

## Environmental and Labor Issues

This is a category III project according to the IIC's environmental and labor 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 main environmental and labor considerations related to the project are: solid waste management, fire safety, occupational health and safety, and other labor issues.

TASA operates out of its main office, where management provides support to its retail outlets. All La Curacao stores have a warehousing area, showroom, and manager's office, as well as check-out, credit, and customer service counters. Some stores have secondary warehouses in addition to their basic facilities; however, TASA works with an external logistics operator that has its own warehouses, which are used to store merchandise prior to its distribution to La Curacao outlets.

**Solid Waste Management:** The company does not generate hazardous waste. Most of its solid waste consists of packaging materials from the products it sells, and to a lesser extent, office waste. Since its stores are located in urban areas, and often in shopping centers, waste disposal is handled by municipal services, sorting waste for recycling where available.

**Fire safety, personal safety, and emergency response:** All security services at the stores are handled by an affiliate (Xperto) and include electronic security (fire detectors and fire alarm, anti-theft alarm), as well as physical security (security staff). Safety regulations meet the standards of the National Civil Defense Institute and the shopping centers in which the stores are located. The stores have smoke detectors and fire extinguishers, emergency exits and appropriate signs, evacuation plans, manual fire alarms, a contingency plan, and emergency brigade.

Store personnel receive training to take appropriate action in the event of fires, accidents, and earthquakes and are responsible for coordinating the response in emergencies and the respective evacuations. Security staff are ordinarily company employees. Some stores substitute security guards from qualified companies for internal security staff when the particular features of the store and its exposure to the street warrant such action.

TASA has internal occupational safety and health regulations that spell out workplace safety standards and procedures. It also has an occupational safety and health committee, with three representatives named by the company and two named by workers. This committee is responsible for overseeing compliance with the internal regulations, participating in the orientation of new workers, taking part in safety audits, analyzing occupational accidents and illnesses, and issuing recommendations for company management.

**Efficiency in resource use:** TASA's corporate social responsibility policies establish a series of measures to improve the sustainability of its operations that include energy saving, reduced water and paper use, responsible waste management, and recycling.

**Labor Practices:** TASA complies with national labor laws. Mandatory core labor standards include: social security benefits, freedom of association, organization of workers' unions, prohibition of forced labor and exploitative and abusive child labor, and nondiscrimination in the workplace. TASA employees do not belong to a labor union. Workers and their dependents receive medical coverage from EsSalud (social security medical services), and those who opt for services at an additional cost, from a commercial health service provider. TASA periodically organizes health campaigns for its staff, providing free on site medical exams through a service provider.

TASA provides ongoing training in work-related subjects. The company training program is designed

to enhance the management, administrative, and sales capacity of its staff.

**Social Issues:** As part of its corporate social responsibility policy, TASA provides support to a variety of institutions through an NGO (United Way) whose efforts are directed to socially relevant activities. The company provides funds, and staff voluntarily donate both money and labor to campaigns for specific causes. In addition, social events are organized to foster family unity through the participation of staff and their families.

TASA is also partnering with Universidad Alas in a program in the country's interior to train youth with the potential to join the company and in another for enterprising women.

**Oversight and Compliance:** TASA will prepare an environmental and social action plan (ESAP) to ensure compliance with national regulations and the IIC's environmental and occupational safety and health guidelines. The ESAP will include a yearly report on health, occupational safety, and emergency response training programs, as well as progress in implementing the company's occupational safety and health regulations.