

Environmental and Labor Issues: This is a category B project according to the IIC's Environment and Social Sustainability Policy because it could have certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, or design criteria. The main environmental and labor considerations related to the project are assessment and management of environmental and social risks and impacts, workplace and labor conditions, efficient resource management, and pollution prevention. The environmental and social review of the project included interviews with Torrecom's construction managers and personnel in charge of site acquisition for the placement of the towers, as well as a review of the documentation provided by the company in this regard (some files on towers built or under construction that include the permits obtained and the environmental review). Information on human resources management was also reviewed. Visits were made to two construction sites in the respective states of Puebla and Veracruz, Mexico, and to a tower already up and running in Managua, Nicaragua. Torrecom complies with applicable environmental and labor laws in the countries where its projects are located. The IIC will also require Torrecom: a) to develop a corporate environmental and social management system (ESMS) based on good international practices, consistent with the recommendations of International Finance Corporation (IFC) Performance Standards 1 and 2 on the assessment and management of environmental and social risks and impacts and labor and working conditions, as described below. The ESMS shall include a written policy and procedures that clearly establish Torrecom's commitment to corporate social responsibility and environmental protection in the countries in which it operates; and b) to gradually translate this commitment into practice, for which it will disseminate and apply the ESMS policy and procedures in each country in which it operates. These measures, together with others included herein, shall be part of an Environmental and Social Action Plan (ESAP) that the company must prepare and execute during the life of the project with the IIC. Once the measures contained in the ESAP have been implemented, they will ensure compliance with the environmental requirements established in the IIC's Environment and Social Sustainability Policy and the good international practices detailed in the aforementioned IFC Performance Standards.

Assessment and Management of Environmental and Social Risk and Impacts: The project involves only the construction of the cell towers, not the installation or operation of the telecommunications equipment. Torrecom delegates the following work to contractors: the identification of potential sites, based on its clients' technical specifications; acquisition of the respective permits; and lastly, construction of the public works and erection of the cell tower. The contractor is responsible for this entire process, which is subject to the validation and approval of Torrecom. It is common practice for Torrecom to verify that the sites selected for the towers are in urban or suburban areas or rural zones already affected by human activity, where no significant environmental or social impact is anticipated. The company obtains maps of potential sites for the towers, based on the technical specifications of its clients. For each potential site, the contractor identifies and assesses the associated risks and impacts and submits the respective reports to Torrecom. Once a tower site has been approved, a lease agreement is signed with the landowner, the respective license and permits are obtained, and work begins on the public works and erection of the cell tower. Starting with the selection process, the company not only verifies that the site meets the technical specifications stipulated but that, pursuant to applicable local regulations, area residents do not object to the presence of a tower. If they do and some impact, risk, or conflict is foreseen, alternative sites are considered. Local regulations often require the express consent of area residents before the respective authorization for the construction project can be issued. In such cases, Torrecom posts a notice at the site of each tower project before beginning construction. The company agrees to review the IIC's recommendations to do so in any case. Torrecom has been and will continue to be available to address complaints and is willing to review potential improvements that may be included in the implementation of the ESAP. It will also establish a written procedure for handling complaints. As necessary, Torrecom will make information available to the community on the electromagnetic radiation associated with the equipment that the operators have installed in the towers, pursuant to the best practices established in the IFC's Environmental, Health, and Safety

Guidelines for Telecommunications. When applying for permits, the company investigates whether the project site is located in an area designated as a zone with possible archeological remains and, if any are found, it notifies the competent authority and takes the action mandated by law. Even when preventive action has been taken, such as choosing an appropriate location and conducting a diagnostic review of the land in question, there is a remote possibility that cultural artifacts will be unearthed during the construction work. At the IIC's request, Torrecom shall prepare a written procedure for handling archeological finds that can reasonably be expected to be identified as such during the planning or construction phase. This procedure will be included in the company's ESMS and distributed to Torrecom's contractors. Torrecom will see to it that all requirements for the essential permits are met prior to the start of construction.

Labor and Working Conditions: Torrecom provides all employees with the legally mandated benefits of the countries where it operates. It outsources human resources management to third parties through service agreements with companies duly established for the selection, hiring, and management of personnel. The company is in the process of drafting written procedures or a manual for the hiring of personnel. At the IIC's request, Torrecom shall improve its human resources management by adopting a human resources policy and procedures appropriate for its size and workforce, pursuant to the good international practices established in IFC Performance Standard 2 on labor and working conditions. The company contractually requires all its contractors to comply with the applicable occupational health and safety requirements in the country where its construction projects are located. For example, it requires that workers receive medical coverage and other legally mandated benefits and that the contractor be responsible for ensuring occupational safety and health; the use of personal protective equipment at the construction site is mandatory and workers must be provided with safety boots, helmet, goggles, and a harness and lifeline for working at heights. This year, project management in Mexico, Guatemala, and Nicaragua drew up a safety plan detailing the basic occupational safety, health, and environmental requirements that contractors must meet to continue working on Torrecom projects. Furthermore, at the IIC's request, Torrecom must see to it that, when renewing agreements with its main contractors or entering into any future agreements with other contractors, it includes clauses on compliance with Torrecom's ESMS policy and procedures.

Efficient Use of Resources and Pollution Prevention: Tower construction sites are located only in urban, suburban, or rural areas already affected by human activity and where placement of the tower does not involve damage to environmentally sensitive areas, as per applicable local regulations. If some impact, risk, or conflict of this nature is foreseen, the company selects alternative sites that meet the required technical specifications. If necessary to mitigate the visual impact of its construction projects, the company even incorporates camouflage into the tower design. Torrecom contractually requires all contractors to comply with the applicable environmental regulations of the country where the construction projects are located. For example, the contractor is required to remove construction waste from the project site and dispose of it in a location authorized by the municipality. However, as part of its supervision process, Torrecom requires all its contractors to comply with all current regulations governing final disposal of construction waste.

Monitoring and Reporting: Torrecom will draw up an Environmental and Social Action Plan acceptable to the IIC and submit annual monitoring reports on the issues outlined herein. During the life of the project, the IIC will monitor ongoing compliance with its own environmental and labor review guidelines by evaluating the monitoring reports submitted annually to the IIC by the company and by conducting regular field visits as part of the project supervision process.