

ADDENDUM
Environmental and Social Review Summary (ESRS)
Corporación Favorita – Ecuador-Panama

Original language of the document: Spanish
Revision’s cut-off date: May 2022

The following text is included in the original “Project Scope and Objective” section:

1. Project Scope and Objective:

Corporación Favorita C.A. (“CF” or “the Company”) is the largest supermarket and retail chain in Ecuador, as well as being the country’s largest private-sector company in terms of revenue and largest private-sector employer. CF has invested in businesses in Chile, Colombia, Paraguay, Peru, and Costa Rica, as well as in Panama since 2019, through Rey Holdings Corp., one of the leading supermarket chains in Panama (hereinafter, “Supermercados Rey”).

The objective of the original transaction was to finance the Company’s capital investments, including opening and expanding stores, technological investments in Ecuador, and the expansion of its operations in Panama. This transaction consists of an amendment to the original loan agreement, primarily to finance the expansion of the Supermercados Rey Panama Distribution Center (“PDC”), the development of new stores, the modernization of existing stores, and the acquisition of land in Panama (the “Project”).

The Environmental and Social Due Diligence (“ESDD”) process included the review of the Project’s environmental permits and the environmental impact assessment (“EIA”) for the PDC, as well as virtual meetings with the Company’s Vice-President of Finance and Vice-President of Development and Assets. This information complemented the information generated by IDB Invest through its supervision activities for the existing transaction, and its knowledge of the Company’s Environmental and Social Management System (“ESMS”).

Given that the location and characteristics of the new stores to be financed cannot be determined in advance, a list of criteria and conditions¹ has been generated to ensure full compliance with the IDB Invest Environmental and Social Sustainability Policy, which must be met in order for CF to access the new financing.

The following text is included in the original “Environmental and Social Review Summary” section:

2. Environmental and Social Categorization and Rationale

¹ These criteria and conditions include: i) stores may not be located in ecological reserves or environmentally sensitive areas; ii) the land acquisition process must not generate physical or economic displacement of the population; iii) the stores’ areas of influence must not include indigenous territories or areas subject to traditional practices; iv) the stores must not generate adverse impacts for indigenous populations; v) the stores must not be located within known and/or legally protected cultural heritage sites.

The Project qualification as category B is confirmed, in accordance with the IDB Invest Environmental and Social Sustainability Policy.

The Performance Standards (PS) triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety, and Security.

3. Environmental and Social Context

The PDC will be developed on 55 hectares located in a built-up area on the outskirts of Pacora Corregimiento, Panama District, Panama Province. The land use in the surrounding areas includes agricultural², as well as commercial and industrial activities, and residential developments.

The first phase of the PDC will be inaugurated shortly, with the following facilities: i) a warehouse for storage of groceries, beverages, and non-edible goods; ii) a warehouse for storage of refrigerated and frozen goods; iii) a vegetable packaging center; iv) an employee canteen and bathrooms with shower areas; v) a cleaning center for crates, containers, and vans; vi) a vegetable packaging and washing center; vii) a grain packaging center; and ix) a maintenance workshop.

The second phase of the PDC will add: i) production plants for prepared meals and bread; ii) processing plants for beef, chicken, and sausage; and iii) a cardboard and flexible plastic recycling plant. Additionally, new stores will be built and existing stores will be remodeled in 2022-2023.

The PDC is located in the Corregimiento of Pacora, District and Province of Panama, in the eastern part of the metropolitan area of Panama City, which borders on the west with the Cabra River, with the slope of the land being less than 5%. The PDC is not located within a protected area, critical natural habitat, or area of special conservation interest. Nor is it located within an area of anthropological, archaeological, or historical value, or a cultural heritage site. The area close to the PDC is used for a range of purposes, including agricultural activities historically³, which have been reduced due to activities such as sand mining and, in recent years, the development of commercial and industrial activities, and even residential developments a little further away.

The land in the area where the PDC is located has been designated by the competent authority⁴ as a Light Industry and High-Intensity Commercial Zone (ICL2)⁵. This decision was subject to the corresponding citizen participation process, and no objections were raised.

The following text has been included in the “4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures” section:

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

² Agricultural activities including sugarcane and rice cultivation, and livestock rearing and fattening.

³ Agricultural activities including sugarcane and rice cultivation, and livestock rearing and fattening.

⁴ Ministry of Housing and Land Use Planning.

⁵ Resolution No. 511 of September 10, 2020.

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a E&S Assessment and Management System

To verify compliance with environmental regulations and the Environmental Management Plan (“EMP”) by all of its operations, and to ensure the implementation of best practices for environmental conservation, CF keeps its ESMS in force. This system will be applied for its operations in Panama, including construction of the PDC and new stores, as well as the modernization of existing stores.

4.1.b Organizational Capacity and Competency

For its operations in Panama (PDC, new stores, and existing stores), CF will have a department responsible for implementing the ESMS, with a supervisor and inspectors for each zone covering the entire country.

4.1.c Emergency Preparedness and Response

In compliance with the safety principles outlined in Panama’s civil protection regulations (Executive Decree No. 177 of 2008⁶), CF has implemented an “Emergency Manual” for its operations in Panama which specifies contacts for external emergency services and the Supermercados Rey contact persons for each zone, the evacuation procedure, and a step-by-step guide for the following events: i) injured customer; ii) robbery; iii) bomb threat; iv) protests; iv) flooding/severe weather; v) tremors/earthquakes; vi) injured employee; vii) lost child; viii) fire; ix) armed robbery.

However, for its operations in Panama, CF will develop specific emergency response plans (“ERPs”) for the PDC and each new store. Similarly, it will update the ERP for each remodeled store, identifying specific guidelines for emergency coordination, alerts, mobilization, and response to unexpected events such as natural hazards (fire, earthquakes, tremors, hurricanes, tropical storms, flooding, subsidence, etc.); human conflicts (acts of vandalism, protests, or civil unrest); and technological threats (fire, explosions, fuel or LPG leaks, hazardous material spills, and accidents involving employees or suppliers).

The ERPs will be focused on the following aspects: (i) emergency response procedures; (ii) description of emergency response teams; (iii) emergency contacts, systems, and communication protocols; (iv) procedures for interaction with local authorities; (v) permanent emergency response facilities and equipment (first aid stations, fire hoses, fire extinguishers, sprinkler systems, etc.); (vi) protocols for fire, ambulance, and other emergency services; (vii) evacuation routes and meeting points; (viii) training exercises (drills and simulations) involving CF Panama personnel and other stakeholders and affected parties.

4.1.d Management Programs

CF has developed an EMP that has been approved by Panama’s Ministry of Environment (“PME”). This macro plan, which contains a series of measures to manage the various environmental risks that may arise during the construction phase, is composed of the following plans: i) environmental impact mitigation plan; ii) monitoring plan; iii) citizen participation plan; iv) risk prevention plan; v) flora and fauna rescue

⁶ Executive Decree No. 177 of April 30, 2008, which regulates Law No. 7 of February 11, 2005.

and relocation plan; vi) environmental education plan; vii) contingency plan; and viii) environmental recovery and abandonment plan. However, the Company will adjust the EMP to include the following programs: (i) environmental monitoring program; (ii) integrated solid and liquid waste management program; and (iii) occupational risk management and prevention program. It will also develop a procedure to ensure that contractors for the PDC and new stores adopt CF's environmental, social, and occupational health and safety ("OHS") management programs.

4.1.e Monitoring and Review

For its operations in Panama, CF will develop and implement: i) an environmental and social performance management procedure for contractors in the construction phase, which includes environmental and social targets and key performance indicators ("KPIs"); ii) a compliance matrix for all legal and contractual obligations for the PDC and each existing store, which includes the name of the competent authority responsible for authorizing or issuing the permit or license, the dates on which these permits or licenses were issued, and their validity periods; and iii) a consolidated annual report on the level of compliance with all environmental, social, and OHS policies and measures that are applicable to the Project works, as well as compliance with the IDB Invest Environmental and Social Sustainability Policy.

4.1.f Stakeholder Engagement

As part of the environmental licensing for the PDC, the Company implemented a citizen participation process which included the identification of key stakeholders and the dissemination of Project information. The results of the citizen participation process demonstrated interest among the community in the socioeconomic development that the Company's venture will generate, including new jobs.

For new stores, CF will develop and implement a stakeholder management plan which will include the following: i) identification of key stakeholders, including local authorities, neighbors, and nearby communities; ii) differentiated measures that enable effective participation of the most vulnerable stakeholders; iii) a mechanism to receive opinions from the community; iv) details of how information will be disclosed to stakeholders; v) details of the stakeholder participation process and how to access the grievance mechanism; vi) procedures to provide regular information to the community on CF's environmental and social performance; and vii) mechanisms to implement and disclose these processes to all Company personnel.

4.1.g External Communication and Grievance Mechanisms

4.1.g.i External Communication

CF prepares periodic sustainability reports, through which it discloses information related to the Company's labor issues, as well as its initiatives in areas such as care for the environment and efficient resource use. However, as of the present date, the Company does not have a procedure to document the different channels that it uses to keep stakeholders informed of its E&S performance.

4.1.g.ii Grievance Mechanisms for Affected Communities

For its operations in Ecuador, CF has implemented an external grievance (communities, customers, and suppliers) receipt and solution system via its website and call center, whose results were published in its Annual Report 2021. In Panama, CF has implemented a formal mechanism for receiving grievances and suggestions from the community and general public via its website⁷. Also, a telephone number operated by the Customer Experience Program (“CEP”)⁸ is included on billboards at PDC and each new store construction site. Grievances submitted by construction site neighbors are resolved by the lead contractor.

However, CF will improve its existing system in Panama as follows: i) by establishing a procedure to receive, classify, assess, investigate, resolve, and monitor grievances through its CEP⁹; and ii) by specifying the most suitable channels¹⁰ for receiving grievances and suggestions from the general public, which also enables the Company to receive and process anonymous grievances.

4.2 Labor and Working Conditions

4.2.a.i Grievance Mechanism

In Panama, CF is implementing the suggestion box system for grievances at its stores, offices, and distribution centers. These suggestion boxes can only be opened by Company management. However, for its operations in Panama, CF will update its internal grievance mechanism to ensure that it: i) can receive, process, and resolve complaints or grievances from its employees, contractors, and subcontractors; ii) is culturally appropriate and can be easily accessed by any employee; iii) will accept anonymous grievances, and provide confidentiality and protection against reprisals for the employees that use it; and iv) will not limit employees’ access to other applicable legal or administrative channels.

4.2.b Supply Chain

CF’s General Supply Manual, which applies to its operations in Ecuador, establishes the obligation for suppliers to comply with labor regulations, and particularly the prohibition of child labor and forced labor. This manual, including the sections on prohibition of child labor and forced labor, will be adapted to the local situation in Panama and adopted by the Company for its operations in the country.

4.3 Resource Efficiency and Pollution Prevention

⁷ <https://www.smrey.com/contactanos/>

⁸ In the coming months, the Company will create a customer experience department in Panama which will include a call center to receive complaints from customers, employees, suppliers, etc. It will also provide the option of receiving grievances via the Supermercados Rey website.

⁹ In the coming months, the Company will create a customer experience department in Panama which will include a call center to receive complaints from customers, employees, suppliers, etc. It will also provide the option of receiving grievances via the Supermercados Rey website.

¹⁰ Such as: (i) forms that can be left in suggestion boxes in the facilities; (ii) a grievance hotline; and (iii) a Company email address or website.

4.3.a Resource Efficiency

Greenhouse Gases

As it does for its operations in Ecuador, CF will conduct an annual greenhouse gas (“GHG”) emissions inventory for its operations in Panama, which will quantify direct emissions from fuel combustion (scope 1) and indirect emissions from electricity consumption (scope 2).

Water Consumption

The water to be used in construction activities and PDC expansion works will be provided by Panama’s National Institute of Aqueducts and Sewers (“IDAAN”). Although water consumption is expected to be low, as part of its EMP, CF will aim to optimize water use to avoid wastage.

4.3.b Pollution Prevention

Effluents

The evacuation of effluents from new and existing stores will be carried out via the public municipal sewage network operated by IDAAN. In compliance with local regulations, wastewater from the PDC will be sent to a treatment plant¹¹ prior to its final disposal.

Waste

For its operations in Panama, CF is implementing a Comprehensive Recycling Program which includes: i) identification of materials to be recycled, as well as coordination with stores and distribution centers to manage recycling efforts¹²; ii) identification of recycling processors that finalize the recycling cycle by using the collected materials as raw materials; and iii) implementation of a recycling plant at the PDC¹³.

Hazardous and special solid waste will be processed by certified companies authorized by the competent environmental authority.

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

The PDC and new stores will be designed and built by competent contractors with renowned experience in the construction and operation of this type of works, which will implement industry-recommended international best practices and have a track record of compliance with applicable national and international construction and safety guidelines, standards, and codes.

Infrastructure and Equipment Design and Safety

The design of the Life and Fire Safety (“L&FS”) systems for the Project’s stores and the PDC will comply with local regulations, which adopt the National Fire Protection Association’s (“NFPA”) international

¹¹ MBBR extended aeration activated sludge process throughout the internal network to collect and conduct wastewater to the plant, which will process wastewater for the entire logistics park. This new, modern plant will comply with Panama’s DGNTI-COPANIT 35-2000 regulation.

¹² In 2021, the Comprehensive Recycling Program was initiated at 35 stores, with more than 1,000 tons of plastic and cardboard being recycled per year.

¹³ This initiative is complemented by employee training programs on recycling, waste valorization processes (for cardboard and plastic), and external processing through the installation of recycling points to recover waste in stores.

standards and international conventions on the rights and principles of equalization of opportunities for persons with disabilities, which have been ratified in Panama¹⁴.

In that regard, CF will provide the certification of a qualified professional who will verify that the design of fire protection facilities for new stores and the PDC is in compliance with the L&FS requirements outlined in the IFC's Environmental, Health, and Safety General Guidelines, the NFPA's international L&FS codes, the Law on Fire Protection, and Panama's regulations. Similarly, following construction, CF will submit a certificate to verify that the new stores included in the Project are built and operate in accordance with the approved L&FS design.

4.4.b Security Personnel

For its operations in Panama, CF will include in the contracts signed between each store or the PDC and the external security company(s), provisions that enable it to, among other aspects: (i) conduct reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse in the past; (ii) verify details of necessary training on the use of force; (iii) verify restrictions on the use of firearms; and (iv) identify details of the environmental and social awareness training provided, including the subject of respect for human rights.

4.5 Land Acquisition and Involuntary Resettlement

The Project does not involve any development outside of its own land—acquired previously through private purchase agreements or contracts—and does not involve involuntary physical or economic displacement of any kind. However, as a preventative measure, CF will develop and implement a corporate procedure as part of its ESMS to ensure that the land to be acquired does not generate any physical or economic displacement of the population.

4.6 Biodiversity Conservation and Management of Natural Resources

The PDC and new stores included in the Project will be located in built-up areas where there are no species that require special care. However, prior to acquiring land for future constructions associated with the Project, CF will verify that the sites in question: (i) are not located in natural habitats of critical importance or that have significant biodiversity value; and (ii) do not have a material impact on ecosystem services.

4.7 Indigenous Peoples

The Project will be developed within the main cities or urban centers of Panama, where there are no Indigenous communities. However, prior to acquiring land for future constructions associated with the Project, CF will verify that, in the event of presence of Indigenous communities, in addition to complying with applicable legislation and the rights of Indigenous peoples in Panama, it has carried out a prior consultation process with said Indigenous peoples.

¹⁴ Law No. 15 of May 31, 2016, which reforms Law No. 42 of 1999 that establishes the equalization of opportunities for persons with disabilities; Law No. 42 of August 27, 1999, which establishes the equalization of opportunities for persons with disabilities; Law No. 25 of July 10, 2007, which approves the Convention on the Rights of Persons with Disabilities and the Optional Protocol to the Convention on the Rights of Persons with Disabilities, adopted in New York by the United Nations General Assembly on December 13, 2006.

4.8 Cultural Heritage

The Project will not be developed in areas with anthropological, archaeological, or historical value, or cultural heritage sites. However, prior to acquiring land for future constructions associated with the Project, CF will verify that: i) it is not located within known or legally protected cultural heritage sites; and ii) in the event of chance finds, in addition to complying with the applicable legislation on the protection of said cultural heritage, it will not generate additional disturbances until an expert authorized by the competent authority has assessed the find and recommended the course of action to follow.

5. Contact Information

For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary tab**), or IDB Invest using the email divulgacionpublica@iadb.org.

As a last resort, affected communities can access the IDB Invest Independent Consultation and Investigation Mechanism (ICIM) by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

The following text is included in the “Environmental and Social Action Plan”:

6. Environmental and Social Action Plan. Annex 1A.

Corporación La Favorita - Panamá
Exhibit 1A. Environmental and Social Action Plan (ESAP)

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
Performance Standard (PS) 1: Assessment and Management of Environmental and Social Risks and Impacts				
A.1.1	Environmental and Social Management System	1. Implement the Environmental Management System (EMS) in all CF operations in Panamá.	1. Evidence that the EMS has been implemented.	1. Nine months after disbursement.
A.1.2	Organizational Capacity and Competency	1. Appoint a person responsible to implement the Environmental Management System (EMS)	1. Copy of the corresponding appointment	1. 60 days after disbursement.
A.1.3	Environmental Management Program (EMP)	2. Develop an EMP for the operation and maintenance (O&M) phase of its Distribution Center in Panama (DCP) and the new stores, which includes: (i) an Environmental Monitoring and Vigilance Program, (ii) a Solid and Liquid Waste Management Program; and (iii) an Occupational Risk Prevention Management Program.	2. Copy of the EMP specific to the Project O&M	2. 15 days prior to the start of operation of the Project's DCP.
A.1.4	Emergency Response Plan	1. Develop a specific Emergency Plan for the DCP, which must set out the guidelines for the actions to be taken in the different risk scenarios.	1. Copy of the specific Emergency Plan for the DCP.	1. 30 days prior to the start of operation of the DCP.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		2. Develop a specific Emergency Plan for the new stores, which must set out the guidelines for the actions to be taken in the different risk scenarios.	2. Copy of the specific Emergency Plan for the new stores.	2. 30 days prior to the start of operation of the Project's new stores.
A.1.5	Monitoring and Review	1. Develop a procedure for managing the environmental and social performance of contractors during the construction phase of the CDP expansions, new stores or upgrading of existing ones, which includes environmental and social key performance indicators (KPIs).	1. Contractor Performance Management Procedure	1. 120 days after signing the Loan Agreement.
		2. Implement the contractor Performance Management Procedure	2. Evidence of implementation.	2. As part of the Environmental and Social Compliance Report (ESCR).
		3. Develop a compliance matrix for all legal and contractual obligations necessary for future construction associated with the Project and the operation of the new CDP, new and existing stores.	3. Copy of the regulatory compliance matrix	3. 15 days prior to the start of a new construction.
		4. Prepare a consolidated annual environmental and social report on the compliance status of the operations in Panama regarding to: (i) the E&S and OHS policies and measures applicable to the	4. Environmental and Social Compliance Report (ESCR).	4. Annually during the term of the loan.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		Project; (ii) the progress of EMS actions with regard to the defined KPIs; and (iii) the IDB Invest Environmental and Social Sustainability Policy.		
A.1.6	Stakeholder Engagement	1. Adopt a stakeholder participation plan that includes: (i) updated identification of the relevant social actors; (ii) differentiated measures that allow the effective participation of the most vulnerable or dispossessed groups; (iii) a mechanism that guarantees that the representatives of the affected communities have the opportunity to express their opinions; (iv) details of how information is disclosed to stakeholders; (v) details on the participation process of communities and the way in which they access the grievance mechanism; (vi) procedures to regularly report on CF's environmental and social performance to stakeholders and the general public, and (vii) mechanisms to implement and disseminate	1. Stakeholder Participation Plan.	1. 120 days after signing the Loan Agreement and then as part of the ESCR.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		the updated procedure to all staff.		
A.1.7	External Communication	1. Develop a procedure for external communications detailing the channels used to keep stakeholders informed on the company's E&S performance.	1. Copy of the External Communications Procedure.	1. 120 days after signing the Loan Agreement.
A.1.8	Grievance Mechanism	1. Develop a grievance mechanism that includes: (i) the designation of a person responsible for relations with the local community, who attends to and follows up on complaints and suggestions and reports the E&S performance indicators; (ii) the way to capture, classify, evaluate, investigate, resolve, follow up and close the complaint; and (iii) a detail of the communication channels to capture complaints.	1. Copy of the Grievance Mechanism.	1. 120 days after signing the Loan Agreement.
		2. Implement the External Grievance Mechanism.	2. Evidence of implementation.	2. As part of the ESCR.
PS 2: Labor and Working Conditions				
A.2.1	Internal Grievance Mechanism	1. Implement the internal CF claim mechanism in Panama.	1. Evidence of implementation.	1. 90 days after signing the Loan Agreement.
		2. Submit a report of the grievances processed through the mechanism	2. Reports of the grievances processed by the internal mechanism.	2. As part of the ESCR.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		3. Create a Training Program on the Use of the Internal Grievance Mechanism to be implemented, disclosed and disseminated to all CF (Panamá) personnel those engaged by third parties (contractors and their subcontractors).	3. Copy of the Training Program on the Use of the Internal Grievance Mechanism	3. 120 days after signing the Loan Agreement.
A.2.2	Supply Chain	1. Verify that suppliers comply with labor (specifically the prohibition of child and forced labor, nor will they incorporate it into their business activity of any product or service that employs them), occupational health and safety, and environment requirements that are applicable.	1. Documented evidence of labor compliance verification.	1. As part of the ESCR.
		2. Develop a procedure for registering suppliers and contractors through which the selection, control and evaluation of suppliers is carried out.	2. Copy of the Supplier and Contractor Registration Procedure.	2. 180 days after signing the Loan Agreement.
		3. Implement the Supplier and Contractor Registration Procedure	3. Evidence of implementation.	3. As part of the ESCR.
PS 3: Resource Efficiency and Pollution Prevention				
A.3.1	Greenhouse gases ("GHG")	1. Carry out an Annual GHG Emissions Inventory where	1. Copy of the Annual GHG Emissions Inventory	1. As part of the ESCR.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		both direct emissions from fuel consumption (scope 1) and indirect emissions from electricity consumption (scope 2) are quantified.		
A.3.2	Pollution Prevention	1. Implement the Environmental Resources Management Program ("GIRA")	1. Documented evidence of the implementation of the GIRA program	1. As part of the ESCR.
PS 4: Community Health, Safety and Security				
A.4.1	Fire Protection Systems	1. Provide certification from a qualified professional acceptable to IDB Invest, who will verify that the design of the new DCP fire protection systems satisfy the L&FS requirements of the IFC General Environmental, Health, and Safety Guidelines, the NFPA's international L&FS codes, and technical local regulations.	1. Copy of the Certification of the fire protection systems design.	1. 60 days prior to the start of construction of CDP extensions.
		2. Provide certification by a qualified professional acceptable to IDB Invest that verifies that the new DCP and its future extensions have been built and operate as per the approved L&FS design and that all L&FS devices were installed as designed and	2. Copy of the Certificate of Construction and Operation of the fire protection systems of the new DCP and its future extensions.	2. 30 days prior to the start of operation of DCP and its future extensions.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		tested as required by international requirements.		
		3. Provide certification by a qualified professional acceptable to IDB Invest that verifies that the new and existing stores have been built and operate as per the approved L&FS design and that all L&FS devices were installed as designed and tested as required by international requirements.	3. Copy of the Certificate of Construction and Operation of the fire protection systems of the new and existing stores.	3. 30 days prior to the start of operation of the new and existing stores.
A.4.2	External Security Policy and Protocols	1. Provide a copy of the contract entered into by each store or the DCP and the external security company or companies, in order to verify that provisions have been included, or, failing that, to include provisions that allow CF (Panamá) 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 the environmental	1. Copy or addendum of the contracts between CF and the external security company.	1. 90 days after signing the Loan Agreement.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		and social awareness training, including the subject of respect for human rights.		
PS 5: Land Acquisition and Involuntary Resettlement				
A.5.1	Land acquisition	1. Verify, prior to the acquisition of land for future construction associated with the Project, that: (i) agreements are negotiated on free-market terms and with the informed involvement of the participants, and (ii) do not cause the physical or economic displacement of the people.	1. Land acquisition report.	1. Prior to the acquisition of land for future constructions associated with the Project.
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
A.6.1	Conservation of biodiversity	1. Verify, prior to the acquisition of land for future construction associated with the Project, that: (i) they should not be located in natural habitats, of critical importance or of significant value to biodiversity; and (ii) they should not affect any ecosystem services.	1. Land acquisition report.	1. Prior to the acquisition of land for future constructions associated with the Project.
PS 7: Indigenous Peoples				
A.7.1	Indigenous People	1. Verify, prior to the acquisition of land for future construction associated with the Project, that, in the event	1. Prior consultation report	1. Prior to the acquisition of land for future constructions associated with the Project.

No.	Reference	Measure	Final Product / Deliverable	Compliance Date
		<p>of the presence of indigenous communities, in addition to compliance with the legislation and rights of indigenous peoples in Panama, a prior consultation process has been carried out free and informed with these peoples.</p>		
PS 8: Cultural Heritage				
8.1	Cultural Heritage	<p>1. Verify, prior to future acquisitions of land for future construction associated with the Project, that (i) the new infrastructure is not built within a known and/or legally protected area of cultural heritage; and (ii) in cases of chance finds, in addition to complying with the relevant legislation, no additional disturbances are generated until a competent expert authorized by the competent authority has made an evaluation of the findings and identified the actions to follow.</p>	<p>1. Land acquisition report.</p>	<p>1. Prior to the acquisition of land for future constructions associated with the Project.</p>