

## 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 principal environmental and labor issues related to this project include community health and safety, fire safety, emergency response, and solid waste management and disposal.

**Environmental compliance:** Comohogar has been implementing the Environmental and Social Action Plan (ESAP) agreed to as part of an operation previously approved by the IIC. The ESAP includes additional mitigation measures related to the enterprise's emergency response preparedness and fire safety plans. Comohogar is drawing up emergency response preparedness plans with the advice of industrial safety experts in order to meet fire departments' and municipal authorities' requirements for its facilities, which include stores, offices, and warehouses. Once the company completes the implementation of its ESAP with the additional mitigation measures (related to emergency response preparedness and fire safety plans), particularly in its new and existing stores, Comohogar will be in compliance with the IIC's environmental and fire safety requirements.

**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 and Health Security:** The IIC shall require the preparation of emergency plans that contain fire protection and other measures to protect lives in all Comohogar stores. The plans must include fire prevention measures; means of egress (clear, unimpeded escape routes, marking and signage, emergency lighting, etc.); detection and alarm systems; compartmentation (including taking all steps 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 drills); and operation and maintenance (preparing regular maintenance and testing schedules for fire safety and prevention equipment such as alarms, extinguishers, etc). According to Comohogar's most recent report of May 2012, the company is currently working to update the emergency plans, renew the operating permits of its existing stores, and obtain permits for the new stores that it plans to open. The company believes that both the new emergency plans for 2012-2014 approved by the fire departments and the operating permits will be obtained during the second half of 2012. The IIC shall require Comohogar to complete these arrangements as part of its ESAP. Emergency response training shall also be conducted by the company at both the warehouse and the stores.

**Labor Considerations:** The IIC shall require that Comohogar's human resource policy and occupational health and safety practices comply with local laws and IIC labor requirements. Comohogar has internal occupational safety and health regulations that were approved by the Ministry of Labor and Employment.

**Monitoring and Compliance:** The company's monitoring procedures shall be described in the ESAP that Comohogar will continue to implement. The company shall 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 issues. During the life of the project, the IIC shall monitor ongoing compliance with its own environmental and labor review guidelines by evaluating the monitoring reports submitted annually to the IIC by the company and by conducting periodic site reviews as part of project supervision.