

Environmental and Social Action Plan (ESAP)
CALOX – COSTA RICA

No.	Aspect	Action	Deliverable	Compliance Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				
1.1	E&S Management System	1. Prepare and evaluate an Environmental Management System (“EMS”) specific to its Manufacturing Plants and Distribution Centers (“CEDI”, for its acronym in Spanish), based on the IFC Implementation Manual and Tools. ²⁴	1. EMS Assessment Report.	1. 90 days after signing the loan agreement.
1.2	Identification of Risks and Impacts	1. Prepare procedures and records to identify the most significant risks and impacts pertaining to the operation and the provision of services, including: (i) impacts to soil related to waste generation; (ii) resource depletion related to water consumption; and (iii) impacts to the atmosphere from pollutant emissions due to fuel consumption (direct source) and energy consumption (indirect source).	1. Copy of the procedures and records.	1. 120 days after signing the loan agreement.
		2. Implement the procedures and records.	2. Proof of implementation.	2. With each environmental and social compliance report.
1.3	Monitoring and assessment indicators	1. Conduct environmental audits for legal compliance, using for such purposes a compliance matrix containing information on the competent authority in charge of granting authorizations or issuing permits; the dates of issuance and validity of each authorization or permit; the CALOX person responsible for monitoring or complying with each authorization or permit; and the procedures for future compliance and communication.	1. Copy of the environmental audit for legal compliance.	1. 120 days after signing the loan agreement.

²⁴ Environmental and Social Management System, Implementation Manual - General, IFC, version 2.1, November 2015. Environmental and Social Management System Tools – General, IFC, version 1.2, November 2015.

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		2. Establish a set of key performance indicators (“KPIs”) to measure environmental and social (“E&S”) and occupational safety (“OS”) performance associated with EMS management programs.	2. Copy of performance KPIs.	2. 90 days after signing the loan agreement.
1.4	Project’s Regulatory Compliance	1. Prepare a consolidated annual report on the compliance status of all E&S and OH policies and measures applicable to the Project, including the progress of EMS actions against established KPIs; as well as the compliance status of the IDB Invest Environmental and Social Sustainability Policy.	1. Environmental and social compliance report.	1. Annually over the life of the loan.
1.5	Stakeholder Engagement	1. Develop a Social Stakeholder Engagement Plan, to include: (i) the identification of all social stakeholders, including local authorities, neighbors, and nearby communities (within a 500 m radius of each facility); (ii) differentiated measures to enable effective participation of the most vulnerable or disenfranchised groups; (iii) a mechanism to ensure that community representatives properly represent the views of the affected communities; (iv) details of how information is disseminated to social stakeholders; (v) details on the process for social stakeholder participation in these communities and how they access the grievance mechanism; (vi) procedures for regular reporting on the Company's environmental and social performance to social stakeholders and the general public; and (vii) mechanisms to implement and disseminate the updated procedure to all personnel as part of a training program.	1. Copy of the Social Stakeholder Engagement Plan.	1. 120 days after signing the loan agreement.
		2. Implement the Social Stakeholder Engagement Plan.	2. Proof of implementation.	2. With each environmental and social.

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				compliance report.
1.6	External Communication	1. Prepare a Corporate External Communication Procedure that establishes how all requests for information from external stakeholders are received and the procedure to record and attend to such requests.	1. Copy of the Corporate External Communication Procedure.	1. 90 days after signing the loan agreement.
		2. Implement the Corporate External Communication Procedure.	2. Proof of implementation.	2. With each environmental and social compliance report.
1.7	External Grievance Mechanism	1. Prepare an external grievance mechanism that includes information on: (i) how the grievance was received; (ii) who made it (client, community, social stakeholders); (iii) how it was classified, processed, assessed, and resolved; (iv) how it was addressed and followed up; (v) how it was closed; and (vi) how the EMS was adapted or improved in terms of communication and information disclosure.	1. Copy of the external grievance mechanism.	1. 90 days after signing the loan agreement.
		2. Implement the external grievance mechanism.	2. Proof of implementation.	2. With each environmental and social compliance report.
PS 2: Labor and Working Conditions				
2.1	Supply Chain	1. Update the Operating Procedure for Requirements, Commitments, and Obligations of Suppliers of Goods and Services with the Environment, to include a binding instrument where each supplier ratifies its obligation to comply with: (i) current labor and OH laws, especially the prohibition of child labor and forced labor, non-discrimination, gender equality, and ensuring safe working	1. Copy of the updated Operating Procedure of Requirements, Commitments, and Obligations of Suppliers of Goods	1. 120 days after signing the loan agreement.

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		conditions, and (ii) the applicable environmental legislation, in order to minimize environmental impacts by controlling its air emissions, the adequate management and treatment of liquid and solid waste, and the rational consumption of natural resources in its processes.	and Services with the Environment.	
		2. Implement the Operating Procedure of Requirements, Commitments, and Obligations of Suppliers of Goods and Services with the Environment.	2. Proof of implementation.	2. With each environmental and social compliance report.
		3. Update the Operating Procedure for Contracts with Suppliers and Contractors as appropriate to each specific purchasing area, so that it includes a compliance review of the applicable environmental, labor, and OHS legislation in force.	3. Copy of the updated Operating Procedure for Contracts with Suppliers and Contractors.	3. 120 days after signing the loan agreement.
		4. Implement the updated Operating Procedure for Contracts with Suppliers and Contractors.	4. Proof of implementation.	4. With each environmental and social compliance report.
PS 3: Resource Efficiency and Pollution Prevention				
3.1	Greenhouse Gases (GHG)	1. Prepare a Procedure for the Control and Treatment of Air Emissions that includes performing an annual inventory of greenhouse gas (GHG) emissions for its operations and that quantifies both direct emissions from fuel consumption (Scope 1) and indirect emissions from electricity consumption (Scope 2).	1. Copy of the Procedure for the Control and Treatment of Air Emissions.	1. 120 days after signing the loan agreement.
		2. Report the Annual GHG Emissions Inventory of all its operations in each Project operating center, including the emissions generated by the transportation of its medicines and supplies.	2. Copy of the Annual GHG Emissions Inventory Report.	2. With each environmental and social

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PS 4: Community Health, Safety, and Security				
4.1	External Security Policy and Protocols	1. For facilities with security personnel, include in the corresponding contracts provisions that allow CALOX to: (i) conduct reasonable investigations to ensure that security personnel do not have a criminal record and have not engaged in abuse; (ii) verify the details of any required training on the use of force; (iii) verify any restrictions or procedures used for the use of firearms; and (iv) identify the details of environmental training and social awareness, including human rights.	1. Copy of the contracts with the security and surveillance companies or of the corresponding documentation.	1. 120 days after signing the loan agreement.