

Annex 1: Environmental and Social Action Plan (ESAP)

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	Environmental and Social Management System	1. Assess the Environmental Management System (EMS) based on the IFC Implementation Manual and Toolkit	1. EMS Assessment Report	1. Six months after the First Disbursement.
		2. Develop the final EMS or CF, including: (i) policy; (ii) procedures to identify, evaluate, and manage possible E&S, OHS, and occupational 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 Plan (EMP); (iv) organizational capacity and competency, including the definition of roles and allocation of responsibilities for the implementation of this EMS; (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 EMS; and (xi) regular audits and inspections of applicable E&S and OHS requirements under Ecuador’s Environmental and OHS laws.	2. Copy of CF’s updated EMS	2. Twelve months after the First Disbursement.
1.2	Environmental Management Program (EMP)	1. Develop specific EMPs for the Construction phases of each new branch or construction work, which should include the following measures: (i) an Impact Management Program for the physical, biological, and visual environment, which will include mitigation measures for any earthmoving or earthworks impacts; hazardous and non-hazardous solid waste management; control of pollutant gas emissions by construction machinery and equipment; disturbance of the	1. Copy of the EMP specific to the construction phase of any new branch or new Project work.	1. 30 days prior to the start of any new Project construction works.

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		<p>environment due to the increased generation of dust and noise; control of liquid effluents, both industrial and domestic; (ii) an Impact Management Program for the socioeconomic environment, which will include safety measures for the communities/dwellings in the vicinity of the Project; E&S and OHS training for construction managers and workers; measures for inter-institutional coordination; and measures to ensure safe and hygienic-sanitary conditions for workers during construction.</p> <p>2. Develop an EMP for the operation and maintenance (O&M) phase of its new branches, which includes: (i) an Environmental Monitoring and Vigilance Program, (ii) a Comprehensive Solid and Liquid Waste Management Program, which emphasizes environmentally friendly measures to store and dispose of any waste that cannot be reduced, reused or recycled, and also provides special measures for hazardous waste management, such as oils, greases, paints, solvents, medicines, disinfectants, or any other product that requires special management used during O&M activities in each branch under national environmental and health regulations; and (iii) an Occupational Risk Prevention Management Program.</p>	<p>2. Copy of the EMP specific to the Project O&M</p>	<p>2. 30 days prior to the start of operation of the Project's new branches.</p>
1.3	Emergency Response Plan	<p>1. Develop a specific Emergency Plan for each new branch, which must set out the guidelines for the actions to be taken in the event of the different technological scenarios and disasters, which may be (e.g. spills, fires and explosions, spills of non-hazardous and hazardous materials, LPG gas leaks, etc.), natural (e.g. fire, hurricanes or tropical storms, floods, or earthquakes), and human (e.g. civil disturbances) in nature.</p>	<p>1. Copy of the specific Emergency Plan for each new branch of the Project</p>	<p>1. 30 days prior to the start of operation of the Project's new branches.</p>

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1.4	Project's regulatory compliance	1. Prepare, through an internal audit or an external, independent E&S expert endorsed by the National Environmental Authority (external audit), a consolidated annual report on the compliance status of all E&S and OHS policies and measures applicable to the Project works, including the progress of EMS actions with regard to the defined KPIs, as well as its compliance status with the IDB Invest E&S Sustainability Policy and the IFC Performance Standards.	1. Regular environmental and social compliance report for CF	1. Annually over the life of the Loan.
1.5	External Grievance Mechanism	1. Adapt the Procedure for conducting the Grievance or Suggestions Process to provide an easily accessible and culturally appropriate mechanism, without such a procedure preventing access to other applicable administrative or judicial remedies according to the seriousness of the violation.	1. Updated copy of the Procedure for conducting the Grievance or Suggestions Process	1. 90 days after signing the Loan Agreement.
			2. Reports of the grievances processed by the external mechanism.	2. With each E&S Compliance Report (see No. 1.4).
PS 2: Labor and Working Conditions				
2.1	Internal Grievance Mechanism	1. Update CF's internal grievance mechanism to focus on its employees and any employee onboarded to CF facility, documenting internal communications and detailing: (i) how and through what means the grievance has been received from employees or any worker engaged by its contractors and their subcontractors; (ii) how these grievances are evaluated; (iii) how responses are provided and followed up, concluding with the closure of the grievance; and (iv) any adjustments or improvements to the EMP, in terms of communication and disclosure and dissemination of information.	1. Copies of CF's Internal Grievance Mechanism	1. 90 days after signing the Loan Agreement.

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		2. Submit a report of the grievances processed through the mechanism	2. Reports of the grievances processed by the internal mechanism.	2. With each E&S Compliance Report (see No. 1.4).
		3. Create a Training Program on the Use of the Internal Grievance Mechanism to be implemented, disclosed and disseminated to all CF personnel those engaged by third parties (contractors and their subcontractors).	3. Copy of the Training Program on the Use of the Internal Grievance Mechanism	3. 90 days after signing the Loan Agreement.
PS 4: Community Health, Safety and Security				
4.1	Fire Protection Systems	1. Provide certification from a qualified professional acceptable to IDB Invest, who will verify that the design of the new branches' fire protection systems 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.	1. Copy of the Certification of the fire protection systems design of new Project facilities	1. 30 days prior to the start of construction of the Project's new branches.
		2. Provide certification by a qualified professional acceptable to IDB Invest that verifies that the existing and new branches considered in the Project have been built and operate as per the approved L&FS design and that all L&FS devices were installed as designed and tested as required by international requirements.	2. Audit schedule for inspection visit of the fire protection facilities of all existing CF branches and the DC	2. Six months after signing the Loan Agreement.
			3. Copy of the Certificate of Construction and Operation of the fire protection systems of all existing and new branches of the Project	3. As per the Audits schedule agreed between CF and IDB invest for existing branches and the DC, and 30 days prior to the start of operations of the

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4.2	External Security Policy and Protocols	1. Provide a copy of the contract entered into by each supermarket or the Distribution Center and the external security company or companies, in order to verify that provisions have been included, or, failing that, to include provisions that allow CF to: (i) conduct reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse; (ii) verify details of necessary training on the use of force; (iii) verify restrictions on the use of firearms; and (iv) identify details of the environmental and social awareness training, including the subject of respect for human rights.	1. Copy or addendum of the contracts between CF and the external security company	1. 90 days after signing the Loan Agreement.
PS 8: Cultural Heritage				
8.1	Cultural Heritage	1. Prepare a Chance Find Procedure for the execution of any additional works associated with the Project that require earthmoving and/or earthworks, in line with the provisions of PS8.	1. Copy of the Chance Find Procedure	1. 90 days after signing the Loan Agreement.