

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, or design criteria. The main environmental and labor considerations related to the project are environmental assessment and management systems, biodiversity conservation and sustainable natural resource management, liquid effluent and solid waste management, workplace health and safety, labor issues, and community relations.

During the project evaluation phase, site visits were carried out to housing developments in the states of Hidalgo, México, and Querétaro. The Mexican government has singled out VINTE's performance on a number of occasions by selecting it for the National Housing Award, and most recently in the "sustainable housing development" category (2010) for a VINTE housing development in the state of Quintana Roo.

Environmental assessment and management systems: VINTE has a management system to address environmental and social issues during the design, construction, operation, and maintenance phases of its housing developments. This enables the company to ensure compliance with applicable national as well as local regulations. VINTE prepares an environmental impact study for each of its projects, which is submitted to the appropriate authorities for approval. In addition, VINTE is in the process of implementing an environmental and social action plan (ESAP) to bring some aspects of its management system into compliance with the International Finance Corporation's Policies and Performance Standards on Social and Environmental Sustainability. Accordingly, VINTE is working to implement a comprehensive environmental, social, health, and safety management system for itself and its subsidiaries. In 2008, for example, VINTE prepared a set of applicable written procedures in the event any archeological remains were detected during planning or construction phases, as well as a mechanism to address grievances. VINTE also prepares annual reports detailing progress made in implementing its ESAP.

Biodiversity conservation and sustainable natural resource management: VINTE has formed an interdisciplinary committee responsible for land purchases. The committee's responsibilities include ensuring that VINTE purchases land only in areas designated for urban development, that the titles to such property are free and clear, and that purchases comply with all regulations established in national and local urban development plans. The project does not involve the possible displacement of people occupying land purchased for future housing developments. As a matter of policy, VINTE does not purchase land that could potentially entail the conversion or degradation of critical natural habitats.

VINTE is also committed to the systematic application of various energy efficiency measures and to the appropriate management of natural resources. This fact has enabled VINTE to offer housing developments that meet environmental and social sustainability conditions. For example, the concept of sustainable planning has been incorporated into VINTE urban developments that are equipped with rainwater catchment installations, channeling it to replenish the water table, as well as urban design to minimize the use of vehicles within its developments, through the strategic placement of shops, schools, roadways, and bike trails. Housing developments are equipped with refuse bins for separating solid waste into organic and inorganic waste; these bins are placed in common areas such as parks, recreation areas, and schools. In addition, in 2009 VINTE completed a program to replace its wood scaffolding with steel, thus significantly reducing the use of wood in the construction process. VINTE has participated in the national Hipoteca Verde ("Green Mortgage") program by equipping its houses with features to reduce electricity, water, and gas consumption, such as energy-saving fluorescent bulbs, water-saving toilet and shower designs, and solar water heaters.

Liquid effluent and solid waste management: VINTE housing developments are designed with separate drains for domestic wastewater and rainwater. Domestic wastewater is discharged into the municipal drainage system for subsequent treatment by the municipality. Rainwater is channeled to lakes or ponds, thereby replenishing the water table, in compliance with local regulations. Solid waste produced during the construction and operational phases of housing developments is managed and disposed of in accordance with local regulations.

Workplace safety and health: VINTE complies with Mexican regulations and generally accepted good practices related to workplace health and safety conditions during construction and operational maintenance. Workers are provided with the personal protective gear they need, and portable toilets are provided for construction workers.

Labor issues and community relations: VINTE complies with applicable Mexican labor regulations. VINTE representatives participate in the working groups responsible for preparing local housing development plans, and the company works with local communities on environmental, health, and safety management matters as well as corporate social responsibility issues. VINTE provides an operating manual for the houses it builds which explain how to use the dwellings' built-in features for saving electricity, water, and gas and also encourages their use. Access to VINTE housing developments is restricted and the developments themselves are divided into several private communities equipped with closed circuit cameras at their entrances as well as in common areas. The cameras are monitored from a computer that VINTE provides as part of the program to connect its houses to Internet service. In addition, VINTE uses a neighborhood management model in its housing developments that facilitates and promotes community-based conservation, cleanliness, and security of dwellings once they are purchased.

Monitoring and reporting: Each year VINTE will submit a report to the IIC regarding its progress on implementing its ESAP in which it will summarize the monitoring data related to the aspects considered in this summary. During the life of the project, the IIC will monitor ongoing compliance with its own environmental and labor review guidelines by evaluating monitoring reports submitted annually to the IIC by the company and by conducting regular field visits as part of the project supervision process.