

**UPDATE OF DRAFT FOR CONSULTATION DINANT ENHANCED ACTION PLAN
April 2016**

Proposed Action	Responsibility	Estimated Timeline (From April 2014)	Status (October 2015)	Status (April 2016)
<p>A. Security Action Plan</p> <p>Dinant has committed to Good International Industry Practice (GIIP) in the use of its security forces as follows:</p>	<p>Dinant to implement.</p> <p>IFC will monitor and supervise.</p>	<p>Estimated 9–12 months.</p>	<p>CBI has completed 19 trips to Honduras since July 2014.</p> <p>FH has completed 6 trips since November 2014.</p>	<p>CBI Completed 25 trips to Honduras since July 2014.</p> <p>FH Completed 7 trips since November 2014.</p>
<ul style="list-style-type: none"> Develop and implement a Corporate Security Management System, consistent with Performance Standards 4 (PS4) and VPSHR following a third party verification.* (See further information below.) 		<p>The Voluntary Principles on Security and Human Rights (VPSHR) adopted by Dinant November 2013. Review to take place and implementation by December 2014.</p>	<p>Dinant hired a new Private Security contractor, who was vetted.</p> <p>Dinant has held several meetings with the contractor to provide detail regarding its approach to security and to ensure that the company training is in line with the company's updated Security Policy and Procedures (Security Management Plan is almost completed). Aguan Valley now has all in-house direct hire Security that enables Dinant to have control over training, vetting, supervision, and equipment and avoids rotational issues.</p> <p>All weapons have been removed from all but one of the Aguan and Lean Plantations, and the only remaining weapons are locked up in a warehouse to which the guards do not have access until they can be safely transported and sold. Company is evaluating options with GoH, National Police and others on how to proceed.</p>	<p>Dinant appointed a new Security Coordinator with many years of experience as a specially trained, former senior detective in the Los Angeles Police Department, who not only brings substantial law enforcement experience and investigative skills to Dinant but also local situational awareness through his previous experience working in the US Embassy in Tegucigalpa.</p> <p>Dinant expanded the VPSHR Implementation Program beyond its agribusiness operations, to include all remaining components of Dinant Honduras, including the Sales and Distribution Division.</p> <p>Using standard risk management methodology, Dinant conducted Risk Assessments (second round) for all facilities and functions by the end of 2015. These Risk Assessments analyzed the full range of issues and challenges each site faces and developed effective action plans to address each of these. This risk</p>

				<p>assessment process was expanded in 2015 to include the Sales and Distribution Division, which faces significantly different threats than the Agricultural Division. (Dinant's risk assessment process includes mitigation actions for a range of environmental, social and ecological issues). Dinant shared these updated Risk Assessments with community input with Foley Hoag.</p> <p>Dinant's Ethics Standards, Security Policy, and Human Rights Policy remain core commitments by the Company. These documents are posted on Dinant's website and displayed prominently at all of their facilities, with the expectation that all staff are trained and understand the implications.</p>
		<p>The Security Consultant visited Dinant three times in 2012, three times in 2013, and most recently in February 2014.</p> <p>Full implementation expected by end of December 2014.</p>	<p>The company has taken on board the suggestions made to further enhance training around various scenarios that guards might encounter. In addition, the company has integrated guidance on proportionate use of force into its security manual.</p> <p>In addition, the company's security managers visit each site approximately every two months to evaluate implementation of PS 4, and update risk assessments.</p> <p>An external monitoring system has been set up to track and verify frequency, effectiveness and type of training, which will be evaluated in December 2015.</p>	
<ul style="list-style-type: none"> • Develop and implement a 		<p>Improved process adopted with further</p>	<p>In the Aguan, all guards are in-house.</p>	<p>Dinant has hired a new security guard company, SEHOCAN, an</p>

<p>comprehensive vetting process for security personnel (in-house and third party).</p>		<p>enhancements underway, to be implemented by December 2014.</p>	<p>The total number of in house Security will be 244 and the Contracted Private Security will be 43. They will all be vetted and trained on the new Dinant Security Plan (Policies and Protocol).</p> <p>The new contractor requires background checks and polygraphs.</p>	<p>affiliate of the international security company Golan Group. SEHOCAN has adopted the VPSHR and trained the newly hired guard force in the expectations of the VPSHR. This re-enforcement training includes Dinant's Rules for the Use of Force, threat identification and appropriate responses, use of less lethal equipment such as the baton and incident management. This training is continuous and ongoing, with additional topics to be added in 2016.</p>
<ul style="list-style-type: none"> Develop and implement a training program for in-house and third party security and management. Enter into any Memorandums of Understanding (MoUs) with military and police regarding any support to Dinant, outlining the roles and responsibilities of each party. 		<p>Managers training completed February 2014.</p> <p>In-house and third-party security contractors training underway to be completed by June 2014.</p> <p>Use of Force training by the International Committee of the Red Cross (ICRC) by May 2014.</p> <p>By September 2014.</p>	<p>A module for training on the new Security Manual (and new protocols) is being developed.</p> <p>Continual re-enforcement training ongoing on all modules, constant refreshers for both in house and third party guard force.</p> <p>While such MoUs are best practice, Dinant has made best efforts to meet the underlined objective, by discussing this with the GoH with FH in attendance, and FH also discussed the MoU with Authorities. At this point in time no MoU has been signed.</p> <p>All major local and national authorities have been presented with Dinant's policies and procedures, and the Company has shared its expectations.</p>	<p>Security contractors are required to accept and adopt Dinant's Security Policy, Code of Ethics and Human Rights standards. Security guards are forbidden to act outside Dinant property, and must only respond defensively using clear protocols to minimize the escalation of force. Program of continuous training and re-enforcement has been adopted.</p> <p>To support the efforts of the Honduran Government, Dinant continued the engagement with the Honduran public security forces in order to share Dinant's policies, standards and commitments with regard to security and human rights and social responsibility. Dinant emphasizes respect for human rights and the rule of law and order in the Company's interactions with the police and military. Additionally, Dinant continues to meet with the Honduran Human Rights Commission to keep them informed</p>

			<p>Meetings will take place every 4 months with Public Authorities to ensure they are informed about any changes to Dinant’s expectations, policies and protocol’s.</p> <p>There is a procedure in place, developed to handle requests for support by GoH.</p> <p>Dinant continues to address some issues of concern in the area of its relationship with Public Authorities.</p>	<p>of developments, solicit their insight and to support the Commission’s efforts.</p> <p>The company now conducts human rights risk assessments for any request of assistance from the government. The company shared with Foley Hoag some of these risk assessments.</p> <p>Dinant has informed Foley Hoag that it does not provide financial assistance to the military and police, and does not provide weapons or ammunition. Foley Hoag met with the Minister of Defense who, unprompted, noted that Dinant does not provide this type of assistance to the military, and, in his view, it should not.</p>
<p>*Independent Assessment and Verification of Security Protocols:</p> <p>Dinant will:</p> <ul style="list-style-type: none"> Engage a third party to verify their Security Management System and develop security protocols, including an internal investigation protocol to be applied in any future incidents involving Dinant’s security forces. 	<p>Dinant will engage a reputable third party with experience in the VPSHR and PS4.</p> <p>IFC will monitor and supervise.</p>	<p>May–December 2014.</p>	<p>Dinant is working through the recommendations made by FH to improve their procedures. (70%)</p>	<p>Since November 2014 and continuing through 2015, Dinant’s implementation of the VPSHR has been monitored by the experienced US law firm of Foley Hoag, LLP. While the team has been consistently complimentary of Dinant’s VPSHR implementation program, they have suggested some enhancements to Dinant that the Company has implemented.</p> <p>Foley Hoag will be completing a Supervision mission to Dinant in the next quarter of 2016 (May-June) to assess if their recommendations have been adopted by the company.</p>

<p>Compliance Investigation of Allegations of Past Security Forces Incidents:</p> <p>In accordance with IFC’s 2006 PS4 requirement that, “the client will investigate any credible allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent a recurrence, and report unlawful and abusive acts to public authorities when appropriate,”</p> <p>Dinant will undertake the following approach:</p> <ul style="list-style-type: none"> • As per PS4, Dinant will engage a third party to conduct an investigation of credible allegations of past incidents involving its security forces to identify any non-compliance. 	<p>Dinant will engage a reputable third party and develop a terms of reference, both acceptable to IFC.</p> <p>IFC will monitor and supervise.</p>	<p>September 2014–March 2015.</p>	<p>FH drafted ToR for inquiry to be finalized upon selection of investigator(s).</p> <p>Search for investigators on-going, interviews with potential investigators completed in October, with selection to follow soon after.</p> <p>FH has formulated list of potential allegations of unlawful or abusive acts of security personnel that will be the subject of the inquiry.</p>	<p>Progress on a third party inquiry into past security incidents has been slow because -- given the likely inadequacies of a third party private investigation in such circumstances -</p> <ul style="list-style-type: none"> - Foley Hoag was asked to focus its efforts for many months on engaging with the Government of Honduras to encourage it to accept international assistance with its prosecutions in the Bajo Aguan, and also was asked to take precautions to ensure that the private investigation did not interfere with the government’s ongoing investigation. Despite early positive signals from the government, that effort has not succeeded to date. <p>Foley Hoag has since taken several steps to both evaluate Dinant’s efforts to date to investigate past security incidents and enable a path forward. Regarding Dinant’s efforts to date, Foley Hoag has reviewed and drafted an assessment of the investigations that Dinant conducted of certain of the security incidents and the extent to which that investigation meets best practice.</p> <p>Additionally, Foley Hoag has taken a number of steps to enable a credible third party private investigation of the incidents. Foley Hoag has noted that the findings and impact of such an investigation are likely to be limited, due to time elapsed, the fact that most of the contracted guards are not working for Dinant and may be challenging to find, and the fact</p>
<ul style="list-style-type: none"> • Where any non-compliance is found, Dinant will take corrective actions, which may include compensation and/or disciplinary actions as appropriate, as well 				

<p>as measures to prevent recurrence.</p> <ul style="list-style-type: none"> • Disclose a summary of the process, key findings and corrective actions. • Report any information related to unlawful or abusive acts to the appropriate authorities in charge of criminal investigations. 				<p>that other, local witnesses may be afraid to provide information.</p> <p>Foley Hoag has devised a terms of reference (“TOR”) for a third party investigator, interviewed such investigators, and identified a potential candidate to lead the investigation</p> <p>Foley Hoag has also conducted a thorough review of publicly available information to identify the incidents that would fall in the scope of such an investigation.</p>
<ul style="list-style-type: none"> • Dinant will fully cooperate with the Government of Honduras special investigative unit for the Aguán Valley and actively monitor the status of investigations and press for their proper resolution. <p>This Security Action Plan will be shared and discussed with local communities as part of the community engagement process and may be revised as needed based on feedback from communities.</p>		<p>Ongoing.</p>	<p>Explicit support from GoH still pending.</p> <p>FH carried out interviews with communities and individual members during trip in late September to verify that security personnel were in fact disarmed and treating communities respectfully.</p>	<p>The above the Attorney General continues to move slowly in the criminal investigation process. A corruption at the IHSS has diverted the attention of the Attorney General’s office over the past several months, to the detriment of the Aguan criminal investigation process. The company has committed to cooperate fully as needed with the GoH investigation.</p> <p>Dinant feels that disarming the guard force was a factor that has contributed to the reduction of violent confrontations in the Aguan as a whole, and in particular during 2015 not a single death or serious injury occurred that was connected to Dinant, its property, employees or local communities. Dinant feels that disarming has reduced the propensity for those illegally trespassing on their property to carry</p>

				<p>firearms. The strongest proponents of Dinant's No Firearms Policy have been the guards themselves and their families. The results of this initiative have been independently verified on the ground by the Foley-Hoag on behalf of the IFC.</p> <p>The involvement of the Security Management and the sharing of the Security protocols with communities will be assessed during a coming supervision visit. The Grievance Mechanism (below) is designed to be used by the community to register complaints about the guard force, and there are ways to leave these in anonymous collection points.</p>
<p>B. Community Engagement Action Plan</p> <p>Dinant has committed to follow Performance Standard 1 with regards to their approach to community engagement, as follows:</p> <ul style="list-style-type: none"> • In accordance with PS1, develop and implement a Community Engagement Plan in all Dinant's identified communities in the four regions where Dinant has operations. • Communities will be given prior notice of 	<p>Community consultations will be facilitated by reputable third party consultant with the participation of Dinant and IFC representative.</p> <p>IFC will also engage its own consultants with experience in conflict mapping and mediation skills to support the community engagement process, undertake</p>	<p>Ongoing from January to December 2014.</p> <p>Dinant will continue with appropriate level of community engagement such as holding community forums on a regular basis, for the life of the loan.</p> <p><i>(Approximately a quarter of the total number of communities surveyed are located in the Aguán Valley and will be given priority in the roll out of the community engagement process.)</i></p> <p>By July 2014.</p>	<p>CBI has undertaken 19 trips to Honduras – 8 of which have been to the Aguan.</p> <p>The road map has been presented to each of the stakeholders to gauge willingness to take the discussion forward on the three areas of thematic and subsequently further revised and disclosed in August 2015.</p> <p>As of August 2015, most of the stakeholders have expressed overall support for the three areas of thematic engagement as identified in the roadmap (disclosed).</p> <p>Support from GoH still pending.</p> <p>Subsequent structured dialogue to make progress on each of these areas remains to be planned and undertaken during the coming</p>	<p>CBI has continued to engage both remotely as well as while in-country with stakeholders on the Road Map. Since October 2015, CBI has been in country an additional 3 visits, most recently March 28th to April 1st, 2016.</p> <p>CBI has sought to maintain momentum and suggest patience to NGOs/CSOs by remaining in close contact with various key stakeholders over the past 6 months including local communities, campesino organizations (Plataforma), Dinant, GoH, the donor community, local and international NGOs (Oxfam, Trocaire, Dakonia, Human Rights Watch, etc). On the whole CSO's have demonstrated a strong openness to being involved in specific bilateral meetings on land and crime investigation/inquiry approach (i.e. development of ToRs). No meetings regarding specific issues have taken place, as</p>

<p>consultation and receive relevant information in a culturally appropriate manner prior to consultation.</p> <ul style="list-style-type: none"> Undertake “conflict mapping” of the Aguán Valley communities, including mapping of stakeholder groups and sources of conflict, to help inform the consultation process and identify risks, including any related to indigenous communities. <ul style="list-style-type: none"> Complete socio-economic baseline survey of 	<p>conflict mapping, and support Dinant consultants in developing appropriate grievance mechanisms for affected communities in the Aguán Valley.</p> <p>IFC will supervise and monitor.</p>	<p>Dinant and consultants have completed 2,500 surveys in 44 communities affected by Dinant operations in four regions (i.e., Lean, Aguán, S. Pedro Sula, and Comayagua). Eighteen communities were surveyed in the Aguán Valley. There were seven Focus Groups held with members of the 18 Aguán Valley communities, three of these took place in areas which had a significant proportion of their population identifying as indigenous peoples (i.e., Limon, Moradel, and Silin) as of end of March 2014.</p>	<p>months via GoH leadership.</p> <p>Further issue / conflict mapping to be completed as needed via Dinant rollout of its community engagement plan.</p>	<p>all parties were waiting to see GoH support for the Road Map, in order to continue moving ahead, which is just solidifying this month. CBI and WBG facilitated a meeting between GoH and NGOs’ as a meet and greet and at that meeting the GoH representative shared the GoHs’ Draft Concept Note with the NGOs for their comment.</p> <p>Training given to the GoH and officials in late March by CBI/Harvard trainers will be also given to NGOs/CSOs, etc. in the coming months to prepare for the implementation and consensus building of the ongoing Road Map process.</p> <p>CBI carried out capacity building and training in conflict mediation to the Social Team (from all operations) of Dinant in January, and had been working with the team for a long time leading up to that training. The Dinant team has a new Social Manager on Board as of early January, as well as a new CSR Manager. These new team members have been seamlessly integrated into the Dinant E&S team and several of the liaison personnel have also been trained by the international CSR firm Monkey Forest and more training is scheduled for 2016.</p> <p>CBI accompanied Dinant, as an observer, to the first meeting with the community of Panama in February 2016, when dialogue was opened with the Panama Community for the first time; and Dinant was subsequently invited by consensus</p>
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<p>affected communities to identify current or potential negative environmental and social impacts resulting from Dinant's agricultural and industrial operations.</p>				<p>of the Panama community to host the 2nd community assemble in late March.</p> <p>Risk Assessments were undertaken for E&S issues over the past year by Dinant. In addition, the baseline Socio-economic studies completed by SNV have also been presented to communities during the roll out of the company's community engagement process and GM.</p>
<ul style="list-style-type: none"> • Disclose report findings to communities during the consultation process. 		<p>Draft Report to IFC May 2014.</p>	<p>Community Engagement (CE) meetings held to roll out Grievance Mechanism (GM) with Comayagua in November 2014. SPS and Lean CE/GM rolled out as planned in March 2015.</p> <p>Community Engagement and Grievance mechanism initiated in Aguan Valley communities in in September 2015. This has just begun, with the 4 main communities around the Dinant operations plant, and will continue to expand outward to other affected communities over coming months. It is critical that this engagement expansion be completed as soon as possible to leverage good faith engagement and make progress with key grievances.</p> <p>The results of the Socio-Economic Baseline Surveys have been shared with the Comayagua and Lean Communities during the engagement processes underway over the past several months. Results will be shared in SPS and Aguán in October 2015.</p> <p>The Community Liaison Officers have set up regular meetings with</p>	<p>The results of the Social Base Line were presented by social team in the Aguan Valley, these had been prepared by the consultants (SNV) for all the Dinant Facility locations encompassing a wide area.</p> <p>In the Aguan, Dinant is working extensively with 5 communities informing them about their community engagement program, the GM and the VP on Security and Human Rights, which has been rolled out previously at the other Dinant facility sites Comayagua and Leon.</p> <p>In February, Dinant began their community engagement program in Panama in Aguan, with the roll out of the general engagement program and the GM. Panama is one of the more fragmented communities in the Aguan Valley.</p> <p>A second meeting was held in mid-March to inform the community about the VP on Security and Human Rights.</p> <p>At each of their sites Dinant have been having regular meetings with communities and fluid</p>

			<p>local community leadership committees and communities, and have been receiving and addressing grievances from them.</p> <p>Community Liaison Officer (CLO) hired for Aguan Valley consultation in early summer and along with rest of Social Team received further training on community engagement and conflict mediation techniques by CBI in August and September 2015.</p>	<p>communication is maintained with their social team members and community representatives.</p> <p>Dinant has recruited a second social team member for the Aguan area to enable it to expand the program coverage and build further its relationships with communities. They hope to have this person fully active by May 2016.</p> <p>The entire Social Team participated in the first community meeting as observers to gain experience on handling meetings with communities where there maybe conflict.</p>
<ul style="list-style-type: none"> • Establish a corporate-level grievance mechanism (GM) for the handling of community complaints. • Draft GM to be reviewed by IFC and shared and discussed with communities as part of community engagement process, and revised as needed based on community feedback. • GM will cover security-related grievances. 		In progress, with consultations to begin in May 2014.	<p>Aguan consultation is being coordinated with CBI/FH, in recognition of need for potential adaptations that could enhance shared community confidence in the grievance mechanism as a problem solving tool.</p> <p>The process began Sept. 2015 and will continue throughout fall of 2015 and onward.</p>	<p>The GM is already being used by communities for their grievances or claims around issues, at every Dinant site. Dinant provides no less than six different ways to bring suggestions and grievances to the attention of the Company for resolution. Confidentiality is guaranteed in sensitive cases such as allegations of inappropriate or abusive behavior by any employee. The Gregorio Chavez peasant movement residing in the village of Panama in the Aguan, has not yet made use of the GM through the company. The Campesino movement have used other ways to raise grievances through the international NGOs working in the area.</p>
<ul style="list-style-type: none"> • Complete and implement a 		September to December 2014 in consultation with local communities.	Draft report reviewed by Dinant, Final Report expected to be	Pending approval by Dinant's CEO, the CSR policy will be socialized

Community Investment Strategy.			approved by Management October 2015.	internally throughout Dinant and then further with communities proposed for May 2016 Simultaneously the Social Team will work with individual communities to develop each communities Community Action Plan, which Dinant will support with an annual budget as agreed by Dinant for the CSR and Social Programs.
C. Progress on Corrective Actions from existing Dinant Environmental and Social Action Plan (ESAP)	Dinant to implement with consultant support. IFC to supervise and monitor.	Ongoing.	Supervision visit March 23 -27, 2015 by Environmental Specialists, Environmental Consultant and Social Specialist.	Supervision visit to Dinant is taking place April 18 – 22, 2016 by E&S Team. Environmental Specialist will review and verify status of emissions and WWTP to verify the latest air emission measurements and dispersion model results.
Certification of Environmental and Social Management System (ISO 14000/18000).		In progress, certification expected by end of December 2014.	Certification completed for all 14 facilities by December 2014. Certified in ISO 14001 and OHSAS 18001 by ICONTEC (international, accreditation by a world renowned accredited party IQNet.) Completed 100%	Follow up audit on ISO 14001 and OHSAS 18001 by ICONTEC. This audit was conducted in October 2015, and will be valid for one more year until recertification needed. Completed 100%
HACCP from SQF (Level II): Certification for Food Safety to enable imports to the US.		Completed.	Completed 100%	December 2015, a new HACCP certification completed of Fat & Oil processing plant located in Aguan Valley. Completed 100%
Complete and implement Pesticide Management Plan.		Completed.	Completed: 100%	Completed 100%
Labor Audit completed by COVERCO in Aug. 2012, implementation of corrective actions ongoing.		In progress, to be completed by December 2014.	Corrective Actions implemented as part of the OHSAS 18001 and completed. All topic related to safety in COVERCO audit were covered under OHSAS 18001 system. Review of COVERCO Audit to ensure all labor issues addressed,	All topic related to safety in COVERCO audit were covered under OHSAS 18001 system certification above. A CAP was prepared by the Human Resource Department and is being

			and CAP prepared by Human Resources if not.	executed.
Audit of all palm oil production and processing operations and preparation of a work plan and schedule for meeting international standards for sustainable palm oil production (including the RSPO Principles and Criteria, and other standards as available) and achieving independent certification.		In progress, to be completed by December 2015.	Dinant received RSPO pre-audit on August 2015. No final report yet.	Dinant is working on CAP for the RSPO pre-audit completed in August 2015. Integrating the Environmental, safety, occupational health and social topics into our Integrated Management System (IMS) with ISO14001 and OHSAS 18001. Also Dinant made the decision to start a new process to obtain two more certifications of palm oil mill, palm oil plantations in Lean and Aguan; ISCC (International Sustainability & Carbon Certification) and Rainforest Alliance.
Complete work on air emissions and replacement of boilers.		In progress, to be completed by September 2014.	After finishing the boiler stabilization processes, the results of air emissions testing were that emissions were meeting the national standards/regulations at both sites. In Lean the stabilization finished in December 2014. In Aguan the stabilization finished September 2015.	Dinant is in compliance with the national Honduran (air emission) regulations and World Bank Guidelines (to be confirmed during supervision trip). The dispersion model results for all boilers are now below 50 mg/Nm3. Completed 90%
Complete occupational health and safety assessment (including work on life and fire safety) and implement any necessary corrective actions.		In progress, completion expected by July 2014.	Fire hydrant loop added to Aguan extractor and plant as required by Audit is under construction.	All Dinant facilities are in compliance the Honduran regulations for fire and safety. For the Aguan complex Dinant made important investment to build a fire hydrant loop which will be completed by June 2016.
Complete Waste Water Treatment Plants (WWTP) at all operations.		In progress, rolling out through all plants, to be completed by April 2015.	SPS Dixie Snacks Civil works: 100% Completed in the first stage. Mechanical and erection completed 95%. Start up and fine-tuning of the WWTP began on July 2015.	Dinant built a Waste Water Treatment Plant for four facilities located in Comayagua, San Pedro Sula and Choloma. The two sites db(Dixie – snack

			<p>The WWTP is under stabilization process. Expected to finish the first stage by December 2015.</p> <p>SAHARA: Civil works is 100% Completed. The WWTP is meeting the national standard/regulation.</p> <p>ABUMAR: Civil works is 100% Completed. The WWTP is under stabilization process. Expected to finish the first stage by December 2015.</p>	<p>processing, SPS, and Abumar - soap processing, Comayagua) are completed but still under stabilization process with authorization of the national, SERNA (Energy, Natural Resources, Environment and Mine Agency) and local authority DIMA (Environmental Local Agency), San Pedro Sula and Comayagua authority.</p> <p>Expected to finish the stabilization process by December 2016.</p>
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