

*Environmental Classification and Issues:* This is a category III project according to the IIC's environmental review procedure because specific impacts may result which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines and design criteria. Environmental and social issues related to this project include impacts on local traffic, worker health and safety, fire safety and emergency response, solid waste disposal, liquid effluents, and labor issues.

*Impact on Local Traffic:* The impact of the project on the circulation of local traffic is not anticipated to be significant. The project will introduce minor modifications to the traffic system, such as signaling for traffic around the bus terminal in order to minimize any impacts.

*Worker Health and Safety:* The company subcontracted by the project sponsors to construct the bus terminal and associated amenities has developed a health and safety manual and training program for its workers. Workers are provided with the appropriate protective equipment, health insurance and first aid. All work related accidents are recorded and analyzed continuously. Recommendations on measures to reduce the occurrence of accidents are subsequently made and disseminated to the employees. In addition to assessing the accident reports, the company by way of a checklist routinely analyzes risks in the workplace (i.e. maintenance of equipment, the appropriate use of safety equipment, etc.).

*Fire Safety and Emergency Response:* The bus terminal and retail center will have its own water supply designated for fire control. The buildings will be equipped with fire extinguishers, fire detectors, alarms and exit signage. Once construction of the project is complete, the fire department will inspect the fire safety measures to ensure that they comply with the local requirements.

Fire and emergency evacuation drills will be performed periodically once the project is constructed and in operation. In addition, the fire safety devices, such as extinguishers and alarms will be inspected and tested periodically.

*Solid Waste Disposal:* The disposal of solid waste is a service provided by the municipality. A recycling program similar to one developed by the project sponsors at a retail center in Montevideo will be introduced. The types of waste to be recycled are likely to include cardboard, which can be donated to local schools to make paper, nylon that can be traded for nylon bags, organic waste (from the food courts) that can be donated as food for pig farmers, and aluminum and glass, which can be donated to NGOs in the area dedicated to recycling these materials.

*Liquid Effluents:* The liquid effluent from the project consists primarily of domestic sewage that will be disposed of in large septic tanks designed to comply with international standards. The liquid effluent from the septic tanks will subsequently flow to the municipal wastewater collection system. The septic system will be designed in such a way that sludge will be removed approximately every 12 years. The sludge will be disposed of by the local authorities in an authorized landfill,

*Air and Noise Emissions:* No significant levels of air emissions or noise are anticipated. Measures will be taken to reduce emissions and noise levels from buses at the terminal by requiring them to turn off their engines while they wait for passengers.

*Labor:* Uruguay has adopted the core standards for worker rights, such as the freedom of association and the right to collective bargaining, the prohibition of compulsory labor, and a child labor code that protects children and establishes a minimum age for employment, which is enforced by the Ministry of Labor and Social Security.

*Monitoring and Annual Reporting:* The sponsor will develop an Environmental Management Plan (EMP), which will include a schedule for the implementation of environmental projects and a monitoring and reporting program to ensure that tenants and the bus companies are complying with national laws and IIC's environmental guidelines. The EMP will also include an Environmental Management System (EMS) based on the ISO 14000 standards. The EMS will describe who will be responsible for monitoring the implementation of environmental activities at the terminal and retail center. The sponsors will submit an annual report summarizing the monitoring data related to wastewater discharge, solid waste disposal, air emissions and noise levels, occupational health and safety, accident reports, and labor related issues.