

Habi – Structured Loan – Credit Facility – MÉXICO
Environmental and Social Action Plan (ESAP)

No.	Action	Deliverable	Delivery date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
1.1	Reference: Policy		
1.1.1	Develop an environmental, social, and occupational health and safety policy.	Sustainability Policy.	30 days after the first disbursement.
1.1.2	Communicate the Sustainability Policy to all Company employees, including contractors and temporary workers, as well as to other external stakeholders.	Evidence of Communication.	60 days after the first disbursement.
1.2	Reference: Identification of Risks and Impacts		
1.2.1	Develop a corporate procedure to identify, characterize, and evaluate the environmental and social (E&S) and occupational health and safety (OHS) risks and impacts generated by remodeling acquired properties.	Procedure to identify risks and impacts.	90 days after the first disbursement.
1.2.2	Implement the Risk and Impact Identification Procedure.	Proof of Implementation.	As part of the Environmental and Social Compliance Report (ESCR).
1.3	Reference: Management Programs		
1.3.1	Develop procedures to manage worker OHS, including measures to prevent accidents; guidelines for accident reporting, recording, and investigation (including root cause reporting and accident log keeping); follow-up of corrective actions; and monitoring of Lost Time Incident Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR).	OHS Procedure	90 days after the first disbursement.
1.3.2	Implement the OHS Procedure.	Proof of Implementation.	As part of the ESCR.
1.3.3	Develop an Integrated Waste Management procedure.	Waste Management procedure.	90 days after the first disbursement.
1.3.4	Implement the Integrated Waste Management procedure.	Proof of Implementation.	As part of the ESCR.
1.3.5	Develop a road safety procedure that includes road emergency preparedness and response that include emergency assistance for drivers and third parties in the event of contingencies.	Road Safety Plan.	90 days after the first disbursement.
1.3.6	Implement the Road Safety Plan.	Proof of Implementation.	As part of the ESCR.
1.3.5	Modify construction contracts so that its contractors: i) respect workers' legal labor rights in terms of wage payment, control of working hours, overtime; ii) implement Habi's management programs, including the External Grievance Mechanism; and iii) report their E&S performance in the remodeled homes to the Company.	Model Construction Contract.	180 days after the first disbursement.
1.4	Reference: Emergency Preparedness and Response		
1.4.1	Develop Emergency Preparedness and Response Plans (EPRPs) for its corporate offices in Mexico.	EPRPs	120 days after the first disbursement.
1.4.2	Implement the EPRP in each of the projects executed by the Company.	Proof of Implementation.	As part of the ESCR.
1.4.3	Include in the construction contracts the obligation for each contractor to adopt the EPRP framework identifying all the most probable emergency situations associated with the tasks entrusted to them and how to act in the event of such situations.	Model Construction Contract.	180 days after the first disbursement.
1.5	Reference: Monitoring and Review		
1.5.1	Develop a procedure to monitor and evaluate the implementation of Habi's Environmental and Social Management System, to include: i) a compliance matrix with key performance indicators (KPIs); and ii) internal or external audit procedures that allow for evaluating the compliance status with management policies and programs.	Monitoring and Control Procedure.	120 days after the first disbursement.
1.5.2	Implementing the Monitoring and Control Procedure.	Proof of Implementation.	As part of the ESCR.
1.6	Reference: External Communication and Grievance Mechanisms		
1.6.1	Develop a grievance mechanism through which communities can consult, express concerns, or file complaints, to include: i) methods for capturing grievances and complaints (telephone number, website, and email address); ii) maximum response time to process complaints; iii) the designation of an employee or team to receive, register, validate, investigate,	External Grievance Mechanism.	120 days after the first disbursement.

	and determine solution alternatives for external public communications; and iv) guidelines to monitor, document, and communicate responses to the complainants.		
1.6.2	Implement the External Grievance Mechanism.	Proof of Implementation.	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 that includes, at least, explicit references to: i) recognition of workers' labor rights as required by local labor laws and international standards; ii) gender equality, non-discrimination and equal opportunity; iii) freedom of association and recognition of the right to collective bargaining; iv) workers' right to file complaints without fear of reprisals; v) rejection of child labor and forced labor; and vi) safe and healthy workplace.	Human Resources Policy.	60 days after the first disbursement.
2.1.2	Communicate the Human Resources Policy to all Company staff.	Evidence of Communication.	As part of the ESCR.
2.1.3	Document the procedures for hiring, recruiting, and training of human resources.	Human Resources Procedures.	120 days after the first disbursement.
2.1.4	Develop an Internal Labor Regulation in which Habi communicates information regarding workers' rights under national labor and employment legislation, including their rights with respect to working hours, wages, overtime, compensation, and benefits granted from the beginning of the employment relationship and upon any substantial change.	Internal Labor Regulation.	120 days after the first disbursement.
2.1.5	Disseminate the Internal Labor Regulations throughout the organization.	Evidence of Communication.	As part of the ESCR.
2.2	Reference: Grievance Mechanism		
2.2.1	Develop an internal grievance mechanism whereby workers can make inquiries, express concerns, or submit formal complaints explicitly or anonymously, including: i) means of capturing complaints and grievances (telephone number, website, and e-mail address); ii) the maximum timeframe for responding to complaints; and iii) guidelines for following up on, documenting, and communicating responses to complainants.	Internal grievance mechanism.	120 days after the first disbursement.
2.2.2	Implement the Grievance Mechanism.	Proof of Implementation.	As part of the ESCR.