues when the situation warrants it. Despite the current absence of unions, the Labor Policy emphasizes that the Company respects the right of its employees to form a union, and to join one or not, without fear of retaliation, intimidation, or harassment. It is also committed to establishing a constructive dialogue should employees wish to be represented by a legally recognized union. Another space where employees are represented is the Sexual Harassment Intervention Committee ("SHIC"), which consists of four members: two employee representatives and two Company representatives, guaranteeing gender parity.

4.2.a.iv Non-discrimination and Equal Opportunity

The rationale for recruitment, hiring, placement, training, compensation, and promotions at Agrovisión's farms is based on skills, performance, abilities, and experience. Wages are based on the principle of equal pay for work of equal value, so there is no discrimination between workers based

on sex, religion, race, sexual orientation, ideology, or any other type, which means that unjustifiably unequal or discriminatory treatment is not allowed in any aspect of the employment relationship. This way, Agrovisión promotes workplaces free of discrimination and physical or verbal harassment and has a "Recruitment and Selection Procedure for Employees and Workers" as part of its management system, which includes a specific hiring process for personnel with disabilities.

4.2.a.v Retrenchment

Due to the nature of the agricultural activity, the Peruvian Agrarian Law establishes that agricultural workers' contracts are temporary (per season) and include social benefits. During the harvest season, there is an increased demand for workers, who are hired only on a seasonal basis and for specific tasks. However, workers engaged for these peaks have the same benefits as permanent workers.

4.2.a.vi Grievance Mechanism

Agrovisión has had a Grievance and Suggestion Management Procedure in place since 2020, which aims to record any grievances, complaints, initiatives, or suggestions submitted by employees regarding their work on the farm. These may be submitted personally or anonymously, and emphasis is placed on the fact that no reprisals will be taken. The Company has set up grievance and suggestion boxes at the entrance to the farms, main dining areas, and in the human resources area, as well as other alternative channels (telephone, e-mail, direct reporting to human resources). Forms are provided at each of these facilities along with the procedure for further reference by workers. In the case of anonymous complaints, the procedure establishes that they will be analyzed, and corrective actions taken, providing information in the noticeboard or training personnel and coordinating with the area managers. Non-anonymous complaints are communicated to the complainant in person.

The Company shares information with its employees through ongoing training sessions, brochures, banners in the various guardhouses on the farm, radio broadcasting, T-Infórmamos mailings, noticeboards, social media (Facebook, Instagram, LinkedIn, website), and applications, among others. The Human Resources department keeps a record of grievances, complaints, initiatives, and suggestions from employees. There are two other channels available, however, that provide facilities to address the concerns of employees, suppliers, and third parties: i) the SHIC for issues of sexual harassment and harassment, for which it has a "Procedure for the prevention and punishment of sexual harassment", and ii) the Integrity Channel to anonymously report concerns regarding actions contrary to the provisions of the Code of Ethics and Conduct. Both channels are operated confidentially and anonymously; moreover, in the case of the Integrity Channel, it is managed independently through a web page¹⁹ with all the relevant information.

¹⁹ <https://www.canaldeintegridadagrovision.com/>

4.2.b Protecting the Workforce

4.2.b.i Child Labor

Agrovisión abides by the minimum age provisions established by applicable laws and regulations, prohibiting the hiring of persons under 18 years of age in its operations. The prohibition of child labor is consistent with the standards of the International Labor Organization and extends to its contractors.

4.2.b.ii Forced Labor

The Company's Labor Policy prohibits all forms of involuntary and forced labor, including prison labor, indentured labor, bonded labor, slave labor, and any form of human trafficking. It also establishes that, if for any reason overtime is required, the worker is free to accept or decline it, and that workers do not have to leave "deposits" or their identity documents in the custody of the employer, and are free to leave their employment with a reasonable notice.

4.2.c Occupational Health and Safety

The Labor Policy commits to providing its employees with a safe and hygienic work environment, taking the necessary measures to prevent accidents and occupational health hazards. The Company has OHS personnel at all sites and Personal Protective Equipment ("PPE") is available for all workers, according to their role and risk exposure. The Company has an Internal Occupational Health and Safety Regulation ("IOHSR") which determines the health and safety guidelines for the prevention of occupational risks and the levels of protection in the workplace.

Each Agrovisión lot has a Medical Unit with health personnel (doctor, nurses, and/or nursing technicians), Ambulance Units (Type II categorization)²⁰ and emergency vans (internal transfers). Locations have emergency showers and eye washes for employees who may be exposed to pesticides in workplaces such as premixing areas, irrigation platforms, and warehouses. It also has a "Pesticide Poisoning Prevention Program" and an "Annual Training Plan" that includes the following main topics: i) chemical storage and handling and interpretation, ii) transportation and handling of chemicals, NFPA rhombus, pictograms, toxicological classification, iii) use of appropriate PPE, iv) solid waste separation and segregation, v) correct use and storage of chemicals, vi) efficient use of water (AWS and SPRING certifications), vii) integrated pest management in safety, viii) EFI equipment.

The Packing Plant's daily operations require the use of cooling units that use ammonia as a refrigerant. The Company has implemented safety procedures by placing compressors and refrigeration equipment in sufficiently large rooms with good ventilation and good exhaust routes. The engine room has a separate fire compartment, with gas sensors, and the ammonia pipes and valves are marked. Fire and gas alarms can be heard in the cold rooms, there is adequate ventilation of the engine room to prevent the formation of flammable mixtures. Personnel are trained in the safe operation and handling of ammonia, and drills are in place.

²⁰ For the assisted transport of critically ill patients, it has medical assistance capabilities. <http://bvs.minsa.gob.pe/local/minsa/3205.PDF>

4.2.d Provisions for People with Disabilities

According to the Peruvian Law for Persons with Disabilities (Law No 29973), private employers with more than 50 employees on their payroll are required to hire persons with disabilities in a proportion of at least 3% of their total staff.²¹ In April 2022, the National Superintendency of Labor Inspection ("SUNAFIL" for its spanish acronym) conducted an inspection of Agrovisión's operations, confirming that it complies with labor regulations regarding persons with disabilities and meets the employment quota. The report highlights that the job openings include workers with disabilities, that in 2021 Agrovisión employed 51 people with some type of disability and that training was provided for people to become certified by the National Council for the Integration of Persons with Disabilities ("CONADIS" for its spanish acronym).

4.2.e Workers Engaged by Third Parties

As per the General Terms of Engagement ("GTE") with Agrovisión, suppliers of goods and services must comply with all applicable OHS regulations, informing all persons under their supervision of the risks related to their work and the dangers to their health, and permanently instructing them on applicable prevention measures. The Company's contractors and service providers undertake to comply with the checklist for contractors and service providers, as well as the check-list for the use of PPE for high-risk work. The contractor is responsible for and undertakes to comply with the "Safety and Health Requirements Procedure for Agrovisión Suppliers" and to respect the Company's OHS Policy in order to ensure the operational integrity of the facilities and the safety and health of workers and contractors.

As of July 2022, the Company had 342 third-party workers on its premises. Agrovisión requires contractors to validate that their workers are of legal age and that they have labor protection insurance, and monitors contractors' compliance with these conditions through the OHS area. Likewise, the contracts include the contractor's responsibility to take the required measures in the event of accidents, determining the causes of the accident and submitting a detailed report within a maximum period of 5 days from the date of the accident.

4.2.f Supply Chain

Agrovisión has a Procurement Policy approved in August 2020, which establishes the guidelines and recommendations for the Company's procurement and contracting of goods and/or services. In addition, it has SMETA, EFI, and GRASP certifications, which emphasize working with the Company's supply chains and monitoring their management to evaluate suppliers and supply chains in order to understand working conditions.

Purchase Orders set out general provisions including the prevalence of the ILR and other OHS Policies of Agrovisión once they have been delivered to contractors. The GTE establish that the Company reserves the right to partially or totally refuse goods/services from contractors in the event of any type of risk to health or the environment during transportation, use, handling, and storage. Agrovisión and its employees value interacting with business partners that maintain good

²¹ <https://www.gob.pe/10044-calcular-cuota-de-empleo-de-personas-con-discapacidad-en-mi-empresa>

environmental standards, therefore, as a matter of policy, they do not work with suppliers or contractors that engage in conduct that harms the environment.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

4.3.a.i Greenhouse Gases

Agrovisión has conducted two Scope 1, 2, 3, and 4 measurements of its carbon footprint, using methodologies of the International GHG Protocol and the international standard ISO 14064-1. In addition, the greenhouse gases ("GHG") considered for this inventory (CO₂, CH₄, N₂O, HFCs and HCFCs) are attributable to all the farms, including packing plants and administrative offices in the Lambayeque and Lima regions. The results of Agrovisión's total GHG emissions for the year 2021 show total emissions of 43,298.22 tCO₂eq.

The main sources of emissions were identified as fertilizer consumption, which represents 56.94%; the second most representative source is the transportation of personnel in external supplier buses contracted by the company, with 13.39%; followed by emissions associated with the international transport of products, with 10.87%. The Company follows a strong strategy for replanting, considering green areas, forest shelterbelts, and buffer zones. Thus, its future plans seek to verify the carbon removals that occur in the dry forest it protects, count the replanted cover and living fences in order to evaluate how they impact on the fine calculation of its carbon footprint.

4.3.a.ii Water Consumption

Water supply for the Company's operations is provided by: i) the PEOT, whose water meets the optimum physicochemical characteristics for blueberry cultivation, and ii) the exploration and exploitation of groundwater wells. Pursuant to the Peruvian Water Resources Law and its regulations, the granting of groundwater use rights establishes an annual exploitation volume (in cubic meters). The user must therefore install flow meters and keep them in good condition for the distribution, use, and adequate control of the water resource, and it is mandatory to inform the Water Administrative Authority ("WAA") when they deteriorate. The Company has hydrogeological studies at the aquifer level that it has used as a basis for processing its tubular well drilling permits, installing definitive wells, and obtaining its respective groundwater use licenses (it has 9 wells in total). The Company reports its water consumption, drawing up water balances by crop and identifying percentages of water use savings per year.

The Water Management Policy for the blueberry unit establishes irrigation water monitoring activities to detect its correct use and avoid overconsumption, promoting efficient irrigation strategies through the installation of capacitance probes. Based on the interpretation of the data from the probes, the flow rates to be applied in each irrigation are evaluated, integrating information on soil moisture, plant metabolism, climate, hydraulics, and irrigation time. Its water resource management includes i) monitoring water quality, ii) implementing conservation practices such as mulching for avocado trees, composting for grapes, mulch and stubble for blueberries to

reduce agricultural runoff and possible contamination of surface soil bodies, iii) avoiding evaporation losses by measuring or estimating, iv) ensuring good irrigation management and intervals to ensure efficiency, v) taking into account rainfall and soil moisture content to calculate the required irrigation interval and irrigation application rate.

The Company is SPRING certified for sustainable irrigation and Global GAP certified for good agricultural practices including the use of groundwater, and as part of the AWS certification it has established a Sustainable Water Resource Management Policy and a Water Management Plan. This Plan considers five main outcomes aligned to the AWS certification pillars: i) good water governance, ii) safe drinking water, sanitation, and hygiene for all, iii) adequate water quality, iv) sustainable water balance, v) protection of important water-related areas. Goals, lines of action, and deadlines have been established for each of them, some of the goals being: optimization of irrigation operations, work with communities, optimization of the use in washing crates, study for efficient water use in asparagus cultivation, water potabilization, restoration of protected areas, wastewater treatment in Wastewater Treatment Plant ("WWTP"), support to hamlets with extreme water needs, formation of a Board of Users for groundwater, monitoring of irrigation water quality, forestation of the collector drain section to prevent floods.

4.3.b Pollution Prevention

4.3.b.i Waste

The Company's Environmental Management Policy highlights the importance for the Company of reducing the final disposal of waste through the circular economy. Non-hazardous solid waste is recorded throughout the year; however, the information is consolidated on an annual basis because some material is reused. This type of waste consists mainly of cardboard, irrigation hoses, unused sacks, gallon containers, and non-usable waste. In addition, the workers' camp has a WWTP whose treated water is used to consolidate the camp's green areas. The WWTP has its own Operations Manual and complements its management through the Wastewater Management Procedure.

In terms of effluent management, Agrovisión Perú's lots have an authorized public service company that collects effluents from the company's locations and transports them to an official landfill. On the other hand, the effluents from Arena Verde are treated in a WWTP with a capacity of 250m³ per day. A monthly control of the wastewater generated and treated in each of the companies is kept.

4.3.b.ii Hazardous Materials Management

Agrovisión keeps track of the final disposal of hazardous solid waste since 2019. The Company submits its Solid Hazardous Waste Manifest to the OEFA based on the consolidation and analysis of daily, monthly, and annual records of its management. It identifies the points of generation, types of waste, typical composition, and Tn/year quantification, as well as the certificates of final disposal issued by the authorized solid waste commercialization companies involved in this task. The typical composition of this waste is empty agrochemical containers of different capacities.

4.3.b.iii Pesticide Use and Management

Agrovisión incorporates Good Agricultural Practices and Integrated Pest and Disease Management ("IPDM"), which is based on control strategies that allow applying the least amount of toxic elements possible, combining their effects with the harmonic implementation of more than one control method in order to protect health, the crop, and the environment. For example, Agrovisión applies nematodes and entomopathogenic fungi through injections via irrigation systems to control larvae. IPDM is a system designed to maintain crop pests at levels that do not cause economic damage by using different controls, preferably natural, that are adverse to the development of agricultural pests, using pesticides as a last resort and, if applied, ensuring that undesirable effects are minimized.

The pesticides used by the Company are differentiated by crop (grape, avocado, conventional/organic blueberry, and asparagus) and the maximum residue limits are identified for each pesticide in each of the countries to which the fruit is exported. The toxicological bands are clearly identified, as well as the phenological stage of use and frequency. Neither extreme nor highly toxic pesticides (Ia and Ib categories) are used in any of the crops, and those classified as moderately toxic represent a minimum percentage of the total.

Agrovisión has a "Pesticide Poisoning Prevention Program" that identifies the risk factors for pesticide poisoning and the awareness of suspected symptoms of poisoning. It defines the measurement of cholinesterase in blood to determine pesticide exposure; this measurement is also used to determine the medical aptitude of collaborators exposed to pesticides and to periodically follow up on exposed farmers (every 6 months or according to suspicion of intoxication).

Agrovisión also has a harvest release guide, which indicates whether conventional or organic treatments were applied to the crops, the products applied, date of application, date of deficiency and reentry, as well as the date of release for harvest, under the control of the health manager, field manager, and business unit manager. There is also an "Agrochemical Management Training Program" that involves product suppliers. For example, Bayer provides training to health-related employees (applicator evaluators, ethological control, application supervisors). Training includes agrochemical premixing (product compatibility), use of chemical protective suits, storage and general guidelines, plant health, use of procedures, pest and insect identification, chemical handling (storage and transport).

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

The main risks that could affect the Company's immediate neighbors include dust generation and accidents due to an increase in the truck fleet and traffic volume for transporting products, including chemical products. In fact, the conflicts that arise from agroexport operations in the area involve the condition of access roads, the speed of vehicles transporting personnel, the entry of community members' livestock into production fields, and traffic accidents. For these reasons, Agrovisión is in close communication with local authorities to address concerns and wets internal and external roads using water tankers.

The management of the Company's operations considers the potential occurrence of the ENSO Phenomenon, whose established mitigating factors benefit its area of influence, not only its fields. Water corridor identification, protection of dry riverbanks, reforestation of the edges of the water drainage system to prevent floods, and work organized through "Pro-Olmos", an organization that seeks to coordinate efforts among all the Olmos-Tinajones irrigation companies to achieve, among other things, sustainable management of the aquifer for the benefit of the private sector and the local population. With Pro-Olmos, a land donation was made to EsSalud to enable the construction of a modular hospital in the city of Olmos, a Groundwater Users Board was formed in the Olmos and Mórrope operations, and an ethical certification was obtained to verify good practices in labor, social, and human rights areas in the valley of the Olmos Irrigation Project.

4.4.a.i Infrastructure and Equipment Design and Safety

The main access road used by trucks transporting cargo and hazardous materials to and from Agrovisión's operations is the rural road (paved) created for the PEOT, which is maintained by the company H2Olmos, with occasional improvements to the road fronts of some of the PEOT's private companies. This road does not run through the towns; however, there are alternate roads to reach the Company's farms that do pass through some of the SPM's hamlets. These alternate roads are used by personnel transportation contractors as they develop routes that go through different localities to pick up and return local workers to their homes. Agrovisión will therefore update transportation contractor management documents with the guidelines outlined in the World Bank's General EHS Guidelines to ensure that risks are being managed.

4.4.a.ii Hazardous Materials Management and Safety

Populated centers are located far from the Company's operations, so the risk of being affected by emergencies involving hazardous materials is very low. Nevertheless, the transport of hazardous materials by contractors can generate risk conditions for the populations located on both sides of the Panamericana Norte highway, so Agrovisión includes safety provisions in its contracts so that hazardous materials transporters (ammonia and liquid and gaseous fuels) comply with national regulations and have contingency plans and risk maps that reflect the nature of the substances.

All transporters entering Agrovisión's warehouses for delivery of goods or any other reason must present valid documents, wear the prescribed PPE, use safety cleats and cones, have a fire extinguisher, back-up alarm, lights, and a spare tire. Personnel assigned by the supplier to transport hazardous materials must have basic training in accordance with the National Hazardous Materials Transportation Regulations in force, as well as the product's safety data sheet and labeling by type of risk. Contracts may be terminated if the conditions of quality, delivery of goods, and OHS do not fulfill the Service Terms and Conditions.

4.4.a.iii Community Exposure to Disease

Populations in Agrovisión's area of influence lack access to basic resources such as water and energy, which increases their vulnerability to the COVID-19 pandemic, coupled with the lack of adequate medical care. Agrovisión strengthened its Sowing Hope Program by providing coverage in terms of disease awareness, food donations, supplying drinking water and medicines to the district's health

centers and the COVID-19 brigade of the Ministry of Health with the necessary supplies for them to carry out their work. It also implemented disinfection of places in high traffic areas in the district such as the Health Census, the Police Station, the National Bank, the Main Square, the church, the Municipality and the food market, extending beyond the city to 15 villages and towns in the district of Mórrope. This support included the donation of prostheses, orthopedic devices, and wheelchairs for people with physical disabilities. Finally, the Company also provides monthly financial support so that the SPM's community ambulance is operational to attend to the health emergencies of the inhabitants of the district, its hamlets, villages, and annexes.

As part of its social outreach activities aimed at preventing respiratory diseases in the community, the Company donates blankets and tarpaulins to improve the homes of the most vulnerable population in the district of Mórrope. This group of people also receives donations of basic foodstuffs through basic food basket campaigns. Through the Sowing Life Program, the Company organizes campaigns to donate drinking water, submersible electric pumps for tubular wells, and electric generators including installation so that the population can benefit from water pumping equipment. Through the Sowing Peace Program, the Company provides two mental health professionals to attend to sensitive cases identified in the community through 12 trained promoters, who also carry out awareness campaigns against violence against women and domestic violence. This program is supported by the congregation of the Sisters of Charity of the Holy Cross, who the Company brings from Lima, as well as the parish of Mórrope and the local sheriff.

4.4.a.iv Emergency Preparedness and Response

The Contingency Plan establishes communication mechanisms with local authorities and emergency response support institutions. To complement this, Agrovisión will adjust the Plan to include close coordination with recognized representatives of the farming communities in its area of influence and the leaders of hamlets and annexes near its operations.

4.4.b Security Personnel

Agrovisión's operations have physical security services provided by Protektor, a duly constituted company specialized and trained in the organization, administration, and operation of surveillance and protection services. Protektor has its own ILR and Code of Conduct and Ethics, and ensures that the people assigned to Agrovisión's operations do not have a criminal record and have not been convicted of a criminal offense or have pending rehabilitation. The guards are armed and are therefore registered with the National Superintendency for the Control of Security Services, Arms, Ammunition, and Explosives ("SUCAMEC" for its Spanish acronym) and the company complies with the regulations established by this agency. The main functions of the security personnel are established in the "Specific Functions Manual for Security Positions" prepared by Agrovisión.

4.5 Land Acquisition and Involuntary Resettlement

4.5.a General

The Company has entered into sales contracts between private parties for the lots located in the PEOT and has a 100-year lease agreement with the three lots located in the SPM. Considerations for

project development in the area were determined by water availability, land tenure formality, accessibility, and voluntary social acceptance of the SPM to proceed. Under the General Law of Peasant Communities (Law 24656 of 1987),²² peasant communities may cede the use of their land to their business production units while maintaining communal territorial integrity (Article 8), which is why leasing, rather than purchasing, has national legal backing. The commercial transaction between Agrovisión and IDB Invest does not involve land acquisition; therefore, based on this and on the above-mentioned land management background, PS5 is not applicable to this transaction.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

4.6.a General

One of Agrovisión's flagship programs is Sowing the Future, which incorporates components of sustainability, biodiversity, connectivity, care of flora and fauna, and land management, reducing risks from natural disasters and generating a natural ecological balance. The company Arena Verde complies with leaving 30% of its total area for dry forest protection areas, as required by the forestry legislation in force, and incorporates more specimens to achieve a dense dry forest, seeking a balance between agricultural activities and the biodiversity of the dry forest. The tree species inventoried are carob, *sapote*, *palo verde*, and *faique*, and at the shrub level, *aromo*, *vichayo*, *canutillo*, and *overo*.

4.6.b Protection and Conservation of Biodiversity

One of the fundamental principles of Agrovisión's Environmental Management Policy is to maintain 30% of the total areas available for agriculture in Mórrope for biodiversity conservation, generating protection areas based on the economic ecological zoning established by the Ministry of the Environment and the Regional Government of Lambayeque. In addition, the reforestations promoted in the Forest Reserve are part of a "Forestry Plan for the Conservation of Reserved and Protected Areas", which reports that 25,000 new trees of five native and dry tropical forest species will be incorporated by 2021. The Plan also includes the implementation of wildlife refuge niches in order to increase the diversity of species and maintain the identified biological corridors. The benefits to the Company's operations are reflected in the increase in agrosystem biodiversity and fauna that benefits the crops.

The Company currently protects 50 bird species, 2 mammals, and 2 reptiles, and since 2017 has been monitoring indicators of fauna species seen in Arena Verde, identifying two species of birds (Peruvian plantcutter -*Phytotoma raimondii*- and Rufous flycatcher -*Myiarchus semirufus*-) classified as Vulnerable according to IUCN (*International Union for Conservation of Nature*) listing.

In addition to the efforts made with the forest reserve, the Company manages a high level of living fences: 16.8 km of perimeter fences with two forest species (*casuarinas* and *guaranguillo*) and 22.8 km of internal acacia fences that also serve to regulate the climate. The living fences installed have biological characteristics that complement plant formations of tall and medium-sized trees, which allow the conservation of an important number of species representing the biological biodiversity

²² <https://centroderecursos.cultura.pe/sites/default/files/rb/pdf/ley%20general%20de%20comunidades%20campesinas.pdf>

of a dry forest and that over time are becoming small reserves of birds, mammals, and various organisms. PEOT is managing a project for the integral reforestation of 15 thousand hectares of dry forest within the polygonal area of the Olmos Project, which will benefit the rural population of the area with more jobs and services²³.

4.7 Indigenous Peoples

Most of the indigenous or native peoples in Peru are organized in peasant and native communities. However, not all farming communities belong to indigenous peoples. Recognition as a farming or native community alone does not in itself render it part of an indigenous people. In this regard, the Indigenous or Native Peoples Database ("INPD") is the Peruvian State's official source of sociodemographic, qualitative, and geographic information on the indigenous or native peoples identified to date at the national level, as required by the identification criteria established in Convention 169 of the International Labor Organization ("ILO").²⁴ The main sources of information for the INPD are the censuses and surveys prepared by the National Institute of Statistics and Informatics ("INEI" for its spanish acronym), the directories of native and farming communities of the Regional Agrarian Directorates ("DRA" for its spanish acronym), the National Document of Native Languages of the Ministry of Education, the information produced by the Ministry of Culture and the promoting entities as part of the prior consultation processes, among others.

In the case of Lambayeque, the INPD identifies six indigenous or native peoples, all of which are peasant communities located in the province of Ferreñafe, between the districts of Cañaris and Incahuasi. The San Pedro de Mórrope and Santo Domingo de Olmos Peasant Communities located in the area of influence of Agrovisión's operations do not belong to indigenous peoples and are not recognized as such in the INPD; therefore, PS7 does not apply for the purposes of this transaction.

4.8 Cultural Heritage

The Company has Certificates of Absence of Archaeological Remains ("CAAR") that conclude that the areas proposed for agricultural development have no archaeological remains (architecture, canals, agricultural fields, cemeteries, etc.) in the area evaluated for the Project. In addition, the Company has Archaeological Monitoring Plans ("AMPs") that comply with the Archaeological Investigations Regulation (R. S. 003-2014-MC) of the Peruvian Ministry of Culture, whose implementation will allow Agrovisión to avoid affecting the archaeological heritage in its different lots. Consequently, we conclude that PS8 is not applicable to this transaction.

5. Local Access of Project Documentation

The documentation relating to the Project can be accessed at the following link: <https://agrovisioncorp.com/>

²³ <https://www.regionlambayeque.gob.pe/web/noticia/detalle/34355?pass=MTA1Nw==>

²⁴ <https://bdpi.cultura.gob.pe/>