

Elcatex- 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 (ESMS)	1. Evaluate the Safety Management and Control System (SMCS) based on the IFC Environmental and Social Management System (ESMS) Implementation Manual and Toolkit.	1. SMCS Evaluation Report.	1. Three months after the First Disbursement.
		2. Update and strengthen each of the components of the Project-specific SMCS in compliance with the environmental, social and OHS requirements applicable under the General Environmental Law and the Honduran Labor Code.	2. Copy of the updated and strengthened SMCS.	2. Six months after the First Disbursement.
1.2	Identification and Assessment of Environmental and Social Risks and Impacts	1. Obtain the Environmental License for the San Juan Textiles Project, in fulfillment of the General Environmental Law of Honduras and its Regulations.	1. Copy of the Resolution or the respective Environmental License of the San Juan Textiles Project.	1. Prior to First Disbursement.
1.3	Environmental Management Program (EMP)	1. Develop an EMP specific to the construction of the San Juan Textiles Project, containing: (i) an impact management program for the physical, biological and visual environment, which will include mitigation measures for each impact on the terrain relief (in case of earthworks or land preparation); management measures for hazardous and non-hazardous solid waste; activities to control the emission of polluting gases caused by construction equipment and machinery; disturbance of the environment due to increased dust and noise generation; control measures for liquid effluents, such as: industrial, runoff and domestic; and (ii) an impact management program for the socio-economic environment, including safety measures for communities	1. Copy of the EMP specific to the construction stage of the San Juan Textiles Project.	1. 15 days prior to the start of construction of the San Juan Textiles Project.

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		<p>located near facilities; training on environmental, social, and occupational health and safety (OHS) issues for construction workers and managers; communication measures for inter-institutional coordination; and measures to ensure safe and hygienic sanitary conditions for workers during the construction phase.</p> <p>2. Develop an EMP specific to the operation and maintenance phase of the San Juan Textiles Project that includes: (i) an environmental monitoring and follow-up program, in particular for emissions of polluting gases from fixed sources (boilers, electricity generators, etc.); (ii) a comprehensive liquid and solid waste management program that emphasizes measures for the storage and disposal of hazardous waste that cannot be reduced, reused or recycled and that does not affect the environment, and that also provides measures for the special management of hazardous waste, such as oils, fats, paints, solvents, medicines (if there is a health center or service), disinfectants or other products that require special handling and are used in the operation and maintenance of the Project as stipulated by local environmental and health regulations; and (iii) an occupational health and safety management program with comprehensive actions to help prevent occupational hazards.</p>	<p>2. Copy of the specific EMP for the operation and maintenance phase of the San Juan Textiles Project.</p>	<p>2. 15 days prior to the start of operations of the San Juan Textiles Project.</p>
1.4	Organizational Capacity	<p>1. Prepare an introductory training program for all personnel responsible for the management of each operating or future facility.</p> <p>2. Prepare a refresher training program for all personnel responsible for the management of each operating or future facility.</p>	<p>1. Copy of the training program.</p> <p>2. Evidence of the implementation of the refresher training program.</p>	<p>1. 90 days after signing the Loan Agreement.</p> <p>2. At least once a year after the introductory training program.</p>

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1.5	Emergency Preparedness and Response	1. Prepare an Emergency Response Plan (ERP) specific to the San Juan Textiles Project that includes: (i) specific emergency response procedures; (ii) qualified emergency response teams; (iii) emergency contacts and communication systems or protocols; (iv) procedures for interaction with local and regional authorities on health and emergencies; (v) permanent emergency response facilities and equipment (e.g., first aid stations, hoses, fire extinguishers, sprinkler systems); (vi) protocols for fire trucks, ambulances, and other emergency services and vehicles; (vii) evacuation routes and meeting points; (viii) training exercises such as annual drills (or more often, as required) involving the San Juan Textiles Project personnel and other stakeholders and affected parties, so that they are familiar with the proper procedures to be followed in an emergency.	1. Copy of the ERP for the San Juan Textiles Project.	1. 120 days after signing the Loan Agreement or 15 days prior to the start of operations of the San Juan Textiles Project (whichever comes first).
		2. Develop, for each ERP, an annual training program and a root cause analysis procedure for each serious accident or fatality, as well as a description of the corrective actions required to minimize the risk of reoccurrence.	2. Copy of the annual training programs and root cause analysis for each ERP.	2. 120 days after signing the Loan Agreement.
1.6	Monitoring and assessment indicators	1. Prepare a compliance matrix that: (i) lists the KPIs to measure the effectiveness of the EMP and compliance with all legal and contractual obligations of the Project during the construction, operation, and maintenance phases; (ii) includes the competent authority that authorizes or issues the permit; (iii) states the date of issuance and duration of each permit or authorization; (iv) contains the name of the ELCATEX person responsible for monitoring or enforcement; and (v) sets out the procedures for future compliance and communication.	1. Compliance matrix with a list of key management performance and success indicators.	1. 90 days after signing the Loan Agreement.

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1.7	Project's regulatory compliance	1. Prepare, through an internal or external audit (the latter, endorsed by the national environmental authority), a consolidated report on the compliance status of all applicable environmental, social, and OHS policies and measures, including: (i) the progress of SMCS actions with regard to the defined KPIs; (ii) its compliance status with the IDB Invest Environmental and Social Sustainability Policy; and (iii) its compliance with local environmental and health regulations in Honduras.	1. Periodic environmental and social compliance report.	1. Annually over the life of the Loan.
PS 2: Labor and Working Conditions				
2.1	Internal Grievance Mechanism	1. Improve the internal grievance mechanism, with a focus on direct employees and persons employed by contractors and sub-contractors, developing guidelines to: (i) classify and evaluate reports, claims, grievances or suggestions; (ii) capture anonymous reports; (iii) address and follow up on responses, concluding with the closure of the claim; and (iv) revise or improve the EMP in terms of information communication and disclosure.	1. Copies of the SAN JUAN TEXTILES internal grievance mechanism for the construction phase of the Project.	1. 45 days after signing the Loan Agreement.
		2. Adopt and maintain the Grievance Mechanism.	2. Copies of proof/evidence of its implementation in the Project.	2. Progress report in each environmental and social compliance report.
		3. Develop a Training Program on the use of the internal Grievance Mechanism to be implemented, disclosed and disseminated to all its employees and to those engaged by its contractors and subcontractors.	3. Copies of the training program.	3. 45 days after signing the Loan Agreement.
		4. Adopt and maintain the Training Program.	4. Copies of proof/evidence of its implementation.	4. Progress report in each environmental and social compliance report.

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2.2	Supply Chain	1. Develop a Supplier Selection Procedure to verify, to the extent possible, that they comply with national labor laws, which will include: (i) a questionnaire that, through questions to be answered by all current and future suppliers, allows for the certification of the supplier based on its compliance with the provisions of PS-2; and (ii) a provision that blocks current or potential suppliers that do not comply with Honduran labor laws or ELCATEX's policies or regulations (and thus prevents the Company from conducting business with them).	1. Copy of the Supplier Selection Procedure.	1. 90 days after signing the Loan Agreement.
PS 4: Community Health, Safety and Security				
4.1	Life Safety and Fire Protection (LSFP) System	1. For the San Juan Textiles Project, submit certification issued by a qualified professional acceptable to IDB Invest stating that the design of the life safety and fire protection (LSFP) system: (i) satisfies the IFC's environmental, health, and safety requirements; and (ii) is designed in adherence to the international code on LSFP; and (iii) Honduran regulations for persons with disabilities.	1. Copy of the Certificate for the San Juan Textiles Project.	1. 15 days prior to the start of construction of the San Juan Textiles Project.
		2. For each new facility of the San Juan Textiles Project that will begin operations, submit a certification from a professional acceptable to IDB Invest that the buildings and facilities: (i) have been constructed according to the approved LSFP design and (ii) all LSFP devices have been installed according to the design and tested according to international requirements.	2. Copy of the certification for the new facilities of the San Juan Textiles Project that start their operation.	2. 15 days before the start of the Project's operation.
4.2	Road Safety	3. Prepare a Road Safety Management Plan specifically for the San Juan Textiles Project access roads that includes measures to mitigate possible impacts on the affected communities.	3. Copy of the Road Safety Management Plan for the San Juan Textiles Project access roads.	3. 15 days prior to the start of construction of the San Juan Textiles Project.

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4.3	External Security Policy and Protocols	4. Provide a copy of the contract entered into by ELCATEX and the security company or companies, in order to verify, among other aspects, that it includes clauses that allow it 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 environmental awareness training.	4. Copy of the contracts entered into by ELCATEX and the security company or companies.	4. 45 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 San Juan Textiles Project that require earthmoving, land leveling or earthworks, in keeping with the provisions of PS-8.	1. Copy of the Chance Find Procedure.	1. 15 days prior to the start of execution of any works requiring earthworks or earthmoving associated with the San Juan Textiles Project.