

**Mexico: UAG (30445)**  
**Environmental and Social Action Plan**  
**September 27, 2011**

| # | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Deliverables                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Deadline                                                                                                                                                                                                                         |
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|   | <b>PS-1 Social and Environmental Assessment and Management System</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                  |
| 1 | <p><b><u>Corporate Management System for Social and Environmental Affairs, and Occupational Health and Safety Management:</u></b></p> <ul style="list-style-type: none"> <li>UAG will develop, implement, and maintain a corporate management system for their operations and include social, occupational health and safety, human resources, and environmental affairs management needed to make the system a fully functional ESMS. The first step will be to identify and document the environmental and social impacts of UAG operations. The ESMS will comply with country regulations, IFC Performance Standards and relevant WBG EHS Guidelines. The ESMS will include a formal system for monitoring, and reporting social and environmental issues to senior management, and onward to IFC in the form of an Annual Monitoring Report.</li> <li>UAG will appoint a company representative to lead the development, implementation, and maintenance of an Environmental and Social Management System (ESMS).</li> <li>The ESMS shall establish an ongoing employee training program covering environmental and social issues based on the responsibilities and impacts of the employee's activities. It shall also include training for those employees in charge of the community engagement/grievance mechanism.</li> <li>UAG will prepare a formal community engagement /grievance mechanism to be used for all of its facilities; this will include the means UAG will use to let the community know the existence of the mechanism and the policies/procedures to address any community complaints.</li> </ul> | <p>a) Provide copy of the formal communication to IFC appointing a person that will lead the implementation of the ESMS and provide timeline.</p> <p>b) Provide implementation framework for the ESMS that includes: organizational chart, management systems procedures with respect to environmental and social issues (including but not limited to HR, water and waste water management and treatment, energy and resource use, conservation and waste minimization strategies, impacts of construction and contractor's activities and contracts, impacts of facilities construction and operation on neighbors, Life and Fire Safety, training of employees and community and employee grievance mechanisms), activities schedule, and stipulations for monitoring and reporting.</p> <p>c) Prepare and provide an Annual Monitoring Report (AMR) that addresses environmental and social issues as well as training activities for each year, starting first year after commitment.</p> <p>d) Provide a report that documents that the ESMS developed is operational.</p> <p>e) Provide a copy of the documents formalizing the community engagement /grievance mechanism (e.g., policies, procedures, formats, etc.).</p> | <p>a) Condition of disbursement</p> <p>b) Six months after signing the loan agreement</p> <p>c) On an annual basis</p> <p>d) One year after signing the loan agreement</p> <p>e) Six months after signing the loan agreement</p> |
|   | <b>PS-2 Labor and Working Conditions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                  |
| 2 | <p><b><u>Human Resource Policy and Management:</u></b></p> <ul style="list-style-type: none"> <li>UAG will prepare a summary of the Human Resources Policy addressing all PS2 requirements, and will make it available to the employees. The HR policy will be revised to also include reference to non-discrimination and equal, freedom of association and collective bargaining, and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>a) Provide a copy of the summary of the Human Resources Policy as well a copy of the revised HR Manual, including aspects of PS2 such as non discrimination and equal opportunity, freedom of association and collective bargaining.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>a) Six months after signing the loan agreement</p> <p>b) Six months after signing the loan agreement</p> <p>c) Six months after signing the loan agreement</p>                                                                |

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|   | <p>ensuring Terms of Employment and employees joining a union, if desired, are separate actions.</p> <ul style="list-style-type: none"> <li>UAG will develop and implement a formal employee grievance mechanism and communicate it to the employees.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>b) Provide a copy of the documents formalizing the employee grievance mechanism (e.g., policies, procedures, formats, etc.).</p> <p>c) Provide a copy of the internal communication notifying the employees about the employee grievance mechanism.</p>                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3 | <p><b><u>Protecting the Work Force (Occupational Health and Safety):</u></b></p> <ul style="list-style-type: none"> <li>UAG will develop a contractor selection policy. This policy will require the contractor to certify that no child or forced labor is used in any of the work they perform for UAG, that all of the contractor employees have social security services and follow local and IFC Occupational Health and Safety (OHS) guidelines. This should also be integrated into ESMS in PS1.</li> </ul>                                                                                                                                                                                                                                                                                                                                    | <p>a) Provide a copy of the contractor selection policy and section in ESMS where process is detailed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>a) Six months after signing the loan agreement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|   | <b>PS-3 Pollution Prevention and Abatement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4 | <ul style="list-style-type: none"> <li>UAG will comply with Mexican and WB EHS Guidelines regarding water and waste water treatment and will have on site WWTP for all major renovations or new construction.</li> <li>UAG will develop a pest control policy that uses only low toxicity chemical, in particular for K-12 school sites.</li> <li>Add grease traps to meet IFC requirements on oil and grease discharged in effluent by cafeterias in HAL and other facilities, as necessary.</li> </ul>                                                                                                                                                                                                                                                                                                                                              | <p>a) Provide a copy of the input and waste management system procedure in ESMS for review and provide testing results from independent lab reports monitoring quality of potable water and waste water disposal in AMR.</p> <p>b) Provide a copy of the policy and specifications for the low toxicity chemicals to be used for pest control.</p> <p>c) Provide copies of photos to show new grease traps.</p>                                                                                                                                                                                                             | <p>a) As each renovation/expansion project is rolled out and in the AMR</p> <p>b) Six months after signing the loan agreement</p> <p>c) Six months after signing the loan agreement</p>                                                                                                                                                                                                                                                                                                                                                                      |
|   | <b>PS 4 Community Health, Safety, and Security</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 5 | <p><b><u>Emergency Preparedness and Response:</u></b></p> <ul style="list-style-type: none"> <li>UAG will ensure that all its existing facilities have an updated Civil Protection Plan, inclusive of a first aid training program, and a plan for firefighting (i.e., use of extinguishers and evacuation brigades) and seismic events.</li> <li>UAG will engage a suitably qualified professional, approved by IFC, to complete an audit of the Life and Fire Safety (L and FS) systems of a sample of their existing assets (high risk assets such as multi story buildings, hotels and stadiums) as agreed with by IFC, and will subsequently develop a Corrective Action Plan (CAP) to address deficiencies and recommendations specified in the audit report(s).</li> <li>UAG will engage a suitably qualified professional approved</li> </ul> | <p>a) Provide copies of the stamped submittal letters for all the facilities and copies of the Civil Protection Plan as each facility is renovated going forward.</p> <p>b) Provide evidence of yearly employee training activities on first aid and use of fire extinguishers and provide copies of the fire extinguisher inspection/re-charge services invoices in Annual Monitoring Reports AMR).</p> <p>c) Provide a copy of the third party Audit Report of the specified UAG assets, and the Corrective Action Plan (CAP) completed to address deficiencies and recommendations specified in the audit report(s).</p> | <p>a) Condition of disbursement for all existing facilities and rolling action depending on renovation and construction schedule of additional facilities.</p> <p>b) One year after signing the loan agreement in AMR.</p> <p>c) Condition of Disbursement will be the Audit of the first three high risk buildings (as agreed with IFC and UAG) completed and the CAP submitted and agreed to with IFC. Audits of the remainder of the chosen assets and completion of the Master Plan will be due within the first year of signing the loan agreement.</p> |

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|  | by IFC, to prepare a Master Plan for all planned expansion and major renovations or expansions, including the design documents according to WBG EHS General Guidelines and in compliance with international and national standards, and once construction is complete, confirm compliance with the original Master Plan design. | d) At time of design provide IFC with signed contract for professional services to perform the Master Plan and post construction provide evidence of inspection audit and certification of the as built system. | d) As necessary, moving forward with expansion plans – prior to construction and then post construction of each facility. |
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