

**Wonder Brands – REGIONAL
Environmental and Social Action Plan (ESAP)**

No.	Action item	Product/Deliverable	Expected completion date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
1.1	Reference: Policy		
1.1.1	Implement the environmental, social, and occupational health and safety policy at subsidiaries' level.	Evidence of implementation	30 days after first disbursement
1.2	Reference: Identification of Risks and Impacts		
1.2.1	Develop a corporate procedure to identify, characterize and assess environmental and social (E&S) and occupational health and safety (OHS) risks and impacts generated by its subsidiaries.	Corporate procedure to identify the risks and impacts	120 days after first disbursement
1.2.2	Implement a procedure for the identification of risks and impacts in its subsidiaries.	E&S and OHS risk matrices	150 days after first disbursement for all companies, except for EC In the case of EC, 60 days after closing of its acquisition and periodically as part of the Environmental and Social Compliance Report (ESCR)
1.3	Reference: Management Programs		
1.3.1	Develop a corporate manual to manage workers' OHS, including the adoption of measures to prevent accidents, accident reporting, registration and investigation guidelines (including root cause reports and the preparation of an accident logbook), the follow-up of corrective actions and the control over lost time injury frequency rate (LTIFR) and lost time injury severity rate (LTISR).	OHS Manual	180 days after first disbursement
1.3.2	Implement the procedures to manage workers' OHS in its subsidiaries.	Evidence of implementation	270 days after first disbursement and periodically as part of the Environmental and Social Compliance Report (ESCR)
1.3.3	Develop a corporate procedure for comprehensive waste management.	Corporate procedure for comprehensive waste management	150 days after first disbursement
1.3.4	Implement a procedure for comprehensive waste management in its subsidiaries.	Evidence of implementation	180 days after first disbursement and periodically as part of the ESCR
1.3.5	Update EC's procedure for hazardous materials management.	Updated hazardous materials management procedure	60 days after closing of EC's acquisition
1.3.6	Develop a road safety corporate procedure including road emergency preparedness and response plans addressing contingencies in relation to drivers' and third parties' emergency assistance.	Road safety plan	120 days after first disbursement
1.3.7	Implement the road safety plan in its subsidiaries.	Evidence of implementation	180 days after first disbursement and periodically as part of the ESCR
1.4	Reference: Organizational Capacity and Competency		
1.4.1	Appoint a person at a corporate level to manage its subsidiaries' environmental and OHS matters.	Terms of reference of the position and copy of appointment	30 days after first disbursement
1.5	Reference: Emergency Preparedness and Response		

1.5.1	Develop a corporate emergency preparedness and response plan (EPRP), considering all potential emergency scenarios (fire, explosions, leaks, floods, earthquakes, etc.).	Corporate EPRP	180 days after first disbursement
1.5.2	Implement an EPRP in each subsidiary.	Evidence of implementation	240 days after first disbursement and periodically as part of the ESCR
1.6	Reference: Monitoring and Evaluation		
1.6.1	Develop a corporate procedure to monitor and evaluate the implementation of the Environmental and Social Management System in its subsidiaries, including: i) a compliance matrix with key performance indicators (KPI), and ii) internal or external audit procedures allowing to evaluate the degree of compliance with policies and management programs.	Monitoring and control procedure	270 days after first disbursement
1.6.2	Implement the monitoring and control procedure.	Evidence of implementation	Periodically as part of the ESCR
1.7	Reference: External Communications and Grievance Mechanisms		
1.7.1	Develop a grievance mechanism for external stakeholders to make inquiries, express their concerns or file claims, including: i) the means used to receive the grievances and claims (telephone number, website and e-mail address); ii) the deadline to give a response/process the grievances; iii) the appointment of an employee or team to receive, record, validate, investigate and determine alternative solutions for external communications, and iv) the guidelines to follow-up, document and communicate the responses to claimants.	External grievance mechanism	120 days after first disbursement
1.7.2	Implement the external grievance mechanism at holding and subsidiary levels.	Evidence of implementation	180 days after first disbursement and periodically as part of the ESCR
PS 2: Labor and Working Conditions			
2.1	Reference: Human Resources Policies and Procedures		
2.1.1	Develop a Human Resources Policy to include at least explicit references to: i) the acknowledgment of workers' labor rights in compliance with local labor legislation and international standards; ii) gender equality, non-discrimination and equal opportunities; iii) freedom of association and the acknowledgment of the right to collective bargaining; iv) workers' right to file their claims with no fear of retaliation; v) the rejection of child and forced labor, and vi) safe and healthy workplace.	Human Resources Policy	60 days after first disbursement
2.1.2	Implement the Human Resources Policy at holding and subsidiary levels.	Evidence of implementation	120 days after first disbursement and periodically as part of the ESCR
2.1.3	Document hiring, recruiting and training procedures concerning human resources at holding and subsidiary levels.	Procedures for hiring, recruiting and training human resources	240 days after first disbursement
2.1.4	Develop Internal Work Rules for WB and each subsidiary, containing information on workers' rights in accordance with national labor and employment legislation (working hours, salaries, overtime, compensation and benefits).	Internal Work Rules	240 days after first disbursement
2.1.5	Communicate the Internal Work Rules to all workers	Evidence of communication	Periodically as part of the ESCR
2.2	Reference: Grievance Mechanism		
2.2.1	Develop a corporate procedure to document the internal grievance mechanism, including: i) the means used to receive the grievances and claims (telephone number, website and e-mail address); ii) the deadline to give a response/process the grievances, and iii) the guidelines to follow-up, document and communicate the responses to claimants.	Internal Grievance Mechanism	120 days after first disbursement
2.2.2	Implement the grievances mechanism at holding and subsidiary levels.	Evidence of implementation	Periodically as part of the ESCR
PS 3: Resource Efficiency and Pollution Prevention			

3.1	Reference: Waste		
3.1.1	Signal EC's waste stockpiling site.	Evidence of implementation of measures	60 days after closing of EC's acquisition
3.1.2	Designate stowage system for the temporary storage of hazardous waste at EC's waste stockpiling site, allowing to separate waste and containment dikes from the floor to prevent leaks.	Evidence of implementation of measures	60 days after closing of EC's acquisition
3.2	Reference: Hazardous Materials		
3.2.1	Design a secure and protected area to store hazardous products at EC, which should: i) be located in a ventilated place, far from direct sunlight, heat sources and exits; ii) be labeled with signs and warnings; iii) contain barriers to prevent hazardous products from being in direct contact with the floor (stowage system and secondary containment dikes to prevent leaks, etc.); iv) have a storage area for flammable materials (over 10 gal.), and v) contain storage areas for chemical products, labeled according to the relevant type of chemical family or hazard classification.	Evidence of implementation of measures	60 days after closing of EC's acquisition
PS 4: Community Health, Safety and Security			
4.1	Reference: Infrastructure and Equipment Design and Safety		
4.1.1	Eliminate unsafe working conditions at the mattress factory and leased warehouses, including: i) placing stocks in pallets in a uniform and straight manner, and ii) cleaning floors, aisles and the surface of any stock item or hazard that may cause stumbles, slips, falls or block evacuation routes.	Evidence of implementation of measures	60 days after first disbursement for all companies, except for EC. In the case of EC, 60 days after closing of its acquisition
4.1.2	Provide a certificate issued by an NFPA-certified engineer to indicate that the mattress factory and existing warehouses at Wonder Brands subsidiaries meet local and international L&FS requirements.	Certification by an NFPA-certified engineer	180 days after first disbursement for all companies, except for EC. In the case of EC, 180 days after closing of its acquisition