

**Environmental Classification and Issues:** This is a category III project according to the IIC's environmental review procedure because it could produce certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, or design criteria. The principal environmental and labor issues related to this project include community health safety and security, fire safety, emergency response, and solid waste management and disposal.

**Environmental Compliance:** Comohogar's main warehouse is in compliance with local fire regulations, as it has been inspected by the fire department (Cuerpo de Bomberos del Distrito Metropolitano de Quito), which has granted the company an operating certificate (Certificado de Funcionamiento) stating that the warehouse is in compliance with Ecuador's fire protection legislation, the Ley de Defensa Contra Incendios. Once the company implements additional enhancements (related to emergency response preparedness and fire safety plans), particularly in its stores, Comohogar will be in compliance with the IIC's environmental and fire safety requirements. These enhancements to be implemented by the company will be developed in its Environmental Management Plan.

**Solid Waste Management/Liquid Effluent Treatment:** Comohogar's domestic solid waste is collected by the municipal government. The company also has a program for recycling waste cardboard, which is collected and sold to local recyclers.

**Community Health Safety and Security:** The IIC will require that fire and life safety plans be developed for all of Comohogar's stores. The plans must include fire prevention measures; means of egress (clear, unimpeded escape routes, marking and signing, emergency lighting, etc.); detection and alarm systems; compartmentation (taking all measures to prevent or slow the spread of fire and smoke); fire suppression and control (automatic and manual fire protection systems, such as portable manual extinguishers, fire hose reels, etc.); emergency response plans (procedures to assist staff and emergency response teams during actual emergencies and during drills); and operation and maintenance (preparing schedules for regular maintenance and testing of fire safety and prevention features such as alarms, extinguishers, etc). Emergency response training will also be conducted by the company at both the warehouse and the stores. In addition, the company will upgrade its existing fire and life safety provisions at the warehouse, particularly its emergency response plan (Plan de Contingencia).

**Labor Issues:** The IIC will require that Comohogar's human resources policy and occupational safety and health practices comply with local laws and IIC's labor requirements.

**Monitoring and Compliance:** The company's monitoring procedures will be described in the Environmental Management Plan to be prepared by Comohogar. The company will submit an annual report summarizing the monitoring data related to emergency response preparedness, fire safety, occupational health and safety, accident reports, solid waste disposal, and labor-related issues. During the life of the project, the IIC will monitor ongoing compliance with its own Environmental and Labor Review Guidelines policy by evaluating monitoring reports submitted annually to the IIC by the company and by conducting periodic site reviews as part of the project supervision process.