

**UPDATE OF DRAFT FOR CONSULTATION DINANT ENHANCED ACTION PLAN
October 2015**

Proposed Action	Responsibility	Estimated Timeline (From April 2014)	Status (October 2014)	Status (April 2015)	Status (October 2015)
<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>IFC advisors hired: CBI in July 2014; Foley Hoag LLP in September 2014.</p>	<p>FH has completed 5 trips to Honduras since November 2014.</p>	<p>CBI has completed 19 trips to Honduras since July 2014.</p> <p>FH has completed 6 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>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>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>Annual Progress Report on the Implementation of Dinant Security and Human Rights Program completed Nov. 2014. FH reviewed and made recommendations. Disclosed web site January 2015.</p> <p>New Corporate Security Head (ex LAPD-US) started in November 2014. Dinant will be hiring new Private Security contractor, who will be vetted and trained on the new Security Policy and Procedures (Security Management Plan -</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).</p> <p>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</p>

Guards disarmed at Aguan and Lean Plantations and Snack SPS facilities. Guards given nightsticks, cell phones, other equipment to enhance protection.

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.

completed).

Aguan Valley to have all in-house direct hire Security which enables Dinant to have control over training, vetting, supervision, equipment and avoids rotational issues.

FH has received very positive feedback re: disarming from the guards, who feel safer themselves and more trusted by communities. 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.

FH have verified that the guards have been trained on the VPs and have a good understanding of the requirements, some suggestions made to further enhance training around various scenarios guards might encounter has been

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.

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.

In addition, the company's security managers visit each site approximately every two months to evaluate implementation of PS 4, and update risk assessments.

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.

				suggested and will be completed. In addition, an internal and external monitoring system will be set up to track and verify frequency, effectiveness and type of training.	
<ul style="list-style-type: none"> Develop and implement a comprehensive vetting process for security personnel (in-house and third party). 		Improved process adopted with further enhancements underway, to be implemented by December 2014.	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.	Dinant is moving to have more in house security and limited Private Security Contractors. This process is currently underway. In the Aguan, all guards will soon be in-house. 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 Pan (Policies and Protocol).	<p>In the Aguan, all guards are in-house.</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>
<ul style="list-style-type: none"> Develop and implement a training program for in-house and third party security and management. 		<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</p>	<p>Completed, but 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</p>	<p>Re-enforcement training ongoing on all modules, constant refreshers for both in house and third party guard force.</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>

<ul style="list-style-type: none"> • 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>2014.</p> <p>By September 2014.</p>	<p>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>Dinant discussing MoU with GoH and Public Authorities who have not agreed to resign current MoU (Acuerdo) which previous Xatruch commander signed. Dinant has shared its expectations regarding the responsible provision of security with the armed forces and police. FH advising company of options. The role of Public Forces, responsibilities and the shed that Dinant has loaned the military on their property for use by Xatruch are all issues under discussion. There is a procedure developed to handle requests</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>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>
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				for support by GoH.	
<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>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>FH has reviewed the Dinant Security Management Plan and made recommendations.</p> <p>As well, after each of their 4 trips they have made recommendations to the company on where Dinant could improve procedures. (50%)</p>	<p>Dinant is working through the recommendations made by FH to improve their procedures. (70%)</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</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>FH has reviewed Dinant incident reports as well as interviewed some security managers and guards about certain events and the procedures followed during the time of the allegations of past security incidents involving Dinant.</p> <p>At this time many of the former private Security Guards are no longer employed by Dinant.</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>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. 					
<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 as measures to prevent recurrence. • Disclose a summary of the process, key findings and corrective actions. • Report any information related to unlawful or abusive acts to the appropriate 					

<p>authorities in charge of criminal investigations.</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>Ongoing. Government of Honduras investigations by Special Prosecutorial Unit continue in Aguan Valley.</p> <p>Ongoing. To be completed in coordination with Foley, Hoag, Consensus Building Institute (CBI), Dinant and SNV from October 2014 onward.</p>	<p>FH has meet with the local office of the Special Prosecutorial Unit in the Aguan Valley during February 2015 field visit to notify it of Dinant's plans to investigate.</p> <p>Meeting with Attorney General in March 2015 to discuss Dinant's planned investigation and ensure that it meets national requirements.</p> <p>Delayed because CBI efforts to envision and socialize a coherent and legitimate framework for stakeholder engagement and joint problem solving / value creation (now in draft) has taken longer than expected.</p> <p>CBI and FH have jointly with members of the Plataforma Agrarian Campesino group during Feb. and /March 2015 trips, as well as other community members,</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>

				to the extent possible. Strong expressions of support from all stakeholder categories. Explicit support from the Plataforma still pending.	
<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 consultation and receive relevant information in a culturally appropriate manner prior to 	<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</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>Ongoing. CBI continuing role as advisor as well as facilitating the stakeholder dialogue to bring parties to the table to ultimately discuss various issues identified through the initial phase of engagement.</p> <p>CBI has undertaken 19 trips to Honduras – 8 of which have been to the Aguan Valley for meetings with Stakeholders, primarily the Plataforma (group of Campesino Organisations), as well as meetings with other community members, Government Officials, NGOs, and Bi-laterals, World Bank/IFC.</p> <p>A road map has been presented to each of the stakeholders to</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 months via GoH leadership.</p>

<p>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. • 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. 	<p>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>Next stage of Participatory Engagement with all stakeholders and conflict mapping expected October 2014 to February 2015.</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>	<p>gauge willingness to take the discussion forward on three areas of thematic engagement – 1) enhanced consultation in Dinant zone of influence on VPs implementation / grievance mechanism adaptation / and security protocol; 2) independent observation and oversight on impunity and land tenure issues; and 3) joint visioning on inclusive development for the Aguan valley region.</p> <p>This phase has been extended by 2 months to allow for bilateral discussions with various stakeholders listed above on the CBI proposed roadmap.</p> <p>Conflict mapping still to be completed.</p> <p>SNV/Dinant have completed Socio-Economic Baseline Studies on all Dinant impacted communities with exception of 2 located in the Aguan Valley (Panama and</p>	<p>Further issue / conflict mapping to be completed as needed via Dinant rollout of its community engagement plan.</p>
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				<p>Guadelope de Carney).</p> <p>Community Engagement Plans are in completed and to be cleared by Dinant Management (pending). They will be publically disclosed. At Comayagua meetings results were presented to communities during presentations of the GM.</p>	
<ul style="list-style-type: none"> • Disclose report findings to communities during the consultation process. 		Draft Report to IFC May 2014.	Ongoing. To be finalized in October 2014 and disclosed thereafter.	<p>Community meetings held to discuss Socio-economic findings with Comayagua. SPS/Lean planned March 2015. Aguan to be coordinated with CBI.</p> <p>Training by Monkey Forest International to Dinant Social Team and new Community Liaison Officers (CLO) hired for Comayagua and Lean consultation.</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 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>
<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 		In progress, with consultations to begin in May 2014.	<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>Grievance Mechanism (GM) reviewed by IFC, and CBI, and recommendations provided to Dinant. Final Draft cleared by Sr. Management and disclosed in Spanish and English on Dinant Website in March 2015, and</p>	<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. The process began Sept. 2015 and will continue throughout fall of 2015 and onward.</p>

<p>communities as part of community engagement process, and revised as needed based on community feedback.</p> <ul style="list-style-type: none"> • GM will cover security-related grievances. 			<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>	<p>disclosed to local communities on the ground as community engagement meetings are held.</p> <p>Ongoing. GM presented to communities in Comayagua in December 2014. SPS/Lean March 2015. Aguan to be coordinated with CBI/FH, in recognition of need for potential adaptations that could enhance shared community confidence in the mechanism as problem solving tool.</p>	
<ul style="list-style-type: none"> • Complete and implement a Community Investment Strategy. 		September to December 2014 in consultation with local communities.	Ongoing. Draft strategy being developed by SNV, to be completed by December 2014.	Draft report reviewed by Dinant, Final Report expected March 2015.	Draft report reviewed by Dinant, Final Report expected to be approved by Management October 2015.
<p>C. Progress on Corrective Actions from existing Dinant Environmental and Social Action Plan (ESAP)</p>	<p>Dinant to implement with consultant support.</p> <p>IFC to supervise and monitor.</p>	Ongoing.	Ongoing. IFC planned supervision once plants/boilers are up and running.	Supervision visit March 23 -27, 2015 by Environmental Specialists, Environmental Consultant and Social Specialist.	Supervision visit March 23 - 27, 2015 by Environmental Specialists, Environmental Consultant and Social Specialist.
<ul style="list-style-type: none"> • Certification of Environmental 		In progress, certification expected by end of	Ongoing. Certification	Certification completed for all 14	Certification completed for all 14 facilities by

and Social Management System (ISO 14000/18000).		December 2014.	expected by December 2014 for all 13 sites. Once completed Dinant will be the first company in Honduras and Latin America to do so.	facilities by December 2014. Completed 100%	December 2014. Certified in ISO 14001 and OHSAS 18001 by ICONTEC (international, accreditation by a world renowned accredited party IQNet.) Completed 100%
<ul style="list-style-type: none"> HACCP from SQF (Level II): Certification for Food Safety to enable imports to the US. 		Completed.		Completed: 100%	Completed 100%
<ul style="list-style-type: none"> Complete and implement Pesticide Management Plan. 		Completed.		Completed: 100%	Completed: 100%
<ul style="list-style-type: none"> Labor Audit completed by COVERCO in Aug. 2012, implementation of corrective actions ongoing. 		In progress, to be completed by December 2014.	Ongoing. As part of OHSAS 18001 Certification above, to be completed by December 2014.	Corrective Actions implemented as part of the OHSAS 18001 and completed. Review of COVERCO Audit to ensure all issues addressed, and CAP prepared if not.	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 labour issues addressed, and CAP prepared by Human Resources if not.
<ul style="list-style-type: none"> Audit of all palm oil production and processing operations and preparation of a work plan and schedule for meeting 		In progress, to be completed by December 2015.	Ongoing. Discussion with RSPO re-initiated in September 2014. Work done for ISO/OHS certification	Ongoing. Dinant had meetings with RSPO March 2-6 2015, optimistic that they will be asked to participate in RSPO National Interpretation	Dinant received RSPO pre-audit on August 2015. No final report yet.

international standards for sustainable palm oil production (including the RSPO Principles and Criteria, and other standards as available) and achieving independent certification.			(mentioned above) will pave the way toward preparation of RSPO Certification.	Process.	
<ul style="list-style-type: none"> Complete work on air emissions and replacement of boilers. 		In progress, to be completed by September 2014.	Ongoing. Lean Boilers 95% and Aguan Boilers 80% completed, testing underway.	Lean/Aguan Valley final testing phase underway, to be verified by IFC supervision. Completion: Implementation 95% - Stabilisation ongoing.	<p>After finishing the boiler stabilization processes, the results of air emissions testing were that emissions were meeting the national standards/regulations at both sites.</p> <p>In Lean the stabilization finished in December 2014.</p> <p>In Aguan the stabilization finished September 2015.</p>
<ul style="list-style-type: none"> 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.	Ongoing. Part of the OHSAS 18001 certification process, mentioned above.	Implementation of L and FS Audit Corrective Action Plan (CAP) underway.	Fire hydrant loop added to Aguan extractor and plant as required by Audit is under construction.
<ul style="list-style-type: none"> Complete Waste Water Treatment Plants (WWTP) at all operations. 		In progress, rolling out through all plants, to be completed by April 2015.	Ongoing. WWTP San Pedro Sula Snacks 75% completed, WWTP Comayagua (Veg.)	SPS Snacks ongoing. All other WWTP construction completed, in final testing phase:	SPS Snacks Civil works: 100% Completed in the first stage. Mechanical and erection completed 95%. Start up and fine-tuning of

			<p>90% completed, Aguamar (Soaps) 95%, Choloma expected completion end of Nov. Aguan and Lean Fertigation systems 80% completed.</p>	<p>Comayagua, Abumar (Soaps) and Choloma.</p> <p>Fert-irrigation Aguan and Lean Plants system obtaining zero discharge.</p>	<p>the WWTP began on July 2015.</p> <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>
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