

**UPDATE OF DRAFT FOR CONSULTATION  
DINANT ENHANCED ACTION PLAN  
October 2014**

Proposed Action	Responsibility	Estimated Timeline (From April 2014)	Status (As of Oct. 2014)
<p><b>A. Security Action Plan</b></p> <p>Dinant has committed to Good International Industry Practice (GIIP) in the use of its security forces as follows:</p> <ul style="list-style-type: none"> <li>• 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.)</li> <li>• Develop and implement a comprehensive vetting process for security personnel (in-house and third party).</li> <li>• Develop and</li> </ul>	<p>Dinant to implement.</p> <p>IFC will monitor and supervise.</p>	<p>Estimated 9–12 months.</p> <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>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>Improved process adopted with further enhancements underway, to be implemented by December 2014.</p> <p>Managers training</p>	<p>IFC advisors Foley Hoag, LLP hired in September 2014.</p> <p>Ongoing. Review undertaken by Dinant Security Consultant. Report to IFC expected in October 2014. Full implementation expected by end of December 2014.</p> <p>Dinant Security Protocol Manual completed and implementation underway. IFC advisors will review beginning in October 2014 for any further amendments, if needed.</p> <p>Guards disarmed at Aguan and Leon Plantations and Snack SPS facilities. Guards given nightsticks, cell phones, other equipment to enhance protection.</p> <p>VPs and Dinant Policies Security and Human Rights posted at all sites. Protocols posted at all guard posts. Security Consultant has satisfactorily tested guards on knowledge of protocols.</p> <p>Completed. All security and contractors re-vetted and complete files on record. No human rights abuses found, some guards released for domestic violence and other petty criminal activity on record.</p> <p>Completed, but</p>

<p>implement a training program for in-house and third party security and management.</p> <ul style="list-style-type: none"> <li>• Enter into any Memorandums of Understanding (MoUs) with military and police regarding any support to Dinant, outlining the roles and responsibilities of each party.</li> </ul>		<p>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>reinforcement training ongoing for all 342 security staff. In 2014, 2200 hours of training for both contractors and in house security.</p> <p>Completed. Actions in Confrontation and Proportionate Use of Force training by the International Committee of the Red Cross (ICRC) completed by July 2014 for all Dinant security staff.</p> <p>Ongoing. Dinant currently discussing MoUs with Government.</p>
<p><b>*Independent Assessment and Verification of Security Protocols:</b></p> <p>Dinant will:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	<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>Completed. Dinant engaged Security Consultant for ongoing advice.</p> <p>IFC retained Foley Hoag as advisors in September 2014. They will review Dinant Security Protocol Manual, implementation of PS4/VPSHR, and other tasks as per ToR from October 2014 onward.</p>
<p><b>Compliance Investigation of Allegations of Past Security Forces Incidents:</b></p> <p>In accordance with IFC's 2006 PS4 requirement that, "the client will investigate any credible allegations of unlawful or</p>	<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>Ongoing. Foley Hoag to advise IFC from Oct. 2014.</p>

<p>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"> <li>• 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.</li> <li>• Where any non-compliance is found, Dinant will take corrective actions, which may include compensation and/or disciplinary actions as appropriate, as well as measures to prevent recurrence.</li> <li>• Disclose a summary of the process, key findings and corrective actions.</li> <li>• Report any information related to unlawful or abusive acts to the appropriate authorities in charge of criminal investigations.</li> </ul>			
<ul style="list-style-type: none"> <li>• 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.</li> </ul>		<p>Ongoing.</p>	<p>Ongoing. Government of Honduras investigations by Special Prosecutorial Unit continue in Aguan Valley.</p>

<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. To be completed in coordination with Foley, Hoag, Consensus Building Institute (CBI), Dinant and SNV from October 2014 onward.</p>
<p><b>B. Community Engagement Action Plan</b></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"> <li>• 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.</li> <li>• Communities will be given prior notice of consultation and receive relevant information in a culturally appropriate manner prior to consultation.</li> <li>• 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.</li> </ul>	<p>Community consultations will be facilitated by reputable third party consultant with the participation of Dinant and IFC representatives.</p> <p>IFC will also engage its own consultants with experience in conflict mapping and mediation skills to support the community engagement process, undertake 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>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>Ongoing. IFC advisor Consensus Building Institute (CBI) hired in June 2014.</p> <p>Ongoing. CBI has conducted three trips to Honduras for Pre-Participatory Engagement Process discussions.</p> <p>Meetings with multiple stakeholders including international and local NGOs, GoH agencies, farmers organizations (such as MUCA/MARCA) and other stakeholders.</p> <p>Next stage of Participatory Engagement with all stakeholders and conflict mapping expected October 2014 to February 2015.</p>

<ul style="list-style-type: none"> <li>• Complete socio-economic baseline survey of affected communities to identify current or potential negative environmental and social impacts resulting from Dinant's agricultural and industrial operations.</li> </ul>		<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>Ongoing. Analysis of data completed by geographical zone, reports being finalized by SNV and will be sent to IFC/CBI to review in October 2014.</p> <p>Community engagement plans to be developed based on final reports. Methodology to be sent to IFC/CBI for review expected October 2014.</p>
<ul style="list-style-type: none"> <li>• Disclose report findings to communities during the consultation process.</li> </ul>		<p>Draft Report to IFC May 2014.</p>	<p>Ongoing. To be finalized in October 2014 and disclosed thereafter.</p>
<ul style="list-style-type: none"> <li>• Establish a corporate-level grievance mechanism (GM) for the handling of community complaints.</li> <li>• 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.</li> <li>• GM will cover security-related grievances.</li> </ul>		<p>In progress, with consultations to begin in May 2014.</p>	<p>Ongoing. Draft GM procedures completed in April 2014.</p> <p>Focus group discussions with Comayagua Communities on GM, some refinements suggested in July 2014.</p> <p>Updated draft shared with IFC/CBI for feedback in September 2014. Input by Foley Hoag expected October 2014.</p> <p>Final GM to be rolled out October 2014 onward.</p>
<ul style="list-style-type: none"> <li>• Complete and implement a Community Investment Strategy.</li> </ul>		<p>September to December 2014 in consultation with local communities.</p>	<p>Ongoing. Draft strategy being developed by SNV, to be completed by December 2014.</p>

<p><b>C. Progress on Corrective Actions from existing Dinant Environmental and Social Action Plan (ESAP)</b></p>	<p>Dinant to implement with consultant support.</p> <p>IFC to supervise and monitor.</p>	<p>Ongoing.</p>	<p>Ongoing. IFC planned supervision once plants/boilers are up and running.</p>
<ul style="list-style-type: none"> <li>• Certification of Environmental and Social Management System (ISO 14000/18000).</li> </ul>		<p>In progress, certification expected by end of December 2014.</p>	<p>Ongoing. Certification expected by December 2014 for all 13 sites. Once completed Dinant will be the first company in Honduras and Latin America to do so.</p>
<ul style="list-style-type: none"> <li>• HACCP from SQF (Level II): Certification for Food Safety to enable imports to the US.</li> </ul>		<p>Completed.</p>	
<ul style="list-style-type: none"> <li>• Complete and implement Pesticide Management Plan.</li> </ul>		<p>Completed.</p>	
<ul style="list-style-type: none"> <li>• Labor Audit completed by COVERCO in Aug. 2012, implementation of corrective actions ongoing.</li> </ul>		<p>In progress, to be completed by December 2014.</p>	<p>Ongoing. As part of OHSAS 18001 certification above, to be completed by December 2014.</p>
<ul style="list-style-type: none"> <li>• 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.</li> </ul>		<p>In progress, to be completed by December 2015.</p>	<p>Ongoing. Discussion with RSPO re-initiated in September 2014.</p> <p>Work done for ISO/OHS certification (mentioned above) will pave the way toward preparation of RSPO Certification.</p>
<ul style="list-style-type: none"> <li>• Complete work on air emissions and replacement of boilers.</li> </ul>		<p>In progress, to be completed by September 2014.</p>	<p>Ongoing. Leon Boilers 95% and Aguan Boilers 80% completed, testing underway.</p>
<ul style="list-style-type: none"> <li>• Complete occupational</li> </ul>		<p>In progress, completion expected by July 2014.</p>	<p>Ongoing. Part of the OHSAS 18001</p>

<p>health and safety assessment including work on life and fire safety) and implement any necessary corrective actions.</p>			<p>certification process, mentioned above.</p>
<ul style="list-style-type: none"> <li>• Complete Waste Water Treatment Plants (WWTP) at all operations.</li> </ul>		<p>In progress, rolling out through all plants, to be completed by April 2015.</p>	<p>Ongoing. WWTP San Pedro Sula Snacks 75% completed, WWTP Comayagua (Veg.) 90% completed, Aguamar (Soaps) 95%, Choloma expected completion end of Nov. Aguan and Leon Fertigation systems 80% completed.</p>