

**BERN Sustainability-Linked Bond – PANAMA
Environmental and Social Action Plan (ESAP)**

No.	Aspect	Action	Product	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Management programs	1. Update the Environmental Management Plans ("EMP") of the properties where the Project will be implemented, with operational controls and measures to eliminate, transfer, or mitigate each of the significant risks or impacts, including: (i) preventive controls to eliminate or reduce the frequency, probability, and severity of negative impacts and risks, supported by preventive and predictive maintenance programs for equipment and machinery, as well as training programs for employees and ongoing drills; and (ii) technical and operational recommendations based on national environmental and OHS regulations.	1. Updated EMPs for the properties where the Project improvements will be implemented.	1. 15 days before the order to begin Implementation of the Project improvements.
		2. Implement the updated EMPs for the Project.	2. Evidence of implementation.	2. As part of the Environmental and Social Compliance Report ("ESCR").
1.2	Emergency preparedness and response	1. Update the Emergency Response Plan ("ERP") of the intervened properties to include: (i) a climate risk analysis and response procedures; (ii) response and restoration protocols for environmental emergencies for any accidental spill or discharge of contaminants or hazardous substances that may pose a threat to human health or the environment; (iii) requirements for the formation of response brigades; (iv) a list of contacts and communication systems and protocols; (v) procedures for interaction with local and regional authorities on health and emergency resolution matters; (vi) a list and location of permanent emergency facilities and equipment for addressing these natural hazards (external support institutions); (vii) evacuation route diagrams and meeting points; (viii) a description and schedule of training exercises and drills, including external social stakeholders (e.g., neighboring communities and facilities, among others); (ix) annual training programs; (x) procedures for conducting root cause analysis protocols for any serious accident or fatality; and (xi) a description of the corrective actions needed to minimize the risk of new occurrences.	1. Updated ERP for the properties intervened in the implementation of the Project improvements.	1. 15 days before the start of operation of the Project improvements.
		2. Implement the updated ERP for the Project.	2. Evidence of implementation.	2. As part of the ESCR.
1.3	Stakeholder engagement	1. Develop a Key Stakeholder Engagement Plan ("KSEP") for each property where the Project will be implemented, including: (i) an updated identification of each stakeholder, including local authorities, neighbors, and nearby communities (within a 5-kilometer radius of each property); (ii) differentiated measures to enable the effective participation of the most vulnerable groups (if present); (iii) a mechanism to ensure that	1. KSEP for each property where the Project improvements are implemented.	1. 15 days before the order to begin Implementation of the Project improvements.

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		community representatives have the opportunity to express their opinions; (iv) details of how information will be disclosed to stakeholders; (v) details on the stakeholder engagement process and ways to access the grievance mechanism; (vi) procedures for regularly reporting on the Company's environmental and social performance to stakeholders and the general public; and (vii) mechanisms to implement and disseminate this Management Plan to all staff, as part of the annual training plan.		
		2. Adopt the KSEP at each intervened property.	2. Evidence of adoption.	2. As part of the ESCR.
1.4	Grievance mechanism for affected communities	1. Develop a procedure to address and follow up on complaints and grievances submitted by the community that: (i) identifies a person responsible for (a) managing relations with the local community, (b) addressing and following up on complaints and grievances, and (c) reporting the variation of semi-annual performance indicators; (ii) establishes a methodology to determine (a) how the complaint or grievance is captured, classified, assessed, investigated, and resolved; (b) what follow-up will be given once resolved; and (c) how the Sustainability Strategy will be adapted or improved in terms of communication and information disclosure; and (iii) determines the communication channels for capturing community complaints and grievances.	1. Community complaint and grievance handling and follow-up procedure	1. 120 days after the signing of the loan agreement.
		2. Implement the community complaint and grievance handling and follow-up procedure.	2. Evidence of implementation	2. As part of the ESCR.
PS 2: Labor and Working Conditions				
2.1	Grievance mechanism	1. Develop a Corporate Internal Grievance Mechanism ("CIGM") that: (i) integrates various forms to capture workers' complaints and grievances through additional channels (email, website, employee portal, or dedicated telephone line) beyond those already in existence; (ii) guarantees anonymity (when requested) and confidentiality; (iii) prohibits any form of retaliation against those who use it; and (iv) in the event that competent authorities initiate any labor-related investigation, provides them with information on the case.	1. Corporate CIGM.	1. 120 days after the signing of the loan agreement.
		2. Implement the corporate CIGM.	2. Evidence of implementation.	2. As part of the ESCR.
2.2	Occupational health and safety	1. Develop an Occupational Health and Safety ("OHS") Risk Assessment for the Project, which allows: (i) identification of hazards; (ii) assessment of risks; and (iii) establishment of prevention, correction, control, or transfer measures to protect the physical integrity of employees (preventing injuries and damage to their health).	1. OHS risk assessment specific to the implementation of the Project improvements.	1. 15 days before the order to begin Implementation of the Project improvements.
		2. Implement the OHS risk assessment specific to the implementation of the Project improvements.	2. Evidence of implementation.	2. As part of the ESCR.
2.3	Supply chain	1. Prepare a Sustainable Procurement Policy that: (i) regulates the acquisition of materials, equipment, and services; (ii) ensures safe	1. Sustainable Procurement Policy.	1. 120 days after the signing of the loan agreement.

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		working conditions; (iii) minimizes environmental pollution; (iv) promotes rational consumption of natural and energy resources; (v) requires its suppliers to comply not only with the labor standards of the countries in which they operate, but also with those related to OHS; and (vi) where necessary, allows the Company to impose sanctions on those suppliers that do not comply with these principles.		
		2. Implement the Sustainable Procurement Policy.	2. Evidence of implementation.	2. As part of the ESCR.
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Greenhouse gases (GHG)	1. Using the methodology developed by the Greenhouse Gas Protocol Initiative ("GHG PI"), update the Annual GHG Emissions Inventory for each of the hotel properties, including direct emissions from fuel consumption (Scope 1), indirect emissions from electricity consumption (Scope 2), and those generated by the transportation of services contracted to third parties (e.g., transportation of equipment, personnel, materials, or goods purchased from its supply chain), the production of raw materials, and waste management (Scope 3); as well as explaining the variations detected with respect to the base year.	1. Updated Annual GHG Emissions Inventory.	1. As part of the ESCR.
PS 4: Community Health and Safety				
4.1	Infrastructure and equipment design and safety	1. Hire professionals in life safety and fire protection ("LSFP") systems to certify that: (i) all Project improvements (new works and equipment) were built in accordance with the approved L&FS designs; (ii) all equipment has been installed in accordance with the LSFP designs; and (iii) all LSFP equipment has been tested in accordance with international requirements.	1. Fire protection system certification for the Project improvements.	1. 15 days before the start of operation of the Project improvements.
4.2	Security personnel	1. Ensure that contracts with physical security companies allow the Company to: (i) conduct reasonable investigations to ensure that security personnel have no criminal record and have not previously been implicated in cases of abuse; (ii) verify that such personnel have been trained in the progressive use of force and in protection event interventions; (iii) verify restrictions and training for personnel in the event that the use of firearms is required; and (iv) verify the details of environmental and social awareness training, including the topic of human rights.	1. Verification report on contracts with physical security companies.	1. As part of the ESCR.