

**Environmental Classification and Issues:**

**Environmental Compliance:** The project complies with all local environmental laws and regulations. An Environmental Management Plan (EMP) was prepared by the Company in 2001 and 2002.

**Wastewater:** The majority of the wastewater generated by the plant consists of excess water used in the cutting process, which has a low percentage of sand, which is filtered out and collected to be disposed of with the domestic trash. The plant's wastewater is sent to the Aurora de Heredia Global Park's wastewater treatment plant, where it is treated prior to discharge.

**Solid Waste:** The plant generates primarily aluminum and steel scraps and shavings, which are collected appropriately and sent to a company which recycles the material. The domestic trash generated is collected by a private company which was hired by the local free zone administration.

**Fire Safety:** The plant is equipped with a network of fire extinguishers and a fire hydrant that is located in front of the company building. There are appropriate signs indicating evacuation routes and emergency exits, and the company plans to implement a safety program before year end 2006, which includes holding fire/emergency evacuation drills.

**Occupational Health and Safety:** Workers are provided with the appropriate protective equipment, health insurance, and have access to an emergency first aid kit. All work related accidents are recorded as required by the local insurance company. All accidents are investigated by the person in charge of Human Resources. In addition, the company is developing a program to train workers on the use of the protective equipment, as well as developing an emergency response plan, which will be implemented before the end of 2006. The company is also establishing a committee of employees responsible for overseeing occupational, health and safety related issues.

**Labor:** The Company has a policy that persons under 18 years of age are not permitted to work. The employees currently at the plant are not part of a union. However, the Company respects the freedom of employees to join a union if so desired.

**Monitoring and Annual Reporting:** The Company's monitoring procedures will be described in the Environmental Management Plan. The company will submit an annual report to the IIC summarizing the monitoring data related to wastewater discharge, solid waste disposal, fire safety, occupational health and safety, accident reports, and labor related issues.