

Grupo Monge (26968), Environmental and Social Action Plan (ESAP) – March 25, 2008

Item	Action	Completion Indicator	Timetable
PS1: Social and Environmental Assessment and Management Systems			
1	Grupo Monge will create an Environmental, Social, Health and Safety (ESHS) management function at corporate level to develop a complete ESHS management system that can be applied consistently in every country of operation. ESHS coordinators, reporting to the corporate ESHS manager, will be required to be appointed in each country where the Company operates	Grupo Monge has created the ESHS management function at corporate level and appointed ESHS coordinators in every country of operation, and has informed IFC.	Six months after disbursement
2	The Company will develop more formal ESHS screening for future sites to be developed, particularly in terms of land acquisition, and more formal ESHS due diligence for leased stores and warehouses. This due diligence will aim at timely identification and review of the potential environmental, health and safety, and social risks and the creation of documentary evidence that such risks are either negligible or requiring a more thorough environmental, health, safety and social assessment	<p>Grupo Monge has developed the ESHS screening criteria for both newly constructed facilities and leased facilities/stores and IFC has reviewed and accepted them.</p> <p>Grupo Monge has developed a chance finds protocol to be included into its future construction contracts and IFC has reviewed and accepted it</p>	12 months after disbursement
3	Grupo Monge will develop a complete ESHS management system that can be applied consistently in every country of operation. The management system will also allow quantifying Company operations' ongoing environmental impacts, identify and quantify reduction targets and develop monitoring and reporting systems to assess key performance indicators, and drive such reductions. Grupo Monge will formalize a monitoring and reporting system for occupational health and safety, consistently with the guidelines provided by the International Labour Organization (ILO).	Grupo Monge has developed an integrated ESHS management system and the relevant monitoring and reporting system, consistent with ISO 14001 and OHSAS 18001 or equivalent standards.	24 months after disbursement

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4	Grupo Monge will increase consistency of its induction and training programs for occupational health and safety, add an environmental component to the training program and ensure that key contractors (especially transport services and furniture assembly contractors) are included in the training program. The Company will adopt a program to extend first aid training to all their operations. The Company will record and report all training performed and trainees.	Grupo Monge has added an EHS component to the induction program and has developed a training matrix, which includes EHS and first aid training. IFC has reviewed the training matrix, and has reviewed and accepted the induction and training programs.	Nine months after disbursement
PS2: Labor and Working Conditions			
5	Grupo Monge will develop a formal internal grievance management policy and relevant implementation procedures.	Grupo Monge has developed both the policy and the implementation procedures and IFC has reviewed and accepted them.	Six months after disbursement
6	Grupo Monge will urgently review and enhance the emergency exits and emergency exit signage at the distribution centers and furniture assembly facilities, with specific focus on Costa Rica and Honduras distribution centers. Emergency exits will be clearly identifiable, with a suitable mechanism for unlatching them (e.g., crash bars).	Grupo Monge has provided to IFC the layouts of all distribution centers and furniture assembly facilities showing the location of the emergency exits and emergency exit signage and has provided photographs of all emergency exits after implementation of the enhancement works.	Condition of disbursement
7	Grupo Monge will undertake occupational health and safety (OHS) risk assessment at all distribution centers and furniture assembly sites throughout the five countries, and should follow up with corrective action as shown necessary. The OHS risk assessment will be developed by a professional consultant, acceptable to IFC.	IFC has reviewed and accepted the OHS risk assessment report. Grupo Monge has agreed to implement the relevant corrective action plan, if any, according to an implementation schedule which has been agreed with IFC.	Nine months after disbursement
8	A qualified fire protection engineer, acceptable to IFC, will conduct an audit of all offices, distribution centers, warehouses, service centers and of a	IFC has reviewed and accepted the fire protection engineer audit report.	Six months after disbursement

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	representative sample of stores in every country of operation. The consultant will also review the emergency preparedness and response plans and recommend necessary revisions, if any, to these plans, and the practice schedule. The consultant will establish the scope of work of a Corrective Action Plan and a time frame for implementing the changes. The Corrective Action Plan shall be agreed between the consultant, IFC and Grupo Monge.	Grupo Monge has agreed to implement the relevant corrective action plan, if any, according to an implementation schedule which has been agreed with IFC.	
PS3: Pollution Prevention and Abatement			
9	Grupo Monge will monitor and record the refrigerant use for maintenance of refrigerators and air conditioning systems. The Company will also ensure that the refrigerant systems in their facilities do not use chlorofluorocarbons (CFCs) and do not leak.	Grupo Monge has developed its monitoring plan and confirmed that monitoring and recording is underway. IFC has reviewed and accepted the monitoring plan and procedure.	12 months after disbursement
10	Grupo Monge will develop a formal waste register and subsequently will develop of a more formal waste management system and plan	<p>Grupo Monge has developed its waste register and confirmed that waste monitoring and recording is underway. IFC has reviewed and accepted the waste register and implementation procedure.</p> <p>Grupo Monge will subsequently develop a more formal waste management plan, within the framework of the ESHS management system (item 3 of this ESAP).</p>	12 months after disbursement
PS4 Community Health, Safety and Security			
11	Grupo Monge will develop a formal contractor management system to ensure that acceptable environmental, health, safety conditions and employment terms and conditions are provided to the employees of their contractors.	Grupo Monge has developed the contractor management system and IFC has reviewed and accepted it.	12 months after disbursement

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12	<p>Where new stores are to be constructed or are established through leasing of the entire building, their design, construction and operation will be in full compliance with the local building codes, local fire department regulations, local legal/insurance requirements, and in accordance with an internationally accepted life and fire safety (L&FS) standard, such as the NFPA Life Safety Code or another standard as recommended by the fire protection engineer and agreed with IFC.</p> <p>New stores established in an existing building, but which do not occupy the entire building, will undergo a life and fire safety review by a suitably qualified professional. The findings and recommendations of the review will be used as the basis to establish the scope of work of a Corrective Action Plan and a time frame for implementing the changes.</p>	<p>A certificate of compliance with all local and an internationally recognised fire protection code is provided for each new store.</p> <p>Grupo Monge has included the requirements of the applicable local codes and key recommendations stemming from the Fire Safety assessment Corrective Action Plan into the scope of work of their store remodelling team.</p> <p>Grupo Monge has submitted, in the Annual Monitoring Reports, a summary of the life and fire safety reviewed conducted for new stores in existing buildings and of the corrective actions implemented.</p>	As dictated by the construction and renovation program.
PS6 Biodiversity and Sustainable Natural Resource Management			
13	Grupo Monge will develop a formal Corporate approach to species selection and use of timber from sustainable operations.	Grupo Monge has conducted a comprehensive review of suppliers and supply chain throughout countries and submitted a formal Corporate approach to IFC. IFC has reviewed and accepted the approach.	12 months after disbursement