COOPERATIVA AGRARIA NORANDINO LTDA.

PERU

Category B Sub-Project Disclosure Package

Environmental and Social Due Diligence Report

Environmental and Social Action Plan

FP230: Kuali Fund-GCF

Accredited Entity: COFIDES, S.A., S.M.E.

Executing Entity: GAWA Capital

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Sub-Project Disclosure Summary

Kuali Fund proposes a USD 2M investment in Cooperativa Agraria Norandino Ltda. (hereinafter "Norandino"), structured as: (i) a USD 700,000 collateralized term loan for capital expenditure, secured by fixed assets at 120% coverage; and (ii) a 3-year trade finance facility (USD 1.0–1.3M), renewed annually and backed by coffee and cocoa export contracts. The proposed investment has a tenor of three years. The investment supports two interconnected activity streams:

- **Infrastructure Development (Capex Loan): I**nstallation of a 518 kWp grid-connected solar photovoltaic system at Norandino's agro-industrial complex in the Zona Industrial II, Piura. The solar project involves installing 720 Mono Perc Half-Cell panels (720W each) and 4 Bluesun On-Grid Inverters (125 kW each), designed to produce approximately 959,524 kWh per year, covering roughly 85.5% of the processing plants' historical energy consumption. The total project cost is USD 2M, of which the solar energy component represents approximately 20% of Kuali's capex investment.
- **Trade Finance for Operational Expenditure:** Supporting the commercialization of high-quality, Organic and Fairtrade-certified coffee and cocoa from smallholder farmers to international premium markets. Expected buyers include Coffeeteam (Belgium), Royal Coffee (USA), Efico (Belgium), Maison Jobin (France), Chocolat Bernrain (Switzerland), Valrhona (France), and Rapunzel (Germany), among others.

The investment fulfils dual functions under the GCF climate framework, addressing both the **reduction of greenhouse gas emissions (mitigation)** and the **building of systemic resilience against climate volatility (adaptation)**.

A. Beneficiaries

Direct Beneficiaries. The cooperative serves 5,806 smallholder farmer-members organized in 10 base cooperatives across the Piura, Cajamarca, San Martín, Amazonas, and Lambayeque regions. Members operate on an average landholding of 1.5 to 3 hectares per family. With the proposed USD 2M investment, Kuali's direct attribution reaches approximately 193 farmers; however, final reach is expected to be higher when computing trade finance rotation and household beneficiaries (average family size of 4 members). Of total members, 1,292 are women (22%), with female participation increasing steadily.

Reforestation and Carbon Credit Beneficiaries. More than 500 rural families in the Sierra de Piura specifically benefit from Norandino's reforestation and carbon credit programs, operating under Gold Standard and Fairtrade Climate certification. The "Reforestación Norandino" association manages 734 hectares of reforested land (pine and native species).

B. Climate Impact: GHG Reduction Estimates

Mitigation – Solar PV Component. The 518 kWp solar installation is estimated to avoid approximately 300–460 tCO2e per year, based on Peru's combined margin grid emission factor of approximately 0.35–0.50 tCO2/MWh (IFI Technical Working Group harmonized approach, weighted 75% operating margin and 25% build margin, reflecting Peru's predominantly hydro-based grid). Over the projected 25-year system life, estimated lifetime avoidance is 5,860–11,500 tCO2e (accounting for 0.5% annual panel degradation). The solar installation also generates projected annual operational savings directly improving the cooperative's financial resilience.

Mitigation – Agroforestry and Carbon Credits. Norandino's reforestation program (Gold Standard and Fairtrade Climate certified) contributes additional GHG removal through carbon sequestration across 734 hectares. The

cooperative is one of the few Peruvian cooperatives monetizing Gold Standard carbon credits, pioneering smallholder access to carbon markets.

Adaptation – Climate-Resilient Value Chains. The trade finance component strengthens climate adaptation by supporting certified agroforestry systems, enabling access to premium markets that incentivize sustainable farming, and providing economic stability to farmers operating in a geography characterized by climate extremes (Andean drought, El Niño flooding in Piura). The cooperative reinvests Fairtrade premiums (over EUR 1M annually) in technical assistance and productivity improvements that build long-term resilience.

C. Duration of Proposed Activities

The operation is structured as a 3-year facility. The capex loan for warehouse and solar infrastructure has a single disbursement with collateral-backed repayment. The trade finance facility is renewed annually, backed by export contracts, with rapid liquidity recycling typical of agro-trade finance.

D. Summary of Stakeholder Engagement

Norandino Agraria has conducted stakeholder engagement through multiple mechanisms integrated into its cooperative governance structure and certification processes:

- **General Assembly and Governance Consultations:** As a cooperative with 5,806 members organized in 10 base cooperatives, Norandino holds annual General Assemblies and regular delegate meetings where investment decisions, social programs, and environmental policies are discussed and approved by elected member representatives.
- **Certification Audits as Stakeholder Engagement:** Norandino undergoes annual Fairtrade (FLOCERT), Organic (NOP/EU/RTPO), Rainforest Alliance, and SPP (Small Producers' Symbol) audits that include direct interviews with member farmers, workers, and community representatives. The October 2025 FLOCERT audit and November 2025 Organic inspection reports both include stakeholder consultation components.
- **Indigenous Peoples Engagement:** Norandino's supply chain involves communities in the Sierra de Piura (e.g., Yamango, Pacaipampa) where indigenous populations reside. The cooperative adopted a specific Policy on Relations with Indigenous Peoples (Code: COP-CAD-PO-003, December 2025), aligned with ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples, committing to Free, Prior, and Informed Consent (FPIC). Technical and organizational strengthening teams integrate cultural and territorial specificities into their services.
- **Solar Project Consultations:** The solar PV installation is located within Norandino's existing agro-industrial complex in Zona Industrial II, Piura, on land owned by the cooperative. Given the industrial zoning and rooftop installation, direct community impacts are minimal. Processing plant workers and cooperative management have been consulted on the installation plan.
- **Ongoing Engagement Plan:** Norandino will maintain stakeholder engagement through: (i) annual General Assemblies and quarterly delegate meetings; (ii) continuous interaction through the network of 10 base cooperatives and approximately 12 technical staff and 5 project staff deployed across production regions; (iii) WhatsApp groups used to communicate with base cooperative leaders (a common and effective practice for rural stakeholders in Peru); and (iv) physical access to disclosure documents at the cooperative headquarters in Piura.

E. Grievance Redress Mechanism

Based on Norandino's Grievance Policy (SIG-GCA-PR-002), communities, groups, and individuals affected by the cooperative's activities have access to multiple channels for submitting complaints:

- **Channels:** Physical or virtual complaint books (available on the website), physical drop boxes at cooperative offices, telephone, SMS, WhatsApp, email, the corporate website, and verbal submissions during meetings or training sessions.
- **Confidentiality and Non-Retaliation:** The mechanism allows for anonymous and confidential submissions, with explicit protections against retaliation, dismissal, or membership cancellation.
- **Resolution Process:** Once a complaint is admitted, the Complaints Committee—which is impartial and gender-sensitive—must resolve it within a maximum of 30 business days. The process includes investigation, communication of findings, and implementation of a monitored remediation plan.
- **Alignment:** The grievance mechanism is aligned with Peruvian national regulations and the principles of IFC PS1 (paragraph 35) on external communications and grievance mechanisms.

Norandino Agraria's ESMS (and this disclosure) complies with the GCF Environmental and Social Policy and GCF Information Disclosure Policy. Norandino Agraria will report annually to GAWA/COFIDES on the E&S performance of its operations, including categorization, incidents, and grievance cases, in line with GCF reporting requirements.

F. Gender and SEAH

Gender equality, women's participation, and the prevention of sexual exploitation, abuse, and harassment (SEAH) are addressed through the Kuali Fund's dedicated Gender Assessment and Action Plan (GAP), prepared in accordance with the GCF Gender Policy and the Kuali ESMS. The GAP covers the internal and external gender dimensions of each sub-project investment, including institutional policies on non-discrimination and anti-harassment, women's participation in stakeholder consultations, and gender-sensitive indicators for portfolio monitoring. Norandino currently has 1,292 women members (22% of its base), with female participation increasing steadily, and its Complaints Committee is explicitly gender-sensitive in composition and procedure. IFC Performance Standards provisions on gender including non-discrimination, occupational health and safety, and prevention of harassment apply through the ESMS and are monitored via the ESAP. These commitments are tracked through the programme-level GAP reporting cycle and are not replicated in this disclosure, which is limited to the E&S risk profile and ESMS adequacy of the sub-project in line with GCF Information Disclosure Policy requirements.

G. E&S Categorization

Norandino Agraria has been categorized as E&S Risk **Category B**, reflecting that the potential adverse environmental or social risks and impacts are limited, site-specific, largely reversible, and readily addressed through mitigation measures. The investment finances an existing, operating agro-industrial cooperative with established processing facilities, not a greenfield development.

Annex 1. Environmental and Social Due Diligence (ESDD) Report

1.1 Project Background

Cooperativa Agraria Norandino Ltda. is a major Peruvian social enterprise and agrarian cooperative headquartered in Piura, with over 20 years of operation. It acts as a leader and regional agro-industrial hub for processing and exporting coffee, cocoa, and panela to international markets. The cooperative is Fairtrade, Organic (NOP/EU/RTPO), Rainforest Alliance, and SPP (Small Producers' Symbol) certified. Norandino holds 5,806 smallholder farmer-members organized in 10 base cooperatives across Piura, Cajamarca, San Martín, Amazonas, and Lambayeque.

Revenue and Operations. As of September 2025, Norandino reported EUR 34.5M in revenue, with a diversified product base: coffee (46%), cocoa (46%), panela (4%), and Fairtrade premiums (4%). The cooperative exports to Europe (60% of coffee volumes) and the US, with 73% of coffee sold under sustainability certifications. Norandino owns a state-of-the-art processing plant in the Piura Industrial Zone, providing processing services ("maquila") to over 20 producer organizations in addition to member volumes.

Proposed Investment. The investment comprises two components: (i) a USD 700,000 capex loan for warehouse construction and a 518 kWp solar PV system at the Piura agro-industrial complex; and (ii) a USD 1.0–1.3M trade finance facility to support coffee and cocoa commercialization from smallholder farmers.

Site and Environment Setting. The agro-industrial complex is located in Zona Industrial II, Piura—an established industrial area. The solar PV system will be installed on existing warehouse rooftops, requiring no new land acquisition. The cooperative's supply chain extends from the high Andes of Cajamarca and Amazonas (susceptible to drought and temperature-induced pest outbreaks) to the coastal desert of Piura (vulnerable to flooding during El Niño events).

1.2 E&S Categorization and Rationale

Norandino Agraria has been categorized as **E&S Risk Category B**, reflecting that the potential adverse environmental or social risks and impacts are limited, site-specific, largely reversible, and readily addressed through mitigation measures. This categorization is based on:

- The investment finances an existing, operating agro-industrial cooperative with established processing facilities, not a greenfield development.
- The solar PV component is a rooftop installation on existing structures, with no land acquisition, resettlement, or significant habitat disturbance.
- Environmental risks are primarily associated with coffee and cocoa processing (wastewater, organic waste) and supply chain practices (pesticide use, labor conditions), which are substantially mitigated by existing Organic, Fairtrade, and Rainforest Alliance certifications requiring annual independent audits.
- Social risks relate to labor conditions in the supply chain and the presence of indigenous communities among cooperative members, which are addressed through certification standards and Norandino's recently adopted Indigenous Peoples Policy.
- Aligned with sectoral assessment of IFC classifications for agricultural cooperatives and small-scale solar installations.

1.3 Applicable Standards and Regulatory Framework

International Standards

- IFC Performance Standards 1–8 (as applicable)
- IFC/World Bank Group Environmental, Health and Safety (EHS) General Guidelines
- IFC EHS Guidelines for Perennial Crop Production
- IFC Exclusion List (compliance confirmed)
- ILO Core Conventions (all eight ratified by Peru)
- GCF Environmental and Social Policy (Revised, B.BM-2021/18)
- GCF Information Disclosure Policy
- GCF Indigenous Peoples Policy

Peruvian National Regulations

- Ley General del Ambiente (Law 28611)
- Ley del Sistema Nacional de Evaluación de Impacto Ambiental (Law 27446)
- Ley de Consulta Previa (Law 29785, implementing ILO Convention 169)
- Ley de Concesiones Eléctricas (Electricity Concessions Law, DL 25844)
- Ley de Generación Distribuida (DL 1221, 2015)
- Reglamento de Seguridad y Salud en el Trabajo (DS 005-2012-TR)
- Ley de Gestión Integral de Residuos Sólidos (DL 1278) and RAEE Regulation (DS 009-2019-MINAM)

1.4 Scope of Review and Methodology

The Environmental and Social Due Diligence (ESDD) was conducted through a hybrid assessment approach combining:

- **Responsible Agricultural Investment (RAI) Tool:** Developed by Cerise+SPTF and the International Institute for Sustainable Development (IISD), this tool translates high-level international principles—including the CFS-RAI Principles and IFC Performance Standards—into operational language for agribusiness. The tool was completed collaboratively by Norandino and the Kuali Fund E&S Analyst.
- **Desk Review:** Comprehensive review of Norandino's regulatory, certification, and institutional documentation (see Section 3.5).
- **Remote Assessment:** Interviews with cooperative management and review of site conditions through photographic and video documentation.

This proportional, risk-based approach is consistent with GCF ESP paragraph 43 for Category B sub-projects, providing a fit-for-purpose assessment rather than a full ESIA.

1.5 Documents Reviewed

- ITSE Certificate (Inspección Técnica de Seguridad en Edificaciones), No. 312-2025-MDVO-SGGRD, valid until 24-06-2027. Certifies compliance with safety conditions for high-risk classification.
- Groundwater Use License (Licencia de uso de agua subterránea para uso industrial), Resolución Directoral No 1623-2022-ANA-AAA.JZ, issued by the Administración Local de Agua Medio y Bajo Piura.

- Operating License (Licencia de Funcionamiento), issued by the Municipalidad Distrital de Veintiséis de Octubre.
- Environmental Adequacy Declaration (DAA), Resolución Directoral No 00690-2021-Produce/DGAAMI, approved 21 December 2021, for the agro-industrial complex processing cacao, coffee, and panela in Piura.
- Organic Production Inspection Reports: Coffee, Panela, and Cocoa Butter, dated 3 November 2025.
- Fairtrade Audit Report (FLOCERT), dated 20 October 2025.
- Policy on Relations with Indigenous Peoples (COP-CAD-PO-003), December 2025.
- Grievance Policy (SIG-GCA-PR-002).
- Solar PV System Technical Proposal (518 kWp system specifications).
- Norandino Financial Statements (Dec 2021–Sep 2025).

1.6 List of positions of interviewed individuals

- Omar Guerrero Alberca, General Manager
- Gonzalo Manrique, External Consultant
- Cesar Paz Lopez, European Regional Head
- Andrea G. Villarruel Cavero, Head of Certifications
- Alex Ochoa, Head of Legal

Con formato: Español (España)

1.7 Assessment Results: IFC Performance Standards Gap Analysis

The following assessment evaluates Norandino's alignment with each IFC Performance Standard, considering both the cooperative's regular operations (coffee, cocoa, panela processing and trade) and the 518 kWp solar PV installation project.

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

Assessment Area	Findings
E&S Management System	Norandino does not have a single, integrated ESMS document. However, it operates a robust Internal Control System (SIC) necessitated by its Organic certifications and recently updated its quality management system (Version 1.0, Sept 2023). The cooperative has a dedicated Committee of Certifications and a technical team of 12 technical staff and 5 project staff managing compliance across multiple certification schemes. These elements collectively function as an operational ESMS, though they require formalization into a single integrated framework aligned with IFC PS1 requirements.
Impact Identification, Management and Reporting	The Organic, Fairtrade, and Rainforest Alliance certification processes include annual farm inspections that identify environmental and social risks at member level. The November 2025 organic inspection reports identified non-compliances (NC 02 and NC 04) regarding documentation and traceability of organic categories in commercial documents, demonstrating active risk screening. The Certification Department (composed of four people) directly supervises audits, certification processes, and the remediation of potential findings. It is responsible for managing, monitoring, and reporting on certification-related activities. The department uses software tools integrated into core information systems, ensuring alignment with certification requirements and the European Union Deforestation Regulation (EUDR) mandate. In parallel, robust traceability systems are embedded within Norandino's core IT infrastructure, integrating satellite monitoring data from Global Forest Watch and Satelligence (via Fairtrade CLAC) into the "Plus Conta" information system. This setup provides granular visibility across the entire supply chain—including client history, plot codes, and production details—ensuring 100% georeferenced monitoring of all directly administered producers. The institution publishes one annual report that includes disaggregated results per product, providing transparency on operational, environmental, and social performance across its main value chains.
Stakeholder Engagement Plan	Norandino maintains extensive stakeholder engagement through its cooperative governance structure (General Assembly, 10 base cooperatives), certification audit processes, and community development programs.
Grievance Redress Mechanism	In place. Norandino's Grievance Policy (SIG-GCA-PR-002) provides multiple access channels (physical/virtual complaint books, drop boxes, telephone, WhatsApp, email, in-person), allows anonymous submissions, includes non-retaliation protections, and requires resolution within 30 business days by a gender-sensitive Complaints Committee. Aligned with PS1 paragraph 35 requirements.
Organizational Capacity	The cooperative has institutional E&S capacity through its certification management infrastructure and the active role of the certifications team, which together constitute the core ESG capability of the organization. This capacity is further supported by several internal committees: Occupational Health and Safety Committee (Comité de Seguridad y Salud en el Trabajo, SST): Oversees workplace health and safety conditions, ensures compliance with labor and OHS regulations, and promotes risk prevention and worker well-being. Certification Committee: Supervises certification processes (e.g., Organic, Fairtrade, Rainforest Alliance), including audits, compliance monitoring, and remediation of non-conformities.

	Internal Fairtrade, Health, Safety and Labor Committee – IFHSL Committee (Comité de IFHSL): Monitors compliance with Fairtrade and related social standards, including labor conditions, workers' rights, and health and safety practices at producer level.

PS 2: Labor and Working Conditions

Assessment Area	Findings
Human Resources Policies	Norandino employs 108 collaborators (55 permanent men, 24 permanent women). HR policies are aligned with Peruvian labor law (Decreto Supremo 003-97-TR). Fairtrade certification (FLO ID 18075) requires compliance with core ILO conventions. The cooperative participates in the Women INvesting in Growth and Security (WINGS) program.
Seasonal Labor	Coffee and cocoa harvesting are seasonal activities managed at the member farm level. Norandino's member farmers are independent smallholders, not employees. Seasonal labor risk is managed primarily through Fairtrade and Organic standards requiring fair labor practices at farm level.
Child and Forced Labor	Fairtrade and SPP (Small Producers' Symbol) certifications strictly audit child labor and forced labor policies. The certifications include active monitoring protocols. Peru has ratified ILO Conventions 138 (minimum age) and 182 (worst forms of child labor). No incidents reported. Risk is considered low but requires ongoing vigilance through supply chain monitoring.
Occupational Health and Safety	The ITSE certificate (No. 312-2025-MDVO-SGGRD, valid until June 2027) confirms compliance with safety conditions for the existing processing facilities. For the solar PV installation, specific construction phase OHS risks include: working at heights (rooftop installation of 720 panels), electrical hazards (DC systems), heavy lifting, and heat exposure. A specific Construction EHS Plan for the solar contractor is not yet available and is required as a pre-disbursement condition in the ESAP.
Supply Chain OHS	The Cerro Verde warehouse (one of the 10 base cooperatives) requires updating its ITSE (Civil Defense) certificate as identified in internal audit findings. This will be included in the ESAP.

PS 3: Resource Efficiency and Pollution Prevention

Assessment Area	Findings
Pesticide Management	Organic certification strictly prohibits WHO Class Ia or Ib pesticides and requires an Integrated Pest Management approach. The organic inspection reports (November 2025) identified non-compliances (NC 01 and NC 03) regarding required registration and active substance tracking for cleaning and disinfection products used in industrial transformation. These are procedural gaps in documentation rather than substantive pesticide violations, but they require remediation through the established certification audit process, in line with the corrective action timelines prescribed by the certification body.
Water Use	Norandino holds a groundwater use license (Resolución Directoral No 1623-2022-ANA-AAA.JZ) from the Administración Local de Agua, which details monthly volumes of groundwater available for industrial use. Norandino's central facility in Piura does not carry out primary processing for all value chains, and therefore water use is limited. No industrial wastewater

	treatment is conducted on-site, as effluents are limited to cleaning, sanitation, and auxiliary processes and domestic uses. Liquid effluents generated at the facility resulting from these practices, are managed through Norandino's internal waste management and drainage procedures (SIG-GIA-PR-006 Sistema Integrado de Gestión Procedimiento Manejo de Residuos / Waste Management Procedure) and discharged into the public sewer system via controlled drainage infrastructure (closed sumps, pipes, and inspection boxes). Preventive maintenance, inspections, and operational controls are in place to avoid blockages, overflows, and contamination risks. Compliance with Maximum Admissible Values (VMA) for non-domestic wastewater is periodically verified with oversight from the relevant service provider (EPS), ensuring that effluent discharges remain within regulatory limits. In addition, the Water Evacuation Plan (AYF-SST-PL-008) establishes maintenance routines, inspection protocols, and contingency measures to prevent flooding and environmental impacts. The broader framework is supported by a Water Efficiency Policy (GC-MA-PO-003), which promotes monitoring of consumption, efficient use of water, and prevention of contamination.
Waste Management	Organic waste (e.g., coffee husks, cocoa shells) is managed through biomass valorization practices at the level where processing takes place. It is important to distinguish that Norandino's central facility in Piura does not carry out primary processing for all value chains: **Cacao**: Norandino purchases cocoa primarily in dry form, with fermentation and drying carried out at the level of cooperative modules. As such, the generation of organic waste (e.g., pulp residues, shells) and associated water use occurs upstream at the cooperative level, where it is managed under local practices and certification requirements. **Panela**: Similarly, sugarcane processing into panela is conducted at decentralized cooperative modules, where biomass residues (e.g., bagasse) are typically reused as fuel. Waste generation and water use are therefore not concentrated at the central facility. **Coffee**: Norandino primarily handles dry coffee (parchment or green coffee) at the industrial facility. Wet processing (which is the most water-intensive stage) is generally carried out at farm or cooperative level. As a result, water consumption and effluent generation at Norandino's facility are limited, mainly associated with cleaning, sanitation, and auxiliary processes. At the central facility, waste management focuses on solid residues from handling, packaging, and cleaning activities, as well as limited liquid effluents from sanitation processes. These are managed through the cooperative's formal Waste Management Procedure (SIG-GIA-PR-006), which covers segregation, storage, collection, and disposal of solid and liquid wastes, including color-coded systems, defined responsibilities, and periodic monitoring and verification. Liquid effluents generated at the facility (primarily from cleaning, washing, and sanitary uses) are discharged into the public sewer system through controlled drainage infrastructure, with preventive measures in place (e.g., closed sumps, maintenance of drainage systems) to avoid blockages and contamination. Compliance with Maximum Admissible Values (VMA) for non-domestic wastewater is periodically verified in coordination with the relevant service provider. In addition, the Water Evacuation Plan (AYF-SST-PL-008) establishes maintenance routines, inspection protocols, and contingency measures to prevent overflows, flooding, and environmental impacts. Overall, resource use (water and waste generation) at Norandino's central facility is relatively limited, as the most intensive processing stages are decentralized at cooperative level and governed by certification standards (e.g., Organic, Fairtrade, Rainforest Alliance), which include environmental and waste management requirements.

	Gap identified: no specific waste management plan exists for solar PV components (RAEE/E-waste), including damaged or end-of-life panels and inverters, as required under Peruvian RAEE regulations (DS 009-2019-MINAM). The ESAP requires the development of a dedicated RAEE protocol.
Energy Efficiency and GHG	The 518 kWp solar project will generate approximately 959,524 kWh/year, covering 85.5% of the plant's energy consumption (2023 baseline: 1,122,068 kWh) and generating projected annual savings. This is a significant positive impact, reducing grid dependency and carbon footprint by an estimated 300–460 tCO2e/year. The project responds to a projected 45% increase in the cacao plant's energy consumption.

PS 4: Community Health, Safety, and Security

Assessment Area	Findings
Community Safety	The facility is located in Zona Industrial II, Piura, an established industrial zone that minimizes disturbance to residential communities. Traffic and infrastructure risks from processing operations and heavy transport are managed within the industrial zone framework. Transport-related environmental and safety risks are mitigated through a combination of operational controls and organizational practices. Vehicle maintenance activities are outsourced to specialized, authorized service providers. As a control measure, the organization verifies that all units have up-to-date preventive and corrective maintenance, ensuring safe operating conditions and minimizing risks such as oil leaks or mechanical failures. The organization does not store or handle fuel within its facilities, as refueling is carried out exclusively at authorized service stations, thereby eliminating risks associated with on-site fuel storage and handling. Norandino has implemented a Road Safety and Vehicle Use Procedure (AYS-SST-PR-023), which establishes clear guidelines for safe driving, vehicle operation, and control of third-party vehicles entering the premises. This includes requirements for licensed and fit drivers, adherence to traffic regulations, use of safety equipment, incident reporting, and periodic training and awareness measures. The procedure also includes verification of basic safety conditions for external transport units. Overall, these measures ensure that transport-related pollution risks (e.g., oil and grease, fuel handling) and safety risks are adequately managed through preventive controls.
Food Safety	The plant holds HACCP (SGS) and Kosher certifications valid through 2026/2027, ensuring high standards of product safety.
Chemical Exposure	Organic certification eliminates the risk of chemical spray drift from agricultural operations. Industrial processing uses controlled cleaning and disinfection products with minor documentation gaps identified under PS3 being addressed.
Security	Private security forces are managed within the industrial zone framework. Community security risks are considered low. Not triggered for further action.

PS 5: Land Acquisition and Involuntary Resettlement

Assessment Area	Findings
Land Tenure	The solar PV project is a rooftop installation on existing facilities owned by Norandino (Partida Registral verified in desk review). No new land acquisition is required. The warehouse construction is also within the cooperative's existing industrial compound.

Economic Displacement	No smallholders have lost access to land or resources due to the project. The investment supports, rather than displaces, smallholder livelihoods through improved processing capacity and market access.
Assessment	PS5 is not triggered. No land acquisition, involuntary resettlement, or economic displacement is associated with this investment.

PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Assessment Area	Findings
Supply Chain Sourcing and Deforestation	Norandino is nearly 100% EUDR-ready (European Union Deforestation Regulation), with georeferenced plots across its entire member base, placing it ahead of many private exporters and peers in Peru. Organic and Rainforest Alliance certifications (valid to May 2026) act as a primary barrier against sourcing from deforested areas. The cooperative has committed to deforestation-free supply chains.
Certification	Agricultural production is certified by multiple credible international standards: Organic (NOP, EU, RTPO), Fairtrade (FLO), Rainforest Alliance, and SPP. Organic inspection reports (November 2025) evaluate adherence to these regulatory frameworks. Coffee is primarily high-altitude Arabica (Typica, Caturra, Bourbon) grown in agroforestry systems.
Carbon and Reforestation	The "Reforestación Norandino" association manages 734 hectares of reforested land (pine and native species), selling carbon credits under Gold Standard and Fairtrade Climate certification. The "Cocoa, Trees & Climate Action" initiative further demonstrates sophistication in managing environmental assets and biodiversity.
Protected Areas	No processing facilities or known supply chain areas are located within or adjacent to IUCN Category I–IV protected areas. Screening confirmed compliance with IFC Exclusion List item 15.

PS 7: Indigenous Peoples

Assessment Area	Findings
Presence of Indigenous Peoples	Norandino's operations indirectly involve communities of Indigenous Peoples. The supply chain includes communities in the Sierra de Piura (e.g., Yamango, Pacaipampa), Cajamarca, and Amazonas, where Quechua-speaking and other indigenous communities reside. While the agro-industrial plant is in an urban industrial zone, the cooperative's member base includes indigenous producers.
Policy Framework	Norandino has adopted a specific Policy on Relations with Indigenous Peoples (Code: COP-CAD-PO-003, December 2025). The policy explicitly aligns with ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples, committing to Free, Prior, and Informed Consent (FPIC). It is built upon five core principles: Cultural Respect, No Discrimination, Dialogue and Participation, Transparency, and Shared Benefit.
FPIC and Implementation	Operationally, Norandino commits to integrating cultural and territorial specificities into its technical services and mitigating social risks. Responsibility rests with the cooperative's technical and organizational strengthening teams, with oversight from the President and General Manager. As a member-owned cooperative where indigenous producers participate in governance (General

	Assembly voting), the cooperative structure inherently supports informed participation in decisions affecting members.
Assessment	PS7 is triggered. Norandino has an adequate policy framework, and the cooperative governance model provides structural mechanisms for indigenous participation.

PS 8: Cultural Heritage

Assessment Area	Findings
Tangible Heritage	The agro-industrial complex is located in an established industrial zone. No known proximity to sacred groves, gravesites, or archaeological sites. Given the previously disturbed nature of the land, the likelihood of encountering archaeological remains is considered low.However, in line with Peruvian legislation (Law No. 28296) and good international practice, any ground-disturbing activities may still trigger the obligation to report chance finds. Therefore, a simple Chance Finds Procedure should be in place during warehouse construction, requiring suspension of works and notification to the Ministry of Culture in the event of unexpected discoveries. This measure is considered precautionary and proportionate to the low risk context.
Intangible Heritage	Norandino commercially uses traditional agricultural knowledge (e.g., cocoa varieties, coffee cultivation techniques) in a way that benefits the indigenous and traditional communities who are cooperative members and direct beneficiaries. This is considered a positive practice.
Assessment	PS8 is not triggered.

1.8 Solar PV Installation: Regulatory and Environmental Considerations

The 518 kWp solar installation may exceed Peru's 500 kW threshold under the Electricity Concessions Law (DL 25844), potentially requiring a definitive power generation concession from the Ministry of Energy and Mines (MINEM). Key regulatory interfaces include OSINERGMIN (energy regulator), and COES (grid operator for grid-connected systems). The following regulatory confirmations are required and included in the ESAP:

- **Electrical Concession or Registration:** Confirm whether the 518 kWp capacity requires a definitive concession or whether it qualifies under Peru's distributed generation framework (DL 1221, 2015). Obtain a legal opinion and file necessary applications.
- **Environmental Instrument:** Confirm whether the 518 kWp expansion requires a Technical Report (Informe Técnico Sustentatorio, ITS) to update the existing Environmental Adequacy Declaration (DAA, Resolución Directoral No 00690-2021-Produce/DGAAMI). The DAA covers the current agro-industrial complex but does not include the solar installation.
- **Construction Phase EHS:** Develop a specific Construction EHS Plan for the solar installation contractor, covering fall protection (rooftop work), electrical safety (DC systems), PPE requirements, emergency response, and contractor management.
- **RAEE (E-Waste) Compliance:** Under Peruvian RAEE regulations (DS 009-2019-MINAM), develop a waste management protocol for end-of-life solar panels and inverters. While panels are predominantly non-hazardous (>90% glass, polymer, aluminum), proper management of lead solder and other components requires planning.

Environmental and Social Action Plan (ESAP)

Based on the gaps identified in the ESDD, the following ESAP contains specific, measurable, time-bound corrective actions organized by priority. Each action references the relevant IFC Performance Standard, specifies a clear deliverable, assigns responsibility, and establishes a timeline.

#	Action	Description	PS	Deliverable	Resp.	Timeline
1	**E&S Management System**	Develop and formalize an integrated Environmental and Social Management System (ESMS) aligned with IFC PS1, building on existing elements (Internal Control System, certification frameworks, and quality management system). The ESMS should consolidate current practices into a single framework, including: (i) E&S policy; (ii) risk identification and screening procedures; (iii) monitoring and reporting mechanisms; (iv) roles and responsibilities (including the Certification Committee and technical team); and (v) integration	PS1	ESMS Manual aligned with IFC Performance Standards	Norandino	Within 12 months

		with existing certification and traceability systems.				
2	**Update ITSE (Civil Defense) Certification – Cerro Verde Warehouse**	Obtain and maintain a valid ITSE (Inspección Técnica de Seguridad en Edificaciones) certificate for the Cerro Verde warehouse, addressing any gaps identified in internal audits. This includes implementing any required corrective actions to ensure compliance with applicable health, safety, and civil defense regulations.	PS1 / PS2	Valid ITSE certificate for Cerro Verde warehouse and evidence of compliance with identified corrective actions	Norandino	Within 6 months
3	**Solar Construction EHS Plan**	Develop a specific Construction EHS Plan for the solar PV installation contractor, covering fall protection, electrical isolation, PPE, emergency response, and contractor management protocols.	PS2	EHS Plan approved by COFIDES/GAWA	Norandino + Contractor	Prior to solar installation
4	**Regulatory Confirmation for Solar**	Obtain legal opinion on whether 518 kWp requires MINEM concession or qualifies under DL 1221 (distributed generation). Confirm if ITS is required to update existing DAA.	PS1 PS3	Legal opinion and/or filed ITS/concession application	Norandino	Prior to solar installation
5	**Solar Waste Management (RAEE)**	Update the Waste Management Plan to include RAEE (E-waste) procedures for solar panels and inverters, in compliance with DS 009-2019-MINAM.	PS3	Updated Waste Management Protocol with RAEE section	Norandino	Prior to solar operation
6	**Integration of Solar PV Water Use into Water Management Procedures**	Update water management procedures to incorporate water use associated with the cleaning of solar PV panels, once installed.	PS3	Updated Water Management Procedure/Manual including PV panel cleaning practices and monitoring records	Norandino	Within 6 months of PV system installation
7	**Implementation of Chance Finds Procedure**	Develop and implement a simple Chance Finds Procedure for ground-disturbing activities associated with warehouse construction, in line with Peruvian Law No. 28296 and IFC PS8 good practice.	PS8	Documented Chance Finds Procedure and evidence of contractor awareness	Norandino / Contractor	Prior to commencement of construction works
8	**GHG Baseline and Monitoring**	Establish a GHG emissions baseline for the processing operations and implement	PS3	Annual GHG report with baseline and monitoring data	Norandino	Within 12 months; then annually

		monitoring of solar PV generation and grid displacement.				
9	**Annual E&S Reporting**	Prepare annual E&S performance reports covering portfolio compliance, incidents, grievance cases, ESAP progress, and GHG metrics.	PS1	Annual E&S Report submitted to GAWA/COFIDES	Norandino	Annually

Annex 2. Indigenous Population Plan – Proportionate Approach

Status of Indigenous Inclusion at Norandino Agraria

Norandino operates in regions (e.g., Cajamarca, Amazonas, Piura) where Indigenous Peoples (IPs), including Quechua-speaking communities, are present. These producers participate as members of local cooperatives that supply agricultural products to Norandino. The nature of this engagement is indirect, through value chain relationships, and associated impacts are considered low and predominantly positive, driven by improved access to markets, agricultural inputs, technical assistance, and certification schemes that enhance productivity and income generation. Norandino does not directly intervene in the internal governance of these cooperatives, which retain their own organizational structures and decision-making processes.

The cooperative has adopted a Policy on Engagement with Indigenous Peoples, which establishes principles of respect, non-discrimination, culturally appropriate dialogue, transparency, and shared benefit. This policy provides a structured framework to ensure that Indigenous producers are engaged in an inclusive and culturally appropriate manner across all operations.

No adverse impacts on Indigenous Peoples have been identified in relation to the proposed investment.

Exposure Mapping

The Certifications Department has advanced in the geospatial mapping of producers whose plots are located within areas identified as having Indigenous population presence. This analysis has been prioritized in the cocoa value chain, particularly in the Amazonas region, where Indigenous population density is higher. Based on current mapping, approximately 22.6% of cocoa plots (274 out of 1,211) are located in areas with Indigenous presence.

As part of the onboarding process, producers are required to provide a proof of land possession endorsed by community authorities, ensuring local validation of land tenure and reducing risks of territorial conflict. This mapping exercise is being progressively expanded to the coffee value chain to ensure full coverage.

- **Type of relationship:** Commercial (procurement from cooperatives composed of smallholder producers, including IPs)
- **Nature of exposure:** Indirect
- **Geographical presence:** Northern Peru (Cajamarca, Amazonas, Piura)
- **Activities involved:** Agricultural production (coffee, cocoa, panela), technical assistance, certification support
- **Level of impact:** Low

No land acquisition, resettlement, or restriction of access to natural resources is associated with Norandino's activities. Impacts are limited to value chain interactions and service provision.

Risk Management

Indigenous Peoples-related risks are managed through a combination of policy, operational practices, and certification systems:

- **Policy framework:** The Indigenous Peoples Policy ensures respect for cultural identity, non-discrimination, dialogue, transparency, and shared benefits.
- **Geospatial traceability:** Parcel-level georeferencing enables identification of plots located in areas with Indigenous presence, supporting early detection of potential territorial conflicts.
- **Land tenure validation:** Requirement of community-endorsed possession certificates ensures legitimacy of land use and local recognition.
- **Certification systems:** Fairtrade, Organic, and Rainforest Alliance standards incorporate social safeguards and community-level compliance mechanisms.
- **Operational model:** Cooperative-based sourcing promotes participation and benefit-sharing within Indigenous communities.

Given the indirect nature of engagement and absence of adverse impacts, no activities under the proposed investment trigger FPIC requirements, given the absence of direct impacts on Indigenous lands, resources, or decision-making structures.

Monitoring

Monitoring of Indigenous Peoples-related aspects is carried out through:

- Certification team mapping and georeferencing of producer plots
- Expansion of territorial mapping to additional value chains (e.g., coffee)
- Annual certification audits covering social compliance
- Internal technical teams supervising producer activities and compliance
- Traceability systems ensuring visibility of supply chain and territorial location

These mechanisms provide ongoing oversight and allow early identification of potential risks.

Grievance Mechanism

Norandino has mechanisms to receive and address concerns from producers and stakeholders, including Indigenous members, through:

- Cooperative governance structures (assemblies, committees)
- Certification grievance channels (e.g., Fairtrade systems)
- Internal complaint handling processes

The Indigenous Peoples Policy explicitly requires that concerns related to community engagement be addressed in a timely and appropriate manner.

Proposed Action Plan

Given the low-risk, indirect exposure context, the following light-touch actions are proposed:

- Continue implementation and periodic review of the Indigenous Peoples Policy
- Expand geospatial mapping to achieve full coverage across all value chains (including coffee)
- Maintain and strengthen documentation of engagement practices with Indigenous producers and cooperatives
- Integrate Indigenous Peoples considerations into the future ESMS framework (e.g., stakeholder engagement and risk screening)
- Ensure continued accessibility and awareness of grievance mechanisms at producer level

This IPP reflects a proportionate approach consistent with IFC PS7 and GCF requirements. While Indigenous Peoples are present within Norandino's value chain, the nature of engagement is indirect, impacts are low and predominantly positive driven by improved access to markets, agricultural inputs, technical assistance, and certification schemes that enhance productivity and income generation. Robust policy and certification frameworks are already in place to support inclusive and responsible engagement. As such, no extensive or standalone IPP implementation is required beyond formalization and continued good practice.

Summary and Recommendations

The Environmental and Social Due Diligence confirms that Cooperativa Agraria Norandino Ltda. demonstrates a **strong E&S foundation** built upon multiple international certifications (Organic, Fairtrade, Rainforest Alliance, SPP), a formalized grievance mechanism, an Indigenous Peoples Policy aligned with ILO Convention 169, and over 20 years of operational track record managing social and environmental programs for smallholder farmers. The Category B classification is appropriate: potential adverse impacts are limited, site-specific, largely reversible, and readily addressable through the measures outlined in the ESAP.

Key Strengths: (i) Multiple international certifications providing annual independent audits of labor, environmental, and social practices; (ii) advanced EUDR readiness with 100% georeferenced member plots; (iii) pioneering carbon credit program (Gold Standard/Fairtrade Climate) benefiting 500+ families across 734 ha; (iv) formal IP Policy and cooperative governance enabling indigenous participation; (v) functional, multi-channel grievance mechanism; and (vi) strong alignment with GCF adaptation and mitigation objectives.

Key Gaps Requiring Action:(i) lack of specific Construction EHS Plan for the solar PV installation; (ii) absence of RAEE (e-waste) protocol for solar panels; (iii) regulatory confirmation needed for the 518 kWp installation under Peruvian electricity law.

Recommendation: The investment is recommended for approval subject to compliance with the ESAP. Pre-disbursement conditions must be satisfied before fund release. Remaining ESAP actions are structured across 3-month, 6-month, and 12-month milestones, with ongoing annual reporting thereafter. ESAP implementation will be monitored through Kuali Fund's standard E&S monitoring procedures, including annual reviews and site visits.

Kuali Fund Technical Assistance could support ESAP implementation.

Finally, to support this transparency, GAWA Capital encourages stakeholders to submit any questions regarding this disclosure document to grievance@gawacapital.com

End of Disclosure Package