

Environmental and Labor Issues: Environmental classification: This is a category B project according to the IIC's Environmental and Social Sustainability Policy because it could produce 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 efficient resource use and pollution prevention, workplace and labor conditions, and community health and safety. Profertil has an environmental clearance certificate issued by the province's sustainable development organization (Organización Provincial de Desarrollo Sustentable, OPDS). The company has an environmental follow-up and monitoring program in place to track air quality, underground and surface water quality, the marine environment, and social and economic conditions. In keeping with legislation enacted in 2010, Profertil holds a surety policy covering any potential environmental damage with a collective impact caused by its operations. Its industrial processes are certified under ISO 9001 and 14001, as well as OHSAS 18001 and, as of 2013, ISO 50001 for energy efficiency. The plant was recently outfitted with new equipment that enables it to generate electricity for its own consumption and generate steam and compressed air more efficiently. The resulting decrease in the plant's gas consumption makes it possible to use excess gas as a raw material for ammonia and urea manufacturing. It also makes the plant more efficient and lowers greenhouse gas emissions.

Air emissions: The sources of continuous air emissions are the auxiliary boiler and the primary reformer, which run on natural gas, and the urea granulators, which can release ammonia and particulates. These are not significant sources of pollution. All of the sources mentioned are monitored quarterly by an independent laboratory authorized by the OPDS; emissions are below the limits set by local law. All pipes that could be a source of release (especially of NH<sub>3</sub>) are part of a flare stack system designed especially for both regular and emergency operation. There is a potential risk of accidental ammonia, hydrogen, or natural gas releases. Depending on the quantity involved, the effects of accidental ammonia releases can range from a nuisance to a health risk. Accidental natural gas or hydrogen releases pose the risk of fire or explosions. The plant is equipped with a network of gas (hydrocarbon and ammonia) detectors at key points. They are connected to the fire and gas leak alarm annunciator panel in the main control room. The detectors trigger audible and visual alarms. The risk of accidental releases is mitigated by continuous monitoring and in-plant emergency response plans, which include water as a main source of protection (e.g., a fire suppression system consisting of sprinklers, monitors, hydrants, a brigade that trains weekly, and realistic drills). Profertil and Mega have an agreement whereby the former purchases residual carbon dioxide generated by the latter, thereby reducing greenhouse gas emissions.

Liquid effluent management: There are several sources of liquid effluents, some of which undergo specific treatment according to their characteristics. Domestic wastewater from the locker rooms, kitchen, and offices is treated in a compact bacterial degradation plant and disinfected using UV radiation. Oily waste is segregated at the source, in both the production and the maintenance areas. Street stormwater and process water are sent to an oil separator. Effluents that contain acid or caustic chemicals are segregated and neutralized. Water from counterwashing sand filters is treated in a clariflocculator. The main contributor to the flow of effluents is cooling tower blowdown, which does not need treatment. Once all the effluents have been treated, they are combined in an equalizing basin and moved to a settling tank, where they undergo final testing against several parameters before they are discharged into the Bahía Blanca bay. If needed, the effluents can be corrected before discharge. Hazardous or special liquids are stored and processed by an authorized company by landfarming, incineration, or blending.

Solid waste management: Management of solid waste is outsourced to an authorized company that specializes in special waste management in compliance with local laws. Waste is stored in duly identified plastic containers at the source. Twice a day waste is removed from the plant, weighed, classified by type and source, and stored in a holding warehouse until final disposal. Waste is identified according to properties and hazardousness, and precautions are taken for its safe temporary storage. The company hired to manage special waste internally is also responsible for cleaning and treating any hazardous material spills.

Handling of hazardous products: Profertil uses chemicals as raw materials, intermediate

process chemicals, auxiliary products, and cleaning and maintenance products, all of which are classified as special or hazardous substances. One of the final products for sale (ammonia) is also a hazardous substance. Facilities and containers are designed for the substances they store. There are spill controls, secondary containers, and recovery systems. Daily walkthroughs and audits are performed. Each product has a safety data sheet. Hazardous substances are handled by trained employees who use appropriate personal protection gear. There is an annual employee training program. Contractors' employees receive appropriate training and comply with the same security standards. The plant is equipped with emergency protection equipment such as emergency showers, booths with protective equipment, and self-contained breathing apparatus. Personal safety and emergency response: Fire detection systems were chosen according to the nature of probable fires. There are smoke detectors in areas where there are slow-burning materials that do not produce flames. There are also flame detectors. All the detectors are connected to the central fire and gas leak alarm annunciator panel. The plant has two fire alarm systems: a general alarm that can be activated from the annunciator and a system of partial alarms that can be activated by pressing buttons scattered throughout the plant. The fire suppression network covers the processing and storage areas, land and buildings, and the port terminal (jetty) in order to protect ships during loading and unloading. There is a 5,500 m<sup>3</sup> reserve water supply providing 12 hours of autonomy. The plant has another, 38,000 m<sup>3</sup>, reserve tank connected to the firefighting system, extending its autonomy to 42 hours. The system has water monitors and spray systems in specific risk areas, as well as portable foam fire extinguishers. In sensitive areas there are halon flooding (saturation) extinguishers (FM200) that can be triggered manually or automatically, through smoke detectors. There is also portable firefighting equipment (extinguishers) for initial rapid response. In the event of an emergency (such as a fire, spill, gas leak, or accident), the fire brigade is activated. It is skilled and trained, and the emergency procedures are spelled out in the company's manuals. Labor practices: Profertil is in compliance with domestic labor laws and International Labour Organization (ILO) standards. These mandatory core labor standards include legally-mandated benefits, freedom of association, organization of workers' unions, and nondiscrimination in the workplace. In accordance with Argentine law, all workers have health and occupational accident insurance coverage (ART). There is an annual check-up plan for all employees. Social issues: Profertil has developed several programs to support the community in areas including education and culture, sports, health, and quality of life. In this context, it sponsors educational and cultural events and institutions including the Ciclo Cultural Profertil, a series of cultural events organized under an agreement with the Bahía Blanca municipality featuring musical activities; a visual arts workshop named after the company; a vocational training program for youth from the Ingeniero White community; a program to promote vegetable gardening among schoolchildren; and a program promoting quality of life and cooperation with civic organizations. It also supports many educational, sports, and health organizations. The company maintains open communication channels with stakeholders including customers, suppliers, the community, authorities, and journalists. This involves holding regular meetings and performing surveys and visits to the plant in order to encourage dialogue and determine responses to stakeholder needs and concerns. Monitoring and reporting: Profertil has prepared 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 and air quality monitoring. Profertil will continue to report to the IIC on the behavior of these parameters.