

**Hotel La Compañía  
Environmental and Social Action Plan (ESAP)**

Item No.	Reference	Action Item	Product/Deliverable	Anticipated Completion Date
<b>PS 1: Assessment and Management of Environmental and Social Risks and Impacts</b>				
1.1	Environmental and Social Management System	1. Provide a copy of the final Environmental and Social Management System (“ESMS”), explicit, detailed and specific for the Project, that includes: (i) policies; (ii) internal procedures for the Borrower’s compliance with the Environmental and Social Management Plan (“ESMP”); (iii) procedures for identifying, evaluating and managing the potential environmental, social, occupational health and safety, and labor risks and impacts, associated with each activity of the Project and for any contractors and sub-contractors; (iv) organization and assignment of responsibilities for implementation of this ESMS; (v) training; and (vi) periodic audits and inspections with respect to Environmental, Social, and Health and Safety (“ESHS”) requirements, applicable by law.	1. Copy of the final ESMS for the Project.	1. Six months after the first disbursement.
1.2	Environmental, Social, Health and Safety Policy	1. Provide an Environmental, Social, Health and Safety (“ESHS”) overarching policy, taking into consideration the context and needs of the Borrower and/or the Project.	1. Copy of ESHS policy for the Borrower or the Project, if different.	1. Six months after the first disbursement.
		2. Complement this overarching policy with communications and monitoring programs to all members and levels of its organization.	2. Evidence of implementation of the communications and monitoring programs to all members and levels of the organization.	2. Six months after the first disbursement.
		3. Create a mechanism to measure continuous improvement in policy implementation	3. Mechanism of continuous improvement.	3. Six months after first disbursement.
1.3	Management Programs	1. Develop a site specific Environmental and Social Management Plan (“ESMP”) for the construction phase,	1. Copy of the ESMP for the construction phase.	1. 45 days after signing the loan

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		<p>which addresses key E&amp;S impacts, as follows: (i) Impact Management Program for the physical and visual environment, which will include mitigation measures for the impact on the terrain relief; solid waste management (both hazardous and non-hazardous); gas emissions, dust pollution and noise disturbance controls; effluents; solid waste, both industrial and/or domestic; (ii) Impact Management Program for the socioeconomic environment, which will include social compensation measures for the communities surrounding the Project; training for managers and construction workers; measures for interinstitutional coordination; and measures to ensure safe and hygienic-sanitary conditions during construction.</p>		<p>agreement.</p>
		<p>2. Develop within an Environmental and Social Management Plan (“ESMP”) the following site specific management programs for the operational phase: (i) an Environmental Surveillance Program (“ESP”), (ii) an Integral Solid Waste Management Program, which will emphasize in measures to reduce, reuse and recycle those inert materials such as metal, paper, plastic, etc., and also provide special measures to the hazardous waste, like oil, grease, paint/solvents, etc., especially from the kitchens and during maintenance activities, in accordance to local environmental and sanitary laws and regulations, especially those from the municipality; and (iii) a Health and Safety Management Program.</p>	<p>2. Copy of the updated ESMP for operation.</p>	<p>2. 30 days before the start of operation.</p>
<p>1.4</p>	<p>Permits and preventive measures of suspension</p>	<p>1. Provide an updated matrix of legal permits and certifications associated with ESHS issues handled by suppliers of the Project, which includes authorizing governmental entity, dates, responsible party or organizational chart and communications and compliance procedures.</p>	<p>1. Copy of the updated matrix of legal permits and certifications of the Project.</p>	<p>1. 30 days after signing the loan agreement and an updated version in each biannual Environmental</p>

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				and Social Compliance Report.
1.5	Organizational Capacity	1. Appoint and maintain for the Project, throughout construction and operation, a qualified on-site Environmental Manager (Sustainable Manager) and an Occupational Health and Safety (“OHS”) Manager, for each one to report directly to their correspondent Manager/Director, with independent reporting lines to the General Manager. During construction, this may be delegated to the owner’s engineer or EPC contractor, with oversight by the owner.	1. Appointment of the designated personnel for the Project, throughout operation.	1. 45 days after signing the loan agreement.
1.6	Emergency Preparedness and Response	1. Provide an updated detailed and site-specific Emergency Preparedness and Response (“EPR”) Plan, to minimize risk to employees and guest in the case of natural disasters or technological danger, with the contact information of the appropriate and relevant collaborative third parties.	1. Updated, detailed and site-specific EPR Plan, for the Project.	1. 45 days after signing the loan agreement.
1.7	Monitoring and evaluation indicators	1. Develop, or in case they already exist, provide details of the key performance indicators to be monitored and met, in order to measure the effectiveness of the environmental and social management plan and/or the environmental surveillance program, as well as reference to all legal and contractual obligations during the operation phase.	1. List of management and success key performance indicators.	1. 45 days after signing the loan agreement.
1.8	Project Compliance with Applicable Standards	1. Through an Independent Environmental and Social Consultant (“IESC”), periodically prepare a consolidated report covering environmental, social, health and safety issues and work to provide a status of compliance with IDB Invest’s Environmental and Social Sustainability Policy, local legislation of Panama, IDB Environmental and Safeguards Compliance Policy, and IFC Performance Standards, including the progress of EMP actions, with respect to established indicators.	1. Periodic Environmental and Social Compliance Report.	1. Semi-annual during the construction phase and annually onward during the loan term.

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1.9	Stakeholder Engagement Plan	1. Develop a Stakeholder Engagement Plan for the construction phase as well as evidence of its implementation. This plan will contemplate ample participation of municipal authorities, key stakeholders and the community in general of each municipality and its district for each Project, in order to present updated and comprehensive information for the construction phase of the Project. This Plan should include: (i) identification of all stakeholders and affected communities that may be interested in the Project; (ii) include differentiated measures to allow the effective participation of disadvantaged or vulnerable groups; (iii) ensure community representatives represent the views of affected communities; (iv) detail how information is disclosed to stakeholders; (v) detail the engagement process between affected communities.	1. Copy of the Stakeholder Engagement Plan for the construction phase.	1. 45 days after signing the loan agreement.
		2. Update Stakeholder Engagement Plan for operation, which should integrate lessons learned from the construction phase.	2. Copy of the updated Stakeholder Engagement Plan for operation.	2. 30 days before the start of the operation.
1.10	Grievance Mechanism for the construction phase	1. Provide: (i) copies of the internal (direct employees, contractor and subcontractor workers, etc.) and external Grievance Mechanism (communities and/or owners within the indirect area of influence, with potential impact or interest) for the construction phase; and (ii) copies of the evidences of its implementation. This grievance mechanism should include details of how these complaints are recorded, investigated / evaluated and the follow-up and closure / resolution process.	1. Copies of the Internal and External Grievance Mechanism for the construction phase	1. 45 days after signing the loan agreement.
			2. Copies of the evidences of its implementation	2. Progress report in each biannual Environmental and Social Compliance Report.
1.11	Grievance Mechanism for	1. Provide a similar internal and external Grievance Mechanism (as of the one for construction), for operation.	1. Copies of the Internal and External Grievance	1. 30 days before the start of

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	operation		Mechanism for operation	operation.
<b>PS 2: Labor and Working Conditions</b>				
2.1	Human Resources Policies and Procedures	1. Provide human resources (HR) policies and procedures for the Project, that complies with IFC PS2, considering gender equality, equal opportunity and non-discrimination.	1. Copy of the human resources policies and procedures.	1. 45 days after signing the loan agreement.
2.2	Workers Engaged by Third Parties	1. Provide the policies and procedures for the management (hiring and disengagement/retrenchment) and monitoring of the performance of workers hired by third parties. These policies and procedures will comply with the human resources policies and employment procedures described in 2.1, and will include recruitment and workers accommodations, based on assessment of the projects needs and local workforce skills, as well as availability of suitable accommodations and transportation options.	1. Copy of these policies and procedures.	1. 45 days after signing the loan agreement.
2.3	Protecting the Workforce	1. Provide an Employment Procedure and evidence of its implementation, in which the hiring and firing conditions and terms, will meet the local and OIT regulation; including, at a minimum, norms/safeguards to avoid child labor and forced labor.	1. Copy of the employment procedure.	1. 45 days after signing the loan agreement.
			2. Copies of the evidences of its implementation.	2. Progress report in each biannual E&S Compliance Report.
2.4	Coexistence Manual	1. Provide a coexistence manual (rulebook) for employees, contractors and sub-contractors workers, of the project.	1. Copy of the coexistence manual (rulebook) for employees, contractors and sub-contractors workers.	1. 45 days after signing the loan agreement.
2.5	Occupational Health and Safety	1. Provide details of the mechanisms the Borrower and its contractors need to implement to guarantee a secure working environment and to reduce physical, biological and chemical risks associated with the operational phase	1. Copy of the occupational health and safety, for the operational phase.	1. 45 days after signing the loan agreement.

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		of the project and evidence of its implementation. This information will include: i) the identification of possible risks to the health and safety of the workers according to the job that they do; ii) details of the preventive and protective measures implemented, worker trainings, and daily safety briefings mentioned during the site visit and iii) a copy of the reports developed in the event of an incident or occupational accident.	2. Copies of the evidences of its implementation.	2. Progress report in each biannual Environmental and Social Compliance Report.
2.6	Accidents and fatalities	1. Report any major accidents, including fatalities.	1. Notification of major accidents.	1. Within 24 hours of the occurrence of the accident.
		2. Prepare a root cause analysis and ensure the closure of corrective actions.	2. Copy of the Cause Analysis and closure.	2. Periodic Environmental and Social Compliance Report.
2.7	Supply Chain	1. Provide the policies and procedures for the management and monitoring of the performance, in its primary supply chain	1. Copy of these policies and procedures.	1. 45 days after signing the loan agreement.
<b>PS 4: Community Health, Safety, and Security</b>				
4.1	Community Health and Safety	1. Develop a Community Health and Safety (“H&S”) Management Plan, including where applicable: (i) Infrastructure and equipment safety; (ii) Hazardous materials safety; and (iii) Security measures; as well as the implementation procedures. Assign a Community H&S officer onsite responsible for preparing and enforcing a Community H&S Management Plan.	1. Copy of the Community H&S Management Plan	1. 45 days after signing the loan agreement.
			2. Copies of the evidences of its implementation.	2. Progress report in each biannual Environmental and Social Compliance Report.
		3. Provide a Traffic Management Plan, that should include measures of mitigation of the potential impacts on affected communities, especially during the construction phase,	3. Copy of the Traffic Management Plan.	3. 45 days after signing the loan agreement.

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		and its vehicular composition. This plan is to be documented and communicated as part of the stakeholder engagement procedure.		
4.2	External security policy and protocols	1. Provide copy of the contract between the Borrower and the security company or companies to verify, among other aspects, that provisions have been included that permit the client, to: i) carry out reasonable investigations to ensure that security personnel do not have police records or have been implicated in previous cases of abuse; ii) details of required training regarding use of force; iii) restrictions in the use of firearms; and iv) details of training in environmental awareness.	1. Copy of the contract between the Borrower and the security company or companies	1. 45 days after signing the loan agreement.
<b>PS 8: Cultural Heritage</b>				
8.1	Cultural Heritage	1. Develop and implement a chance find procedure for implementation during the construction of the Project. Detailed measures should be incorporated into the Construction ESMP.	1. Copy of the Chance Find Procedure, for the Project.	1. 30 days after signing the loan agreement.