

Environmental and Labor Issues:

This is a category III project according to the IIC's environmental and labor review procedure because it could produce certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, and design criteria. The main environmental and labor considerations related to the project are: liquid effluent and air emissions management, noise, solid waste management, labor practices, fire safety, personal safety, and emergency response. The company is ISO 9001:2008 certified for manufacturing high-capacity wind power equipment.

Liquid Effluent Management: Liquid effluents from the company's manufacturing plants come from the washrooms. Organic matter is the only pollutant in the effluent. After filtering, it passes through an anaerobic reactor and ultimately, through a second anaerobic filter before it is discharged into a watercourse. Sludge is separated by gravity and removed by an authorized company for subsequent reuse as fertilizer. The liquid effluent is chlorinated before its final discharge into the watercourse.

Air Emissions: The most significant air emissions are related to the application of resins and varnish to the stator coils and their subsequent oven-drying, which can cause volatile organic compounds (VOC) to be released into the atmosphere. Workplace measurements were taken that revealed no risk to workers' health, and the company is certified locally by Companhia Pernambucana de Meio Ambiente (CPRH). Risks are mitigated by filtering the air emissions and implementing adequate protective measures.

Solid Waste Management: Most solid waste comes from the packing materials from assorted supplies on the assembly line. This is not hazardous waste, and most of it is recyclable (metal, wood, paper, plastic, etc.). It is disposed of by a company that sends it for recycling.

Domestic waste is sent to a sanitary landfill, while special waste (resin scraps; chemical ink, varnish, and solvent containers; contaminated rags; and used boots, gloves, masks, and helmets) is removed by a specialized company for incineration. An annual industrial solid waste statement (Declaración Annual de Residuos Sólidos Industriales, or DARSI) is submitted to CPRH.

Handling of Hazardous Products: In addition to resins, varnishes, and paint, WPE uses some chemicals for cleaning parts and as solvents that are considered hazardous. Because some of these products are regulated, WPE has a license to operate from the Brazilian federal police. Chemicals are stored in a special, controlled location with impermeable floors and anti-spill compartments. The personnel that handle the chemicals receive specific training and adequate protective equipment.

Personal Safety and Emergency Response: The plants have a pressurized firefighting system with hydrants and sprinklers, and fire extinguishers are scattered throughout the plant. There are smoke detectors and manual fire alarm buttons.

The company has internal emergency brigades that take preventive action, handle emergencies, and assist and evacuate accident victims, as necessary. There is an emergency manual for accidents, fires, and environmental hazards (spills and leaks). The manual describes the responsibilities assigned to the emergency coordinator and his/her collaborators, as well as the procedures to follow in each case and the communications systems to be used.

For work accidents in particular, a manual establishes the procedures to follow, the communications

system to use, and the information to be recorded to enable assessment and follow-up of the accident. The internal accident prevention council (Comisión Interna de Prevención de Accidentes, or CIPA) consists of members selected by personnel and the company. CIPA constantly oversees security conditions, studies accidents, and makes recommendations for the company to implement. A plant risk map is used for the design of accident prevention measures.

Labor and Social Issues: WPE complies with domestic labor laws. Mandatory core labor standards include social security benefits, freedom of association, organization of workers' unions, prohibition of forced labor and exploitative and abusive child labor, and nondiscrimination in the workplace. WPE employees have voluntary union membership in the Sindicato de Metalúrgicos de Pernambuco and a collective bargaining agreement sanctioned by that union.

WPE employees and their dependents have medical, hospital, and dental coverage through a private insurer. They also have life insurance. Employees are required to have a physical when they first join the company and annual check-ups thereafter. The types of medical tests depend on each employee's specific job.

Monitoring and Reporting: WPE has an Environmental Management Plan (EMP) to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The EMP provides for a yearly report on liquid effluent and solid waste management; health, occupational safety, and emergency response training programs; and accident reporting.