

EI Rosado - ECUADOR
Environmental and Social Action Plan (ESAP)

No.	Action	Deliverable	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
1.1	E&S Assessment and Management System		
1.1.1	Develop an Environmental and Social Management System (ESMS) specific to the corporation and that includes: (i) policy; (ii) procedures to identify, evaluate, and manage possible E&S, Occupational Health and Safety (OHS), and labor risks and impacts associated with each Project activity, and for workers engaged by third parties (contractors and subcontractors); (iii) internal procedures for compliance with the Environmental Management Plans (EMPs); (iv) the definition of roles and allocation of responsibilities for the implementation of this ESMS; (v) emergency preparedness and response protocols; (vi) key stakeholder engagement methods or planning; (vii) external communications and grievance mechanism; (viii) protocols for the disclosure and dissemination of information, decision making and training to communities; (ix) protocols for the evaluation and continuous improvement of the ESMS; and (x) regular audits and inspections of applicable E&S and OHS requirements under Ecuador's Environmental and OHS and Labor laws.	<ol style="list-style-type: none"> 1) ESMS documents; and 2) Proof of implementation in the Annual Environmental and Social Compliance Reports. 	<ol style="list-style-type: none"> 1) 360 days after signing the loan agreement; and 2) Periodically, as part of the Environmental and Social Compliance Report (ESCR).
1.2	Policy		
1.2.1	Develop and disseminate an ESMS policy, including: i) environmental; ii) social; iii) safety and health; iv) human resources; v) community health, safety and security.	<ol style="list-style-type: none"> 1) ESMS policy; and 2) Proof of dissemination. 	<ol style="list-style-type: none"> 1) 360 days after signing the loan agreement; and 2) Periodically, as part of the ESCR.
1.3	Identification of Risks and Impacts		
1.3.1	Prepare an Environmental and OHS risks and impacts identification procedure.	Environmental and OHS risks and impacts identification procedure.	240 days after signing the loan agreement.
1.3.2	Develop risk assessment matrices for each of its business lines and phases (construction, operation and maintenance, and closure and abandonment) of its projects.	Environmental and social risks and impacts identification matrices for each of its lines of business and project phases.	Periodically, as part of the ESCR.
1.3.2	Develop a procedure to identify occupational hazards by job position, for each of its lines of business (retail, entertainment, and restaurants).	Procedure to identify occupational hazards.	360 days after signing the loan agreement.
1.3.3	Prepare an environmental permit registration and control matrix to maintain traceability of the obligations required by each permit, as well as compliance dates and responsible parties.	Registration and control matrix for environmental permits, including compliance dates and responsible parties.	360 days after signing the loan agreement.
1.3.5	Develop a gender risk and impact matrix based on IDB Invest's "Gender Risk Assessment Tool" (GRAT).	Gender risk and impact matrix based on Risk Assessment Tool" (GRAT).	360 days after signing the loan agreement.
1.4	Management Programs		
1.4.1	Develop or adapt, as appropriate, for the operation and maintenance (O&M) phase of all areas of the business (distribution center (DC), retail stores, restaurants, and entertainment) the following programs: Environmental Monitoring and Tracking.	Environmental Monitoring and Tracking Program.	360 days after signing the loan agreement.
1.4.2	Develop or adapt, as appropriate, for the operation and maintenance (O&M) phase of all areas of the business (distribution center (DC), retail stores, restaurants, and entertainment) the Integrated Solid and Liquid Waste Management Program.	Integrated Solid and Liquid Waste Management Program.	360 days after signing the loan agreement.
1.4.3	Develop or adapt, as appropriate, for the operation and maintenance (O&M) phase of all areas of the business (distribution center (DC), retail stores, restaurants, and entertainment) the Occupational Risk Prevention Management Program.	Occupational Risk Prevention Management Program.	360 days after signing the loan agreement.

1.4.4	Report on the execution of the following programs: (i) Environmental Monitoring and Follow-up, (ii) Integrated Management of Solid and Liquid Waste Management, and (iii) Occupational Risk Prevention Management.	Execution report.	Periodically, as part of the ESCR.
1.5	Organizational Capacity and Competency		
1.5.1	Appoint an officer responsible for ESMS integration to lead the development, implementation and monitoring of environmental, social and health and safety management plans, programs and procedures, including contractors and suppliers.	Appointment of the person responsible for the integration of the ESMS.	Prior to First Disbursement.
1.5.2	Ensure the provision of the necessary human and financial resources to attend to the development and implementation of the ESMS, in accordance with the magnitude of current and future operations.	Proof of allocation of human and financial resources by Senior Management.	120 days after signing the loan agreement.
1.5.3	Evaluate the effectiveness and adequacy of assigned skills and competencies.	Performance evaluation reports of assigned skills and competencies.	Annually as part of the ESCR.
1.6	Emergency Preparedness and Response		
1.6.1	For each of its operations in all retail, entertainment and restaurant stores: i) Set up emergency brigades according to the level of risks and scenarios determined in the Emergency Response Plans; ii) Develop a Brigade Training Program; and iii) Develop a schedule for conducting drills.	1) Proof of emergency brigade's establishment. 2) Annual Brigade Training Program; and 3) Annual drill schedule.	1) 360 days after signing the loan agreement; 2) 360 days after signing the loan agreement; and 3) 360 days after signing the loan agreement.
1.6.2	Report on the execution of the Brigade Training Program and the performance of drills.	Execution reports.	Periodically, as part of the ESCR.
1.7	Monitoring and Review		
1.7.1	Develop a compliance matrix of all legal and contractual obligations, including: (i) the Competent Authority giving the authorization or issuing the permit or license; and the dates of issuance and effectiveness, and (ii) the Legal Requirements Compliance Procedure.	Compliance matrix of all legal and contractual obligations.	180 days after signing the loan agreement.
1.7.2	Determine environmental and social (E&S) management targets and key performance indicators.	E&S management goals and key performance indicators (KPIs).	360 days after signing the loan agreement.
1.7.3	Develop and implement an internal environmental audit procedure.	Internal environmental audit procedure.	360 days after signing the loan agreement.
1.7.4	Develop procedures to monitor the most severe risks of its operational activities.	Monitoring procedures.	360 days after signing the loan agreement.
1.7.4	Extend monitoring and evaluation to management with communities, suppliers and contractors.	Follow-up and evaluation report on community, suppliers and contractors' s management.	Periodically, as part of the ESCR.
1.7.5	Conduct periodic internal or external audits to verify compliance with environmental, social and OHS policies and measures applicable to its operations, including the defined key performance indicators (KPIs).	Internal or external Audit Report.	At the end of the second year after signing the loan agreement and then as part of the ESCR.
1.8	Stakeholder Engagement		
1.8.1	Develop a stakeholder engagement procedure that includes: i) a stakeholder map; ii) social stakeholder communication records, iii) consultation and informed participation processes, iv) stakeholder management plan.	Stakeholder engagement procedure.	360 days after signing the loan agreement.
1.9	External Communication and Grievance Mechanisms		
1.9.1	Adapt the procedure for handling external complaints according to their nature and seriousness, including the following points: (i) mechanisms for receiving complaints, (ii) procedures for recording, following up on and analyzing complaints and solutions, (iii) mechanisms for responding to complaints, (iv) mechanisms for communication and disclosure to external stakeholders, (v) procedure for review by senior management to evaluate the effectiveness of the system, (vi) inclusion in public reports of complaints filed and their resolutions, (vii) mechanisms for extending the procedure to suppliers and contractors, and (viii) formalization of the participation of key social stakeholders to receive and manage grievances.	External Grievance Mechanism Procedure.	180 days after signing the loan agreement.

1.9.2	Regularly report on the implementation of the External Grievance Procedure.	External Grievance Mechanism Report.	Periodically, as part of the ESCR.
PS 2: Labor and Working Conditions			
2.1	Human Resources Policies and Procedures		
2.1.1	Update the Internal Labor Regulation (ILR) in accordance with the regulations in force and ratified agreements, to include the prohibition of child labor and forced labor, and provisions for hiring personnel with disabilities, among others.	Updated ILR approved by the competent authority.	180 days after signing the loan agreement.
2.1.2	Develop equity, anti-harassment and anti-discrimination policies compatible with Ecuadorian legislation and international conventions on Human Rights and the International Labor Organization (ILO).	Human Resources Policies.	360 days after signing the loan agreement.
2.1.3	Develop Human Resources procedures that detail fair and equitable procedures to establish employment benefits and wages through an analysis of the social and economic reality, regardless of gender, with the aim of attracting and retaining talent.	Human Resources Procedures.	180 days after signing the loan agreement.
2.2	Internal Grievance Mechanism		
2.2.1	Develop an internal grievance procedure, which will determine: i) the means through which a grievance is received from any worker, including contractors and subcontractors; ii) how these grievances are evaluated; iii) how responses are provided and followed up, concluding with the closure of the grievance; iv) how the mechanism is evaluated and improved; and v) how it is communicated and disclosed.	Internal Grievance Procedure.	180 days after signing the loan agreement.
2.2.2	Implement a Training Program on how to use this mechanism, to be implemented and disseminated to all its employees.	Proof of training on the use of the Internal Grievance Mechanism.	180 days after signing the loan agreement and then as part of the ESCR.
2.2.3	Implement and regularly report on the implementation of the External Grievance Procedure.	Internal Grievance Mechanism Report.	Periodically, as part of the ESCR.
2.3	Occupational Health and Safety		
2.3.1	Develop and implement an Occupational Health and Safety Management System (OHSMS) for the entire corporation, which includes procedures, manuals, instructions and records that enable it to comply with regulations and maintain adequate management for the identification, measurement and control of occupational risks.	Occupational Health and Safety Management System (OHSMS) documents.	360 days after signing the loan agreement.
2.3.2	Develop an employee training and education program.	Employee training and education program.	360 days after signing the loan agreement and then as part of the ESCR.
2.3.3	Prepare an occupational risk factor monitoring plan and emergency response resources adequacy.	Occupational risk factor monitoring plan and emergency response resources adequacy.	360 days after signing the loan agreement and then as part of the ESCR.
2.3.4	Prepare a Health Surveillance Plan to prevent occupational diseases and promote health.	Health surveillance plan in accordance with the identified risks per job and/or activity.	At the end of the second year after signing the loan agreement and then as part of the ESCR.
2.3.5	Implement and report on: i) the employee training and education program; ii) the occupational risk factor monitoring plan; and iii) the health surveillance plan.	Execution reports.	Periodically, as part of the ESCR.
2.4	Supply Chain		
2.4.1	Develop and implement a Supplier Policy.	Supplier Policy.	360 days after signing the loan agreement.
2.4.2	Develop and implement a Supplier Environmental and Social (E&S) Management Procedure, to include: i) the identification and management of its main suppliers' risks and impacts; ii) a training plan to help manage environmental and social issues; iii) performance monitoring to review the purchasing policy; and iv) the design of E&S capacity-building programs for its suppliers.	Supplier Environmental and Social Management Procedure.	360 days after signing the loan agreement and then as part of the ESCR.
PS 3: Resource Efficiency and Pollution Prevention			
3.1	Resource Efficiency		

3.1.1	Conduct a greenhouse gas (GHG) emissions inventory of all its retail, entertainment and restaurant venues.	GHG emissions inventory.	At the end of the second year after signing the loan agreement and then as part of the ESCR.
3.1.2	Update the GHG emissions inventory annually.	Annual GHG emissions report.	Periodically, as part of the ESCR.
3.1.3	Incorporate energy efficiency standards in the design of its new retail, entertainment and restaurant stores, and in the new DC in Alóag, Pichincha.	Execution reports.	Periodically, as part of the ESCR.
3.1.4	Incorporate water efficiency standards in the design of its retail, entertainment and restaurant stores, distribution centers, and maintenance shop (own transportation fleet).	Evidence of the incorporation of energy efficiency standards to reduce water consumption.	As part of the ESCR.
3.2	Pollution Prevention		
3.2.1	Develop a recyclable, non-hazardous, hazardous and special waste management program for all of its retail, entertainment and restaurant stores, Distribution Centers and Maintenance Shops, so that it can maintain traceability of its waste and increase waste recycling levels.	Recyclable, non-hazardous, hazardous and special waste management procedure.	360 days after signing the loan agreement.
3.2.2	Implement the recyclable, non-hazardous, hazardous and special waste management program.	Execution reports.	Periodically, as part of the ESCR.
3.2.3	Obtain and keep valid its hazardous waste generator registration for all its premises that generate hazardous waste in order to comply with the environmental regulations in force.	Hazardous waste generator registration for each of the corresponding premises.	As part of the ESCR.
PS 4: Community Health, Safety, and Security			
4.1	Infrastructure and Equipment Design and Safety		
4.1.1	Provide certification from a qualified professional acceptable to IDB Invest, who will uphold that the design of the new branches' fire protection facilities satisfy the L&FS requirements of the IFC General Environmental, Health, and Safety Guidelines, the NFPA's international L&FS codes, and Ecuador's fire safety legislation and INEN standards.	Certification of the design of the live and fire protection systems for the new distribution center and new commercial premises.	Periodically, as part of the ESCR.
4.1.2	Submit certification issued by an acceptable L&FS professional indicating that the new DC is built and operates in accordance with the approved L&FS design, that all L&FS devices were installed in the DC as designed, and that the L&FS devices were tested and complied with international requirements.	Certification of compliance with the L&FS design.	As part of the ESCR.
4.2	Hazardous Materials Management and Safety		
4.2.1	Have the Material Safety Data Sheets (MSDS) of each product available at the work site to identify the prevention and safety measures for each product stored.	Execution reports.	Periodically, as part of the ESCR.
4.2.2	Identify the hazardous products indicated with the safety diamond according to the NFPA 704 standard and/or the globally harmonized system in order to carry out an adequate classification in the retail stores' warehouses.	Execution reports.	Periodically, as part of the ESCR.
4.2.3	Maintain traceability of the management of hazardous products to be destroyed.	Execution reports.	Periodically, as part of the ESCR.
4.3	Emergency Preparedness and Response		
4.3.1	Conduct a community risk assessment prior to developing new projects.	Community risk assessment for the implementation of the new DC and new branches.	Periodically, as part of the ESCR.
4.3.2	Develop an Emergency Preparedness and Response Plan that considers the risks to customers and communities in the area of influence of its operations.	Emergency Preparedness and Response Plan.	As part of the ESCR.
4.3.3	Implement the Emergency Preparedness and Response Plan.	Execution reports.	Periodically, as part of the ESCR.
4.4	Security Personnel		
4.4.1	Update the Security Management Manual, incorporating professional ethics and human rights issues.	Update of the Security Management Manual.	360 days after signing the loan agreement.
4.4.2	Include in the contracts entered into with the security company, provisions that allow it to, among others: a) conduct reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse; b)	Copy of the contract clauses with external security companies.	360 days after signing the loan agreement.

	verify details of necessary training on the use of force; c) verify restrictions on the use of firearms; and d) identify details of the environmental and social awareness training, including the subject of respect for human rights.		
4.4.3	Train security personnel on human rights issues in accordance with the International Finance Corporation's (IFC) "Good Practice Handbook. Use of Security Forces: Assessing and Managing Risks and Impacts. Guidance for the Private Sector in Emerging Markets."	Training records.	360 days after signing the loan agreement and then as part of the ESCR.