# Environmental and Social Review Summary (ESRS)
# ECOSAC - PR

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## 1. General Information of the Project and Overview of Scope of IDB Invest's Review

Ecosac, established in 2000, is part of the Costa del Sol Group. It is engaged in the planting, production, and packing of fresh and canned fruit crops (table grapes, peppers, paprika, avocado, among others), and the breeding, production, and packing of frozen shrimp. Ecosac is one of the three largest table grape exporters in Peru.

The proposed transaction consists of a senior secured loan to Eco-Acuícola S.A.C. and Ecosac Agrícola S.A.C. (collectively "Ecosac" or the "Company") for (i) capital expansion investments to increase crop production and efficiency of existing operations; (ii) permanent working capital; and (iii) refinancing of financial debt.

IDB Invest performed its Environmental and Social Due Diligence through several video conferences with the General Management and different sectors of the company from January to May 2021. It also reviewed procedures, reports, policies, audits, licenses, and other internal Ecosac documents.

## 2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation under IDB Invest's Environmental and Social Sustainability Policy, since it will likely generate the following impacts and risks, among others, deemed to be of medium intensity. The main E&S considerations associated with the project include: (i) functionality of the management and monitoring systems; (ii) labor management and suitable working conditions; (iii) surface and groundwater management; (iv) management and control of wastewater, solid waste, energy consumption, and air emissions; (v) biodiversity conservation; and (vi) community relations.

The Performance Standards (PS) triggered by the Project are: (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; and (v) PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

## 3. Environmental and Social Context

### 3.1 General characteristics of the Project's site

Ecosac has more than 5,500 ha of land in the Piura desert area, of which 2,500 ha are currently cultivated and 3,000 ha are available for cultivation. The company is located near the Chapairá, Castilla hamlet, 10 km from the city of Piura and 70 km from the most important port in northern

Peru. It has 3 production plants (canned food processing plant (PPC), fruit packing plant (PEF), and frozen hydrobiological products processing plant (PCO)), and employs approximately 7,000 workers from the nearby towns of Chapairá, Río Seco, and Terela per season in all processes.

### 3.2 Contextual risks

Water is vital for its operation; however, it is in a privileged location, parallel to a stretch of the Piura River that acts as a reservoir and less than 1 km from Los Ejidos dam. The company has not experienced any water shortages for its crops and has surface and groundwater licenses to supply the processing plants and crops. The El Niño phenomenon has a significant effect on the region, causing heavy rains and rivers to overflow, damaging crops and irrigation canals.

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

### 4.1 Assessment and Management of Environmental and Social Risks

The PEF has an Environmental Impact Study (EIS) that includes an Environmental Adaptation and Management Program (EAMP) for existing agricultural crops, the PPC has a Preliminary Environmental Diagnosis (PED), and the PCO and the aquaculture operation have EISs. The company, together with external consultants, recently carried out a process of updating and adapting the requirements to the regulations governing the production units' environmental instruments, which included both existing ones and those in the expansion plan. The company has already submitted the updated studies to the Ministry of Agriculture and Irrigation and will inform IDB Invest when they are approved and comply with the various Management Plans submitted for the Environmental Management Strategy.

#### 4.1.a E&S Assessment and Management System

Ecosac has an Environmental and Social Management System (ESMS) certified under ISO 14001 for the cultivation of fruits and vegetables, the manufacture of canned vegetables, and the packaging of fresh fruits, and since 2020, Eco-Acuícola has one for shrimp farming and the processing of frozen hydrobiological products. An assessment of the ESMS was performed during the ESDD, drawing the following conclusions:

#### 4.1.b Policy

The set of policies and procedures is reviewed periodically and shared with the company's employees, and is supported by the senior management. The company will specify the persons responsible for ensuring that it is implemented and enforced.

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

##### 4.1.c.i Direct and indirect impacts and risks

The company has identified the following E&S risks and impacts associated with its operations, as well as those that involve contractors and suppliers, and it reviews them regularly. It will supplement the identification of occupational risks and impacts (including the use of chemical safety data sheets, MSDS) and risks to other stakeholders including the neighboring communities as per PS1 and the World Bank Group (WBG) General Environmental, Health, and Safety (EHS) Guidelines.

#### 4.1.c.ii Cumulative Impact Analysis

The possible cumulative impacts resulting from water abstraction for irrigation purposes in the region are regulated by the National Water Association (ANA, for its acronym in Spanish) and the Management Board for Services and Sanitation (JASS, for its acronym in Spanish) of Piura. No cumulative impacts are expected to be generated by the 250 ha expansion of grape plantations, as per the updated environmental instruments.

#### 4.1.c.iii Gender Risks

Thirty-seven percent of the work force is female, of which 61 women are in administrative positions and 17 in skilled jobs. The company must sign the statement of support for the Women's Empowerment Principles and complete the WEP gender equality measurement tool.

The company has an informal process to address cases of gender-based violence and sexual harassment within the company and possible cases involving company employees in the community. The company will formalize, implement, and disseminate this process internally and externally to ensure the anonymity of the reporting person, an advisory process and psychological support for the reporting person, the type of sanctions for the perpetrator, contact with the local police, the review committee and the people that comprise it, and the type of employee training on gender-based violence and sexual harassment.

#### 4.1.c.iv Climate Change Exposure

The Physical and Transitional Climate Risk Assessment Report indicates that all project sites have a high potential for exposure to natural hazards such as: overflowing of the Piura River, heat waves, and changes in precipitation (at the end of the century), as well as a moderate potential exposure to earthquakes, and a low exposure to droughts. The agricultural sector in Peru may face transitional risks related to its significant environmental impact, mainly in terms of greenhouse gas (GHG) emissions and water consumption. The agricultural sector is also considered as part of Peru's Nationally Determined Contribution (NDC) under the Paris Agreement, which could result in policy changes.

### 4.1.d Management Programs

At a corporate level, Ecosac has an emergency prevention and preparation and occupational health and safety procedure, a chance finds procedure included in the ESMS, a decommissioning and closure plan, and even though the company supplies its own raw materials, a Supplier Approval Procedure for suppliers of raw materials, inputs, and packaging materials that is aligned with its quality assurance system.

In addition, the company has implemented manuals of good aquaculture and agricultural practices, and has implemented and maintains the necessary ESMS processes in accordance with the standards ISO14001, Hazard Analysis and Critical Control Point (HACCP), Good Agricultural Practices (GLOBAL G.A.P./TESCO), British Retail Consortium (BRC), Business Alliance for Secure Commerce (BASC) and Best Aquaculture Practices (BAP). Ecosac will establish management programs, including a sustainable water resource management program according to the principles of the Alliance for Water Stewardship Standard (AWS), describing the mitigation and improvement measures and actions in relation to all environmental, social, OHS, and labor risks and impacts, including communities. They should be part of a continuous improvement program and reviewed periodically;

employees should be trained in them and they should be communicated internally and externally, as applicable.

#### 4.1.e Organizational Capacity and Competency

E&S issues and the implementation of procedures are the responsibility of the Head of Health and Safety at Work, who is assisted by three assistants and an occupational physician. They currently report to the General Manager's Office. The staff has the experience and knowledge required to implement the ESMS.

#### 4.1.f Emergency Preparedness and Response

The company has developed an Emergency Preparedness and Response procedure in line with the requirements of the national regulations that define specific responsibilities and actions for some employees in the event of an incident. It is detailed in the section on emergency preparedness and response below.

#### 4.1.g Monitoring and Review

The company monitors and measures OHS and environmental indicators as detailed in its Annual Inspection Plan, in order to evaluate the consumption of energy, water, and raw materials, the generation of solid waste, air quality, water discharges, noise levels, soil pollution, and the monitoring of flora and fauna. The results are reported internally, to the government agencies that require them and as certification control. Ecosac has adopted Key Performance Indicators (KPIs) to incorporate environmental parameters. It will complete this exercise by including OHS and social aspects such as: (i) Safety: accident free days (number of days since last lost time incident); (ii) Staff turnover and training (number of full-time staff leaving the company per year on average. Full-time equivalents and training days, number of training days given to new and existing employees). It is also encouraged to prepare an annual corporate Environmental and Social Sustainability Report based on the Global Reporting Initiative (GRI) standards.

#### 4.1.h Stakeholder Engagement

The company considers stakeholder participation to be an important part of its operations. It updates the stakeholder map on an ongoing basis, identifying key personnel at a municipal, regional, and national level. Internal company information is disseminated to stakeholders, the external grievance mechanism is shared with them, and they are involved in sensitive community issues such as water.

##### 4.1.h.i Disclosure of Information

Ecosac maintains a communication channel with the community by means of the Communication and Sustainable Development department; however, the latter is more receptive than proactive. It also holds regular meetings with representatives of various local committees and conducts interviews with authorities and representatives. The company will disclose to the neighboring community any information on the agricultural expansion relating to: the scale of the project, the duration of the activities, possible risks or impacts and their mitigation measures, the foreseen process for stakeholder engagement, and the grievance mechanism.

##### 4.1.h.ii Indigenous Peoples

There are no indigenous peoples in the Project area.

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

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

The company has little interaction with the community with regard to E&S issues. It will create spaces for communication with the community.

##### 4.1.i.ii Community Grievance Mechanism

Ecosac has a communication mechanism that is available through its website, and it has also installed mailboxes for ideas and suggestions that have been strategically placed in different areas so that all residents of neighboring hamlets have the possibility of communicating with the company. The most frequent requests have to do with the execution of activities intended to improve their quality of life. Complaints may be submitted anonymously. The mailboxes are checked every month and the issues received are processed for response.

### 4.2 Labor and Working Conditions

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

The company currently employs 3,858 employees, of which 63% are men and 37% are women. During the campaign season, the number of employees may double due to the presence of temporary workers.

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

Ecosac complies with the national Labor Code through its Internal Labor Regulations (ILR), the Role Organization Manual and the Code of Ethics, which are applicable to its employees, contractors, suppliers and visitors. These documents include: working conditions, employee duties, recruitment and hiring, working hours, welfare, wages, and training, among others. The Code of Ethics includes non-discrimination, the commitment to the physical, mental, and social wellbeing of workers, the prevention of sexual harassment, but doesn't include the prevention of gender violence. The company will update the Code of Ethics to include the prevention of gender violence.

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

The company provides all its workers, regardless of permanence, employment benefits such as medical insurance, life insurance, maternity or paternity leave, and a household allowance. Regular working hours are 48 hours per week, divided into 6 days. In addition to the salary, which is above the minimum wage, productivity bonuses are given to employees with the highest productivity. Upon signing the employment contract, all employees receive from the company a written copy of the employment contract, the ILR, and the Code of Ethics. Fixed-term employment contracts are clear that these positions are not permanent because the services are required only for the campaign period. The company offers its workers transportation from their home to the company and vice versa. There is a specific Human Resources department on site to measure the work atmosphere. The company will ensure that all employees, whether fixed-term or permanent, have safe working conditions in which to perform their duties, including the provision of the personal protective equipment (PPE) required according to the risks to which the worker is exposed.

#### 4.2.a.iii Workers' Organizations

The company does not have a union; however, there is a Joint Occupational Health and Safety Committee made up of personnel freely elected by the employees, which is established as an open

communication channel that gathers information and proposes solutions to possible problems. Furthermore, employee representative may file claims on labor issues without being subject to personal sanctions.

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

Ecosac promotes equal opportunity with no discrimination of any kind at the time of hiring, indemnifying, promoting, training, or retirement. Regarding benefits for women, the company relies on government agencies for the implementation of the "Cuna Mas" daycare centers so that mothers can go to work. The company employs foreign migrant workers under the same hiring system as national workers and in full compliance with the requirements of the Administrative Labor Authority.

#### 4.2.a.v Retrenchment

There will be no downsizing; on the contrary, 60 additional full-time jobs and 1,128 seasonal jobs are expected from the expansion to be financed.

#### 4.2.a.vi Grievance Mechanism

Ecosac has an Internal Communication Procedure that includes reception, recording, analysis, assignment of persons responsible, and response. It has made several internal grievance mechanisms available to staff, which can be used by workers to submit, report, or otherwise communicate claims/suggestions either directly or anonymously. These can also be submitted through the Occupational Health and Safety (OHS) and Labor Affairs committees, suggestion boxes, or through the communication facilitators network. The company furthermore responds to claims and disseminates information to its workers through newsletters, informative e-mails, and corporate bulletin boards.

### 4.2.b Protecting the Workforce

#### 4.2.b.i Child Labor

It is company policy that no person under the age of 18 will be employed by the company. This information is verified before recruits sign the employee contract.

#### 4.2.b.ii Forced Labor

All direct and indirect workers in the company do their work out of their own free will, under no threat or punishment of any kind.

### 4.2.c Occupational Health and Safety

Ecosac has developed a risk and hazard identification matrix for each work station that determines the imminent risks for a given position and the controls applied to minimize the risk of occurrence of accidents or hazardous events. Ecosac will update this matrix to include the OHS risks of aquaculture staff and the risks to the community as per the WBG Aquaculture Guidelines.

The company has implemented an Annual OHS Program that considers physical, chemical, and biological risks and describes the prevention and protection measures to be taken for each case. It has also developed an annual training plan for its personnel that includes topics such as: risk identification and prevention, handling of PPE, occupational accidents, ergonomics, handling and

use of agrochemicals, field techniques, certifications, safe driving, among others. The company provides PPE to all its workers, both fixed-term and permanent. The OHS team consists of the Head of OHS, three assistants, and an occupational physician, who report to the Human Resources department.

Ecosac prepares accident and occupational incident reports. Over the past year, accident rates were low (LTIFR 0.32), as was the severity of injuries (LTISR 1.22). Nevertheless, Ecosac will investigate the accidents reported and analyze the cause, the cost, and the preventive and corrective measures required to prevent the recurrence of the observed accidents through a specific remediation schedule. The accident data collected will be used to refocus training programs, ensure that risk information is conveyed to employees, and implement corrective measures as necessary to reduce or eliminate the sources of accidents.

Before starting work at the company, all employees in the company will undergo a pre-occupational examination that will include medical, psychological, dermatological, and musculoskeletal checks. This is subsequently repeated every two years, while a specific cholinesterase test is required every year. The Occupational Health Surveillance Program includes the surveillance sub-program for workers exposed to pesticides. The rotation of employees is based on the results of the cholinesterase test. Should the test have abnormal results, rotation is for two months, after which the test is repeated. If the result is normal, the employee is returned to his or her usual duties. If the result is not normal, the employee is put under medical surveillance and relocated to a different position. Training for workers who apply agrochemicals is coordinated with the suppliers of these products, in order to educate them on the use of PPE and the safe handling of the products.

During field work, workers are supplied with drinking water from cisterns. Drums that store water for human consumption are placed in different locations according to the activity and number of workers. Water quality is ensured by microbiological analysis and personnel may drink water at any time.

### 4.2.d Provisions for People with Disabilities

The company currently employs 20 persons with a disability distributed in the grape field, aquaculture, plants, and administrative areas. In previous years, this number has doubled during peak seasons. Each year, an internal activity is carried out on the occasion of the Persons with Disabilities Day in order to integrate them and motivate then to continue working and to feel part of the company.

### 4.2.e Supply Chain

The company has no agricultural products suppliers; however, it has input and packaging materials suppliers, and it ensures that its supply chain does not use child or forced labor by conducting verification checks during the supplier approval process and performing random on-site spot checks.

## 4.3 Resource Efficiency and Pollution Prevention

### 4.3.a Resource Efficiency

#### 4.3.a.i Greenhouse Gases

Energy for the operation of the plants comes from the public grid. In PPC, packaging requires the use of boilers mainly powered by compressed natural gas (CNG) and liquefied petroleum gas (LPG) as a backup. The equipment has an air purifier and filter that increases its efficiency in the removal of pollutant gases. Ecosac takes biannual measurements of the gas emissions from fixed and mobile sources, and measures air quality annually. The company is in compliance with most of the parameters included in the national legislation and complies with the parameters for gas-fueled boilers included in the WBG General Guidelines for small combustion facilities ($NO_x$ 320 gr/$Nm^3$). Ecosac will continue to measure these parameters.

The company monitors emissions from fixed sources, but does not include those from mobile sources. Ecosac has recently made improvements to reduce steam generation in the exhaust in order to generate a vacuum, improving the pipe casings for the autoclaves system, among others. Over the past three years, average emissions have been approximately 3,000 tons $CO_2$eq. This year, the company has joined the Carbon Footprint Certification Program of Peru and will have to account for its annual greenhouse gas emissions from all emissions sources.

To reduce energy consumption, solar energy has begun to be used in the packaging warehouses, with a 5% savings during 2020, LED lights have been installed, a power consumption monitoring and control project is underway, and a peak hour load reduction policy has been implemented.

Ecosac takes annual air quality measurements at its plants and is fully compliant with the standards set out in the environmental standard for air quality of the national regulations. The company will continue to take measurements regularly and comply with the parameters of the World Health Organization (WHO) Environmental Air Quality Guidelines.

#### 4.3.a.ii Water Consumption

The water supply for agriculture and aquaculture processes mainly depends on the Rio Chira's Poechos reservoir 90 km from the company's facilities. The company currently holds 15 surface water licenses that ensure its supply, even when scarce, with the understanding that the available volume be equally distributed among users with this type of authorization, and has 3 water permits available for use after the licenses have been used in full during droughts and fully available in times of surplus that allow it to use a total volume of around 38 million $m^3$/season for crops. Water demand for the current production plus the 250 ha grape plantation expansion is lower than that authorized for use (37 million vs 38 million $m^3$/season).

Ecosac uses a technical drip irrigation system to prevent erosion and save water. There are watering stations with repumping and storage discharge reservoirs of up to around 20,000 $m^3$ (this reserve supplies the demand for one day). The stations have gravel and ring filters that allow for fulfilling the technical parameters required for fertigation (turbidity, algae, settleable solids, and sand). It also has volume control systems. To monitor water use and soil moisture levels, the company uses the software AQUASPY, which uses a sensory wave to measure multiple angles through time and

attenuation of the signal, with data sent every 15 minutes. The reservoir zones are enclosed, with rescue equipment and safety signage on the prevention of occupational hazards.

The company also has an additional surface water license of 56 million $m^3$/year for aquaculture. The quality of the water used in aquaculture activities is monitored in compliance with national regulations and is reported monthly, quarterly, and biannually to government and national evaluation entities. The company will consider the parameters of the water quality guidelines for aquaculture.[1] During 2020, surface water consumption was 26.5 million $m^3$.

In aquaculture, water use is non-consumptive and is returned to the river. Before it is returned, the effluent passes through sedimentation beds and drains. The measurements of the parameters of the effluent that the company returns to surface waters are in keeping with the national laws and with the guidelines in the WBG Aquaculture Guidelines, with the exception of total coliform bacteria. The company will take these measurements on a monthly basis and comply with the parameters in the above mentioned Guidelines (pH 6-9, BOD 50 mg/l, COD 250 mg/l, Total Nitrogen 10 mg/l, Total Phosphorus 2 mg/l, oil and fat 2 mg/l, TSS 50 mg/l, total coliforms 400 MPN/100ml).

The company has 9 groundwater use licenses that allow it to use 17.3 million $m^3$/year, considering a maximum operating volume 24/7. The industrial process uses water from only one of the wells. The rest supplement agriculture and aquaculture supply. Groundwater from the well is sent to a cistern and then to the process with added chlorine and its quality is monitored periodically as per its final use, with a monthly microbiological analysis, a daily chlorine analysis and a physicochemical analysis twice per shift. The results are in compliance with the National Water Quality Standard. However, the company will conduct physicochemical analyses that include the parameters in the Environmental Protection Agency's (EPA's) methodology, in all locations where groundwater abstraction is performed, and comply with the most stringent of the two standards mentioned. Most of the water in the plant is used for cleaning and processing purposes, as water added to products, and for domestic uses (drinking water and for sanitation). Groundwater consumption for both companies was 2.4 million $m^3$ during 2020.

Industrial effluents are sent to a wastewater treatment system that uses an aerobic, anoxic, and anaerobic pond with forced aeration and a microbial treatment principle. The treated water is reused for long-stem plant irrigation, such as bamboo. To this end, monthly monitoring is conducted on the physicochemical and microbiological characteristics of the raw and treated effluents, which are submitted every quarter to external national and certifying bodies, thus complying with national standards. The treatment system is by lots, which allows the water to be reprocessed until it meets the required parameters for use as irrigation water. Ecosac will continue to take measurements and comply with international standards.[2] The sludge resulting from industrial water treatment is treated in a drying bed and then disposed of in the company's compost heap.

Domestic effluents from the plants are treated in 6 stabilization ponds[3] that act under the effect of natural biological processes of biomass interaction (algae, bacteria, protozoa, etc.) with organic

[1] Source water quality for aquaculture: a guide for assessment / Ronald D. Zweig, John D. Morton, Macol M. Stewart. 1999.

[2] WHO - "Guidelines for the microbiological quality of treated wastewater used in agriculture".

[3] OS.090. "Sanitation Standards". 2006. National Building Regulations. Peru.

matter, for subsequent use in the irrigation of NEEM plantations. The sludge resulting from domestic effluent treatment are also reused in compost production.

Ecosac is a member of the Board of Users of the middle and lower Piura water sector, the Water Committee of the Association of Agroindustrial Producers (APAG, for its acronym in Spanish), the Water Demand Development Plan Group (PADH, for its acronym in Spanish), and it consults and involves stakeholders, NGOs and community groups on water-related performance. It also interacts with peer companies in specific regional water-related comparative assessments.

#### 4.3.b Pollution Prevention

Ecosac takes biannual measurements of the noise level in all its facilities and reports this to external bodies as per national regulations; however, some of the noise values measured during the day exceed the parameters of the General Guidelines of the WBG. The company will continue to periodically measure noise at work and comply with the maximum parameter of 80dB specified in the national regulations, measure ambient noise during the day and at night, and comply with the 70 dB maximum specified in the General Guidelines of the WBG.

The company has implemented a Decommissioning and Closure Plan that includes the measures that will be required to mitigate the possible environmental damage that may be caused by the partial, total, or permanent cessation of activities carried out in the crop fields, PPC, and/or PEF, in a comprehensive or individual manner, in order to prevent environmental impacts and risks to human health. Priority is given to the deactivation of components that may generate risks for the environment. Before the start of closure activities, there is a proposal to present a detailed plan to the competent authority for the corresponding analysis as per national regulations.

##### 4.3.b.i Waste

The company has a Hazardous and Non-Hazardous Solid Waste Management Plan that applies to all activities, processes, and operations, from generation to final disposal, which has been designed as in accordance with the national regulations. It has defined the persons responsible, storage areas, collection, internal and external transport, commercialization of waste, reuse, recycling, and donation of non-hazardous waste, final disposal, information control, and the national regulation to be upheld. Non-hazardous waste inputs and outputs are reported annually to the different national regulatory entities. Plastic, cardboard, metal, glass, oil, and batteries are traded, organic waste is reused in composting, and hazardous waste is given special treatment for final disposal. The company has set itself the goal of achieving 75% of adequate solid waste segregation and 35% of solid waste reuse.

Solid organic waste from agricultural and processing operations is composted and then used on agricultural fields to increase soil carbon, retain irrigation water, and improve soil quality and sustainability.

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

Ecosac has implemented an Empty Container Storage procedure for the safe storage of empty pesticide containers, clothing, and PPE used during pesticide application. This procedure includes the collection, triple washing, packaging, and disposal of empty containers. Specific personnel have

been assigned responsibilities and are trained in the handling of pesticides, empty containers, and first aid.

The plants use ammonia refrigeration systems. The Emergency Preparedness and Response Procedure includes actions to be taken in the event of an ammonia leak in the refrigeration system, and the Annual Training Plan includes staff training on the response plan in the event of an ammonia leak. The company performs system maintenance with internal personnel after each season. Ecosac will conduct a safety assessment of the refrigeration systems and compare the results with the applicable international standards, such as those of the International Institute of Ammonia Refrigeration (IIRA).

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

No antibiotics or dyes are used in aquaculture practices, which is supervised by the National Fishery Health Agency (Sanipes, for its abbreviation in Spanish). Copper sulfate is used to control algae in shrimp ponds and sparrowhawks are used for bird control.

No products classified as Ia (extremely hazardous) or Ib (very hazardous) by the World Health Organization (WHO) toxicological classification are used in agriculture, and there is also an Integrated Pest Management program that includes cultural management (weeding, incorporation of compost, phytosanitary pruning, and fruit collection), ethological management (food traps, colors, and sexual attractors), biological management (biological predators and entomopathogenic controllers applied via irrigation and foliar systems) and chemical management (only used when crop thresholds are exceeded). It uses organic fertilizers without additives and conventional fertilizers approved by the Peruvian National Agricultural Health Service (SENASA, for its acronym in Spanish). The frequency of application varies according to the type of crop, the season, and the availability of the product. Fertilizers are applied through fertigation, foliar, manual, or mechanized systems. The preparation of agrochemicals and fertilizers is done by irrigation and nutrition specialists who are responsible for determining the amount and type of fertilizer for the different crops (rotating and permanent). The company uses field scouts to identify possible infestations in order to determine if pest densities exceed the company's permitted thresholds, which are then treated as necessary.

Ecosac analyzes its soil parameters, most of which are in compliance with national regulations, and prepares biannual reports for the Ministry of Agriculture. The company will continue to measure parameters every six months and comply with national regulations to identify areas in need of remediation. Develop and implement a Soil Management and Monitoring Plan that includes soil and terrain mapping and the identification of erosion risks in accordance with the WBG’s EHS Guidelines for Annual Crop Production.

## 4.4 Community Health, Safety and Security

#### 4.4.a Community Health and Safety

The company's Annual Health and Safety Program will be updated to include the community in this program.

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

There are access roads to the plant and agricultural areas that are public; there are four interconnected entrances. The towns that could be affected by vehicular traffic in the area are Chapairá, 2.6 km away, Terela, 2.3 km away, and Río Seco, 4.3 km from the fruit packing plant. The company has a Transportation Service Contracting Procedure to be updated in line with the principles described in the WBG General Guidelines and international best practices for driver and traffic safety.

#### 4.4.a.ii Hazardous Materials Management and Safety

The ammonia tanks for the plants' refrigeration systems are located far from the community and do not pose an imminent risk.

There is no other possibility of risk from exposure to hazardous materials in the community.

#### 4.4.a.iii Community exposure to disease

During the State of Emergency, Ecosac, as part of its Social Responsibility Policy, has worked closely with community leaders to implement a series of strategies to address the pandemic and support the community by disinfecting public spaces, the Chapairá Medical Post, providing training on prevention measures to reduce the spread of the virus in the community, donating food, offering treatment to employees and direct family members diagnosed with COVID-19, and making donations for the purchase and operation of an oxygen plant for Piura. Ecosac will update its ESMS to include a COVID-19 prevention and response procedure.

#### 4.4.a.iv Emergency Preparedness and Response

Ecosac has developed an Emergency Response Procedure that includes response to earthquakes, floods, gas leaks, agrochemical and fuel spills, ammonia and sulfuric anhydride leaks, and fires (including forest fires), in line with the Peruvian Technical Standard for Fire Classification. Each plant has risk maps and evacuation procedures. It is applicable to all Ecosac sites and is led by the Head of OHS who is supported by internal personnel and emergency brigades, all duly trained. The company has fire extinguishers, fire hoses, alarms, and emergency lights, which are inspected regularly, and it has identified evacuation routes, emergency exits, and meeting points. The company conducts annual drills at all its locations and has designated first aid, evacuation and rescue, fire, and emergency brigades.

As part of its contingency strategy, Ecosac conducts programmed inspections, tests, and maintenance of emergency equipment and audits of electrical risks in its facilities through accredited specialists in the field, in order to minimize the occurrence of fires caused by electrical faults. Ecosac will update this procedure to include communication and emergency contacts and systems/protocols, including the involvement of firefighters and neighboring communities.

### 4.4.b Security Personnel

Security to safeguard the company's workforce and property is provided by a team of unarmed internal employees and has been approved by the National Superintendency for the Control of Security Services, Arms, Ammunition, and Explosives for Civilian Use (SUCAMEC, for its acronym in Spanish).

### 4.5 Land Acquisition and Involuntary Resettlement

All of the land on which the agricultural and aquaculture activities and plants are developed is owned by the company and was legally acquired without requiring the relocation of people.

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

A Flora and Fauna Diversity Study was conducted by Corbidi as part of the due diligence, which concluded after field work from April 13 to 20, 2021, that the area where the ECOSAC project is being developed, as well as the area of influence, do not qualify as a critical habitat, as it does not meet any of the five criteria of PS-6. This has been determined based on the analysis of the quantitative thresholds in the IFC Guidance Note to PS-6, "Biodiversity Conservation and Sustainable Management of Living Natural Resources". The company will adopt and implement the Biodiversity Action Plan developed as a result of the Study.

Ecosac monitors flora and fauna every six months and submits reports to the Ministry of Agriculture. The company should consider the species identified in this study as part of its future regular monitoring.

The shrimp used in aquaculture are obtained from certified laboratories and are native to the eastern coast of the Pacific Ocean, from Sonora, Mexico to the North, through Central and South America to Tumbes in Peru, in waters whose temperature is normally above 20 °C throughout the year. The company manages shrimp escape controls through nets at pool outlets and in the culture system, which are checked daily, in addition to weekly population control.

### 4.7 Indigenous Peoples

The company's activities do not affect indigenous peoples directly or indirectly.

### 4.8 Cultural Heritage

There are no archaeological remains in the Castilla district, nor do the company's activities have any impact on cultural heritage of historical or religious importance.