

## ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY (ESRS) #37848- Amata Hotels (Myanmar)

### *Disclaimer*

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### **Project Description:**

United International Group Limited (“UIG”, the “company” or the “Amata Hotels”), wholly owned by Mr. U Win Aung (the “sponsor”) together with his wife, has 3 operational hotels in Myanmar under the Amata umbrella, including:

- (i) 92-room Amata Ngapali Beach Resort, <http://www.amataresort.com>
- (ii) 76-room Amata Garden Resort Inle <http://www.amatainleresort.com>, and
- (iii) 31-room Amata Boutique House Bagan <http://www.amatabtqhouse.com>.

The sponsor plans to expand his existing operations in Bagan and Inle through the construction of a new 144-room hotel in Bagan in close proximity to the existing Amata Bagan hotel (<https://www.google.com.hk/maps/@21.1332103,94.8715459,256m/data=!3m1!1e3>); and a new 110-room hotel and 20 villas development on the same site (<https://goo.gl/maps/6C1cDCoqtMR2>) as the existing Amata hotel in Inle (together, the “project”).

The project will be undertaken in 2 phases, with Phase I comprising of 72 rooms in Bagan, 55 rooms and 20 villas in Inle, and shared facilities such as lobby, restaurant, etc. in both hotels (“Phase I”), and Phase II comprising of 72 rooms in Bagan and 55 rooms in Inle (“Phase II”).

IFC is considering to provide a loan of up to US\$13.5 million for the proposed project; with US\$8.5 million for Phase I and US\$5 million for Phase II.

### **Overview of IFC's Scope of Review:**

The scope of IFC's review of this investment included assessing the company's capacity to oversee and monitor compliance with IFC's Performance Standards (PS) as well as national environmental and social (E&S), and occupational health and safety (OHS) regulatory requirements.

The review relied on documents made available by Amata Hotels such as design plans, Initial Environmental Examination (IEE) reports for the proposed project, human resources (HR) policies and manuals, environmental, health and safety (EHS) monitoring data for its operational facilities,

design specifications and drawings for the proposed developments under the project; etc.; and interviews conducted by IFC staff and consultants during site visits to the company's operational hotels in Bagan and Inle Lake as well as at the company's headquarters in Yangon.

The project will be implemented in Bagan and Inle Lake area – which are Myanmar's flagship tourist destinations known for its cultural heritage and biodiversity resources respectively. Both Bagan and Inle Lake are already facing E&S challenges and impacts due to the effects of economic development in general, and tourism development in particular. This context adds to the above project-specific risks and impacts, and was carefully reviewed and analyzed as part of this due diligence.

For this purpose, several publicly available studies, master plans and such documents related to E&S issues associated with tourism development in Myanmar in general, and in Bagan and Inle Lake area in particular, were reviewed.

Moreover, to understand the E&S issues and risks associated with tourism development in Inle Lake area, IFC staff and consultants met with several local stakeholders active in the tourism sector and environmental conservation in the area. The organizations met with during the due diligence include: Biodiversity and Nature Conservation Association (BANCA), United Nations Development Programme (UNDP) Myanmar office, MCRB, Myanmar Forest Association, MIID, Partnership for Change – Inle Speaks and Nature and Wildlife Conservation Division of the Ministry of Natural Resources and Environmental Conservation among others.

The risks present at Inle Lake are primarily related to impacts on the lake's biodiversity. Inle Lake is designated as Myanmar's first Biosphere Reserve under UNESCO's Man and the Biosphere (MAB) program- due to economic activity and floating gardens on the lake, and are described in detail under the PS6 section of this review summary.

With over three thousand Buddhist temples, monasteries, stupas and monuments compacted into one area, Bagan is home to the highest density of Buddhist architecture anywhere in the world. This very important and unique cultural heritage site also presents its own set of risks and issues for tourism development in the area, which is seeking designation as a UNESCO World Heritage Site. These have been discussed under the PS8 section of this review summary.

**Identified Applicable Performance Standards:**

*While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards*

PS1: Assessment and Management of Environmental and Social Risks and Impacts

PS2: Labor and Working Conditions

PS3: Resource Efficiency and Pollution Prevention

PS4: Community Health, Safety and Security

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

PS8: Cultural Heritage

Land required for the expansion project in Bagan and Inle Lake area was purchased several years ago by the sponsor through open market commercial transaction on willing buyer willing seller basis, and did not involve any involuntary resettlement and economic displacement. PS5 is therefore not applicable for this investment.

The company's existing hotel and the proposed expansion in Inle Lake area is located adjacent to, but outside, the hotel zone, which is widely discussed in public discourse due to concerns around land acquisition and tourism's negative E&S impacts on the environment and communities. Notably, however, the land for Amata Inle Lake hotel was purchased much prior to the announcement and development of the contentious hotel zone. Details about the land acquisition for the project are presented in the Initial Environmental Examination (IEE) reports disclosed together with this ESRS.

Inle Lake area is also known for its indigenous peoples, especially Intha (literally "sons of the lake"), who are members of a Tibeto-Burman ethnic group living around Inle Lake. There are 130,000 people from Intha, Shan, Taungyo, Pa-O (Taungthu), Danu, Kayah, Danaw and Bamar ethnicities living in the area surrounding the lake, which falls under the Nyaungshwe township. Approximately 70,000 of them live directly on Inle Lake. They speak an archaic dialect of Burmese and support themselves through the tending of vegetable farms on floating gardens on Inle Lake. Most are devout Buddhists and live in simple houses of wood and woven bamboo on stilts; they are largely self-sufficient farmers. While located in the same region, the project with its small and localized footprint does not result in any E&S impacts on indigenous peoples as envisaged by Performance Standard 7, and hence is not applicable for this investment.

*If IFC's investment proceeds, IFC will periodically review the project's ongoing compliance with the Performance Standards.*

**Environmental and Social Categorization and Rationale:**

The key issue associated with this projects relates to UIG's corporate capacity, management systems and performance to date in managing environmental and social risks. These risks are of two types: risks associated with any hospitality development which include: life and fire safety, managed through adoption of an internationally recognized design code and operations; efficiency of raw material, water and energy use in hotel design and operations; emissions and waste management and disposal; labor and working conditions; and management of contractors and suppliers (during construction and operational phases), and risks deriving from the project's location including cumulative and project-related impacts on critical habitat and biodiversity in the Inle Lake area; and on cultural heritage in Bagan area and finally the engagement with local communities, government agencies, civil society organizations and peers in tourism industry.

The Project has a limited number of potentially adverse E&S impacts, which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines, or design criteria. On this basis, this project is therefore classified as a Category B project according to IFC's Policy on Environmental and Social Sustainability.

### **Environmental and Social Mitigation Measures**

*IFC's appraisal considered the environmental and social management planning process and documentation for the project and gaps, if any, between these and IFC's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and (if applicable) in an agreed Environmental and Social Action Plan (ESAP). Through the implementation of these measures, the project is expected to be designed and operated in accordance with Performance Standards objectives.*

#### **PS 1 - Assessment and Management of Environmental and Social Risks and Impacts**

##### **- Environmental and Social Assessment:**

For the proposed expansion projects, the company has commissioned IEE studies in accordance with local regulatory requirements and is in the process of procuring the necessary environmental approvals and permits.

The IEE studies were supplemented with biodiversity assessment studies by international experts in order to understand the project's impacts on biodiversity in Inle Lake area, which is a recognized biodiversity hotspot and a critical habitat, albeit severely degraded.

Similarly, further additional analysis of wastewater generation and disposal from the Amata Inle Lake resort together with all other existing and future hotels in the vicinity (including those that might be developed under the neighboring hotel zone), was conducted to understand the cumulative impacts of wastewater discharge and nutrient loading on Inle Lake ecosystem.

Public consultations and local disclosure of IEE report is a requirement as part of IEE and environmental permitting process. English versions of the IEE reports thus prepared by UIG including the minutes of the public consultation and the supplemental studies mentioned above are disclosed together with this ESRS.

The hotels are, and will continue to be, operated strictly in compliance with the permit conditions as well as the mitigation measures and environmental management plans articulated in the IEE reports.

##### **- Policy**

Going forward, as a condition of IFC's investment, Amata Hotels will establish an overarching sustainability policy defining its objectives and principles that will guide the company to achieve sound EHS performance – including compliance with the applicable local laws and regulations and the IFC Performance Standards.

##### **- Management Programs and Organizational Capacity**

Amata Hotels has corporate policies and procedures to manage and monitor its E&S performance at each of its operational hotels, which are adequate and appropriate to the nature and scale of

its operations. During the site visits these E&S and safety procedures and practices (e.g. those related to human resources (HR), fire safety, housekeeping, and waste management) were found to be well implemented.

Each hotel has appointed personnel with clearly defined responsibilities to manage E&S operational aspects including labor and working conditions, L&FS, energy and water usage efficiency, waste management and social engagement.

The Resident Manager (RM) at each hotel oversees the E&S issues, and is supported by the engineering team that is responsible for ensuring proper functioning of all hotels' equipment and facilities, for energy saving programs, conducting fire safety exercises, and providing technical staff with relevant training.

The resident manager reports on all operational matters to the corporate Operations and HR managers, who in turn report to the top management including the sponsor.

- Monitoring & Reporting:

At the hotel level, each Resident Manager and his technical team monitor operational performance through daily inspections, weekly meetings and compilation of senior management reports.

Each facility submits information on key performance indicators (KPIs) related to operations and HR to the corporate office through monthly reports. Going forward, UIG will formalize its corporate E&S reporting, by developing a list of standard E&S KPIs, a monitoring and reporting procedure and a template for hotels to submit such monthly E&S reports.

***PS 2 – Labor and Working Conditions***

UIG currently employs a total of about 570 staff across 3 hotels, of which 30% are women. Post expansion project, the company is planning to recruit about 130 staff. Except for some temporary staff locally recruited during peak season to assist the regular employees on the needs basis, all staff are regular employees.

- HR Policies, Procedures, Terms of Employment

Amata Hotels has developed HR policies and procedures manuals applicable to all its hotels, which include: organizational structure and manpower, staff categories and salary ranges, HR policies and procedures, employees handbook, recruitment policy and procedures, employment contract, training and development, performance evaluation, disciplinary procedures, welfare and benefits plan, motivation and reward plan, reporting, and exit management.

Terms of employment as well as rights and responsibilities of employees are formalized into employment contracts and communicated to all employees through the employee handbook.

Hiring and employment practices recognize the principles of non-discrimination and equal opportunity. There is no evidence of child or forced labor in the workforce.

A dedicated HR team is in place as well as at corporate level, responsible for HR management and training across all the properties. In addition, each hotel has its own HR staff to handle the day to day matters at facility level.

Visits to hotels and discussions with staff confirmed working conditions to be reasonable, safe and clean. Remuneration is competitively determined by referencing market rates and complies with minimum wage laws.

UIG's documented HR policies and procedures are thus consistent with PS2 requirements and national laws.

#### - Worker Accommodation

UIG provides accommodation to the employees on its hotel premises. During the site visit, the employee accommodation was found to be well-appointed with basic services and amenities (such as minimum space, natural and artificial lighting and ventilation, supply of water, adequate sanitary and washing facilities, cooking and storage facilities and, adequate sewage and garbage disposal system). Further, the accommodation services are provided in a manner consistent with the principles of non-discrimination and equal opportunity, and do not restrict workers' freedom of movement or of association.

#### - Freedom of Association, Grievance Mechanism

The company does not prevent its employees from forming trade unions or workers' organization. However, currently there are no unions at any of the operational hotels. Going forward too, the company shall continue to respect the freedom of association for all its employees as required by per the country's Labour Organization Law, 2011.

Currently, employees can raise grievances through their supervisors or by speaking with the HR team. Going forward, as part of the ESAP, the company will update its HR policies to include a documented grievance mechanism for all the employees. This will include a documented procedure to receive, handle and resolve grievances received from the employees including a channel to raise anonymous concerns. Information about these grievance channels shall be included in the staff handbook given to each employee at the time of joining.

During the site visits, UIG's HR team confirmed that there are no legal non-compliances or labor disputes in any of its properties.

#### - Training and HR Development

Being a service organization, training, capacity building and professional development of its staff are important aspects of the company's HR management. Accordingly, UIG focuses on developing and improving management skills for all its employees.

A documented policy and structured program for training and staff development is in place, which includes separate objectives and internal/external training requirements for different grade levels in the organization. As per its training and development policy, Amata Hotels organizes internal training (HR training, departmental training), external training, cross training (to develop multi-skilled flexible and diverse workforce), skill training and ongoing on-the-job training. In addition, dedicated management trainings are also organized as part of leadership development, while induction training is mandatory for all the new employees.

A structured and standardized performance review process is in place with well-defined KPIs for all grade levels and necessary formats for performance evaluation and reporting.

#### - Contractors /Construction Safety

For the construction of its hotels, UIG shall work with local contractors and sub-contractors which are legally registered entities. To ensure safety and welfare of construction workers, UIG will incorporate necessary clauses in the contract documents and shall monitor their implementation through ongoing monitoring. Accordingly, UIG will ensure erection of proper scaffolding, necessary controls for working at height and in confined spaces and such site safety measures specific to the site situation. All contractors' workers will be required to be trained on safety aspects and provided with appropriate personal protective equipment (PPE) before commencing the work.

In case, labor accommodation needs to be provided on site, by the company or contractor for the construction activities under the project, UIG will include necessary clauses in the contracts regarding the quality and management of the workers' accommodation and provision of basic services as described above in the Workers Accommodation, and in line with "Workers' accommodation: processes and standards: A guidance note by IFC and the EBRD".

#### - Occupational Health and Safety

While significant OHS risks to the employees are not anticipated due to the nature of working environment, UIG is committed to provide both guests and employees with a safe and healthy environment.

Adequate safety training is provided to all employees as part of induction training as well as annual training calendar.

### ***PS 3 – Resource Efficiency and Pollution Prevention***

#### - Resource Efficiency:

As for its existing hotels, Amata is planning to integrate several water and energy conservation measures in the design of the project, such as:

- Better use of natural light and ventilation (high Window to Wall ratio, vertical and horizontal exterior shading on windows with a high shading factor, Naturally ventilated non air-conditioned corridors);
- Energy and water efficient fixtures and fitting (Individual air conditioner units with inverter technology; high efficiency LED lights, occupancy sensor control of lights in corridors, low-flow showerheads; aerators for taps; dual flush for all water closets; installation of solar hot-water collectors)
- Selection of energy efficient equipment in kitchen and laundry.

In addition, UIG is exploring the possibility for the project to achieve IFC's EDGE certification ([www.ifc.org/EDGE](http://www.ifc.org/EDGE)) for green building design.

#### - Energy Supply and GHG Emissions:

For all the operational properties, as well as those proposed under the project, electricity, sourced from the national grid, is/will be used for lighting, air conditioning, elevators, water heating and other mechanical and electrical systems in the back of the house. As a backup for emergency use, diesel generator sets are provided. In all its hotels, air-conditioners and electrical heaters for generating hot water are installed as individual units in each room and there are no centralized chillers or boilers. As such, there will be minimal air emissions from the project.

GHG emissions from the project are primarily due to energy consumption (electricity and gas) and any leakage from refrigeration systems. Accordingly, it is estimated that the project will result in GHG emissions of \*\*\* tons of CO<sub>2</sub>eq/year, once it is fully operational. Actual records will be used to review GHG emissions from the project once it becomes operational.

#### - Water Supply and Wastewater Management:

UIG sources water for its hotels from deep wells in its premises, and treats this water to potable levels. Treated water is regularly tested to ensure its conformance with WHO drinking water quality standards.

Currently, sewage treatment for its existing hotels is by septic tanks across its facilities. However, for the expansion project, UIG is exploring zero discharge packaged wastewater treatment systems provided by Japanese suppliers, where the treated wastewater shall be used for gardening.

Thus, in Amata Inle Lake there will be two ways of managing sewage waste: First, a conventional septic system for the existing hotel building, where a settling and decomposition chamber will allow sewage solids to separate from liquid and undergo partial decomposition. Decomposed solid waste will be stored as sludge at the bottom of the tank; while the effluent from the tank will flow by gravity into a subsurface absorption field where it will infiltrate into the soil. When septic tanks are full, these will be emptied by the Nyaungshwe township municipality.

For the proposed expansion project, a packaged 3-Chamber bio-tank system will be used. The first chamber will allow for disinfection of sewage using micro-organisms. The second chamber



is the sludge sedimentation tank and the last chamber is equipped with an evaporation funnel to store fluids. Treated wastewater from this system shall be used for gardening. A similar system is being explored for the new hotel development in Bagan.

Regular monitoring will be carried out on the septic tank and bio-tank systems to ensure that they are not overloaded.

As described in the IEE report for Amata Inle Lake project, there will be no direct discharge of treated sewage into the lake, and impacts of treated sewage disposal (through land application or reuse for gardening) on the Inle Lake water environment and its ecological carrying capacity are expected to be very limited when compared with the potential impacts of treated sewage disposal and nutrient loading from other neighboring hotels.

- Solid and Hazardous Waste Management:

As in the existing hotels, post-expansion for the hotel will also follow the process of reduction, segregation, recycle, reuse for the solid waste. While recyclable waste (such as glass, paper and cartons) is sold to local recyclers, the other waste is disposed of through the municipal solid waste management systems. Leftover food waste is given away to nearby villagers as animal feed.

#### ***PS 4 – Community Health, Safety and Security***

##### Life and Fire Safety

UIG has commissioned an experienced architectural design firm from Thailand, which works with very specialized international consulting firms for the designing and installation of Mechanical, Electrical and Plumbing (MEP) systems, to design the project to international standards.

UIG has mandated through its design brief the standard requirements for fire safety systems design and operation as per local and NFPA (National Fire Prevention Association, USA) fire safety codes for existing low rise buildings. UIG also consider the potential risks due to earthquakes and other natural calamities in the structural design of its hotels, in accordance with prevailing design codes.

The project is thus being designed in accordance with local and international fire safety regulations. Building layout and specification will comply with minimum egress and fire and smoke containment requirements and will be equipped with appropriate firefighting systems consisting of: smoke/heat detectors, fire alarms, emergency lighting, exit lights, hydrants, hose reel, fire extinguishers and central control panel. Regular training and fire/ evacuation drills are conducted to maintain the system in the existing hotels.

For the new developments under the project, UIG will commission a fire safety professional to develop a site-specific L&FS Master Plan, responsive to all national requirements and an internationally accepted fire and life safety code such as NFPA, as required by the L&FS section of the WBG EHS General Guidelines. The fire safety professional shall represent that each

building-specific Master Plan shall meet the requirements of local code, the international code chosen and the WBG EHS General Guidelines.

Following construction, the fire safety professional shall inspect the newly constructed buildings. UIG will submit to IFC certifications from this professional that each facility is designed, constructed, and operated in full compliance with the L&FS Master Plan, or alternatively listing additional work needed for such compliance.

### ***PS 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources***

Protection and Conservation of Biodiversity:

Amata Resorts operates 3 hotels in Myanmar. The 3 sites overlap various ecoregions: Irrawaddy dry forests (Bagan Resort), Northern Indochina subtropical forests (Inle Lake Resort), and Myanmar Coast mangroves (Nagapali Resort). These ecoregions all occur within the Indo-Burma biodiversity hotspot. The broader region forms part of the East Asia/Australasia Bird Migration Flyway, and so special attention has been paid to sites supporting migratory birds (e.g. Inle Lake resort).

#### **- Type of Habitat**

All three existing sites are within largely Modified Habitats. Lake Inle has been heavily impacted by community livelihood activities such as use of chemical fertilizers and pesticides associated with floating gardens, sewage discharges, oil/diesel spills from boats, and erosion within associated watershed at higher elevations. The project footprint (~7ha) contains less than 0.2ha of Natural Habitat. The lake is accessed via a channel passing through Modified Habitat (existing floating garden areas). The surrounding area of influence is 75% Modified Habitat.

While rampant growth of unlicensed guesthouses in Nyaungshwe township area is a concern, tourism is not considered the main cause of environmental degradation. Many conservation experts and protected area managers perceive sustainable and community based tourism as a potential livelihood alternative for unsustainable agriculture practices. Inle Resort exists within a broader discrete management unit that is Critical Habitat because of the presence of (i) two Critically Endangered and 2 Endangered species; (ii) 4 restricted range fish species found only in Lake Inle lake; and (iii) globally important concentrations of waterbirds. None of these biodiversity values occurs within the planned project footprint, and no significant impacts are expected on any known Critical Habitat triggers once planned mitigation is implemented. Consultation with local experts (e.g. Biodiversity and Nature Conservation Association, BANCA) confirmed key habitats for water birds are concentrated at 3 sites in the northern sections of lake, ranging from 3.5-10km from the hotel. The hotel is also at least 7km away from a set of established no fishing zones in parts of the lake. As a result of there being no measurable impacts on biodiversity from project activities, net gain will be demonstrated via qualitative measures such as: engaging lake-wide management authority to share good practice assessment and management for hotels; education of hotel visitors on Lake Inle biodiversity importance via tours and a proposed wetland visitors center.

#### - Protected or Internationally Recognized Areas

Inle Resort has confirmed overlap with the Inle Lake Bird Sanctuary (IUCN Cat. IV), a designated ASEAN Heritage Park and Key Biodiversity Area. The project area is also adjacent (~1km) to East Inlay Protected Public Forest (IUCN Cat. Unknown). Bagan Resort is adjacent to Lawkananda Wildlife Sanctuary (IUCN Cat. IV), which forms part of the Ayeyarwady River (Bagan Section) Key Biodiversity Area.

At Lake Inle, consultation with protected area managers (e.g. Inlay Lake Wildlife Sanctuary Park Warden Office), government conservation agencies, United Nations Development Programme (UNDP), and local/national NGOs has taken place and initial mitigation actions have been aligned with objectives and recommendations of existing lake-wide management plans (i.e. Five Year Conservation Plan, Long Term Restoration and Conservation Plan, and Regional Destination Management Plan).

#### - Invasive alien Species

Invasive alien species (e.g. water hyacinth, 5 fish species) are established at Lake Inle due to long history of modification and introduction of fishing species, neither of which are associated with the project. Support for invasive alien eradication programs within hotel premises and preferential use of indigenous species for landscaping has been proposed at Inle.

#### - Management of Ecosystem Services

No impacts on ecosystem services (e.g. fisheries, water quality) are expected at Inle and Bagan.

#### - Supply Chain

Sourcing of local materials, particularly local timber and other construction materials, is proposed at Inle and has potential to be from areas at risk of natural or critical habitat conversion. Potential supply chain risks must be assessed and a plan to reduce such risks should be established where these are confirmed.

IFC undertook a screen of project sites using Integrated Biodiversity Assessment Tool (IBAT) and field appraisal of Bagan and Inle. An Initial Environmental Examination (IEE) for Inle has been completed and an associated Environmental Management Plan (EMP), including Biodiversity Management Plan (BMP), has been proposed. A PS6-aligned biodiversity assessment, requested by IFC, is underway at Inle, with desktop review and expert consultation now completed. The findings of the study suggest no further field survey assessment is warranted due to state of modification. These findings will be used to inform completion of proposed EMP and BMP, as well as positive conservation actions to protect or restore biodiversity within the project area of influence (e.g. wetland conservation and restoration of remaining Natural Habitat fragments). While the project is expected to have no or minimal negative impacts on the biodiversity of Inle Lake area, UIG and sponsor are committed to work with all the stakeholders in Inle Lake area and the newly established Inle Lake Authority, in support of existing lake-wide management plans.

Mitigation includes: a development-free buffer on the lake shore; “silent” tour boats to avoid bird disturbance; a zero-waste discharge to the lake policy; landscaping to reduce runoff to the lake; use of biodegradable/environmentally friendly soaps and detergents.

***PS 8 – Cultural Heritage***

One of the hotel’s being developed under the project is in Bagan – which is one of the most prominent cultural heritage sites in Asia, and a potential UNESCO World Heritage site. Bagan has demarcated various zones in the city (e.g. monument zone, archaeological zone etc.) and there are restrictions on new development specific to each zones.

UIG’s proposed hotel site is in New Bagan, far away from the core Monuments Zone, where no new development is permitted. UIG has submitted its site development plans to the authorities for review and is in the process of receiving required construction and inspection permits.

Prior to and during construction, UIG will strictly follow all the permit conditions in order to preserve, protect and restore cultural aspects of the site during construction and operation. Moreover, a Chance Find Procedure will be developed for the project to be applied in case unknown cultural heritage sites/remains will be found during construction activities.

**Stakeholder Engagement:**

The sponsor, and UIG have been actively working with stakeholders in tourism sector in Myanmar, including the central and state government agencies, Inle Lake authority, local communities as well as NGOs, to develop interventions that will positively contribute to environmental conservation and sustainable development of Inle Lake.

IFC, as co-chair of the Tourism Working Group constituted by the Ministry of Hotels and Tourism, is also planning interventions in Bagan and Inle Lake areas, to support the environmental conservation, destination management and sustainable tourism activities.

Amata Hotels has committed to continue collaborating with all the stakeholders, and IFC in this regard. Accordingly, the company will develop and implement a stakeholder engagement plan, comprising a grievance mechanism and plan for external communication on project's E&S impacts for the nearby communities and other stakeholders.

**Broad Community Support:**

BCS – Not Applicable

**Environmental and Social Action Plan:**

| Action  | Timeline         |
|---|------------------|
| 1. Amata Hotels will establish an overarching sustainability policy | 31 December 2016 |

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| defining its objectives and principles to achieve sound EHS performance – including compliance with the applicable laws and the IFC Performance Standards. Deliverables: Sustainability Policy signed by the sponsor Amata Hotels will establish an overarching sustainability policy defining its objectives and principles to achieve sound EHS performance – including compliance with the applicable laws and the IFC Performance Standards. |                   |
| 2. Formalize corporate E&S reporting system, by developing a list of standard E&S KPIs, a monitoring and reporting procedure and a template for hotels to submit such monthly E&S reports.   | 31 December 2016  |
| 3. Update corporate HR policies to include grievance mechanism for all the employees, including a channel to raise anonymous grievances.   | 31 December, 2016 |
| 4. Include standard contract clauses for construction contractor related to site safety and workers accommodation as described in ESRS.  | 31 October 2016   |
| 5. Provide a third-party certification from the competent professional that the architectural designs for the expansion project are in compliance with local as well as an internationally accepted life and fire safety standard.   | 31 December 2016  |
| 6. Provide to IFC a third-party certification from the competent professional that each new hotel was constructed in full compliance with the design previously certified under Item 5.  | 31 December 2017  |
| 7. Implement the recommendations of the biodiversity assessment and action plan for conservation of wetlands within the company premises   | 31 December 2017  |
| 8. Develop and implement a Chance Find procedure for cultural heritage   | 31 October 2016   |
| 9. Develop and implement a stakeholder engagement plan, comprising a grievance mechanism and plan for external communication on the project's environmental and social impacts for the nearby communities and other stakeholders.  | 31 December 2016  |

**Local Access of Project Documentation:**

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