

**Environmental and Labor Issues: Classification and Environmental Issues:** This is a Category B project according to the IIC's Environmental and Social Sustainability Policy because potential environmental and social risks and impacts are limited to the project site, are largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation. **Efficient Water and Power Use:** The hotel has measures in place that enable conservation and efficient use of water and power. These measures include the installation of low-flow faucets and showerheads; collection and storage of rainwater and condensation from air conditioners for subsequent reuse watering green spaces; and lighting with energy-saving fixtures. **Safety, Fire Prevention, Firefighting, and Emergency Response:** The hotel complies with international standards and local regulations on the environment, health, and safety, and has obtained all necessary permits. The sanitary measures taken to keep the hotel free of pests include the use of products that are environmentally friendly and harmless to humans. The chemicals used in the laundry area are also environmentally friendly. All the water used in the hotel is purified beforehand. The quality of the swimming pool water is checked daily by qualified personnel, and users have a life preserver and an emergency phone available for greater safety. To prevent and fight fires, the current facilities have a system with a water pump, heat alarms, smoke detectors, sprinklers, hoses, and fire extinguishers. The systems are regularly inspected to ensure they are working properly; the staff is trained on firefighting and prevention and participates in fire drills in coordination with the city's fire department. The fire safety system meets the standards of the U.S. National Fire Protection Association and Holiday Inn's own safety standards. The fire department conducts annual inspections to certify that the electrical wiring, natural gas system, evacuation routes, and fire protection measures meet safety requirements. An emergency response plan has also been implemented. **Solid Waste and Liquid Effluent Management:** Solid waste produced by hotel facilities is kept in an area where it is sorted, classified, and temporarily stored. Materials such as glass, plastic, paper, and cardboard are then recycled, and the remaining solid waste is taken to a final disposal site authorized by the municipality. Domestic wastewater is discharged into the municipal sewer system operated by the Empresa Nicaragüense de Acueductos y Alcantarillado Sanitario (ENACAL). **Labor Practices and Corporate Social Responsibility:** The Borrower complies with all domestic labor laws, follows the core principles established by the International Labor Organization, and will ensure its contractors provide their workers with proper safety equipment and follow safe labor practices. All personnel are given regular medical check-ups to ensure they are healthy. The hotel is accessible to persons with disabilities and has two rooms that are specially equipped for persons with disabilities. The hotel has also received national recognition for its efforts on community outreach and corporate social responsibility through a foundation that benefits ill and disadvantaged children. The foundation operates a hostel (Hotelito Sueños Selectos) for the relatives of children who have been admitted to La Mascota Hospital in Managua. The hospital is for children with cancer—often terminal cancer—and the large majority of their relatives have few resources. Part of the foundation's program involves giving the children and their parents several days in the Holiday Inn and Convention Center before the illness takes over their lives. Through the foundation, the company's employees have made donations of items including linens, room furniture, Christmas donations, etc., to keep the hostel running. **Oversight and Compliance:** The Borrower has an Environmental Management Plan in place and will continue to implement it with regard to the environmental protection, safety, and labor issues mentioned in this summary. The Borrower will also continue to submit annual reports summarizing monitoring information related to the efficient use of water and power; safety, firefighting, fire prevention, and emergency response; management of solid waste and liquid effluent; labor practices; and corporate social responsibility. Throughout the life of the project, the IIC will monitor compliance with its own Environmental and Social Sustainability Policy by evaluating the monitoring reports submitted annually to the IIC by the Borrower and by conducting periodic site visits as part of project supervision.