

1. General Information on the IDB Invest Environmental and Social Review

On September 20, 2018, staff from the IDB Invest Environmental, Social and Governance Division (SEG) conducted an environmental and social due diligence on this transaction, holding meetings with the company's responsible staff at the central location in Buenos Aires and at the repairs, washing and ambulance medical equipment workshop, both located in the city of Buenos Aires. The evaluation also made it possible to assess the facilities' environmental, health and safety conditions.

2. Environmental Classification and Rationale

Considering the results of the evaluation and in the light of the IDB Invest Environmental and Social Sustainability Policy, the transaction is classified as a category B operation. The potential environmental, social and health and safety impacts and risks can be adequately managed through plans, programs and procedures with known procedures that are widely used in the sector.

The potential environmental, social and health and safety risks and impacts associated with the transaction include: i) the probability of personal accidents affecting its own or contracted workers and associated with operating vehicles and doing maintenance work in mechanical workshops; ii) potential contamination from inadequately treated effluent dumped into the drainage network from washing vehicles; iii) potential effects on road safety in nearby communities and third-party properties due to improper operation of the company's own vehicles or contracted vehicles. Given the nature of the potential impacts and risks identified, the following IFC Performance Standards^[1] are applicable: PS 1 (Assessment and Management of Environmental and Social Risks and Impacts), PS 2 (Labor and Working Conditions), PS 3 (Resource Efficiency and Pollution Prevention), and PS 4 (Community Health and Safety). Performance Standards 5, 6, 7 and 8 are not considered applicable to the transaction.

3. Environmental and Social Context

Emergencias' activities are carried out in environments already subject to human intervention. Its facilities are located in urban or semi-urban environments with the respective qualifications. Thus, the company's activities do not present social impacts on vulnerable populations or interference with protected natural environments or high biodiversity value zones.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures.

4.1 Assessment and Management of Environmental and Social Risks and Impacts

a. Environmental and Social Assessment and Management System

Emergencias has a quality management system certified under ISO standard 9.001.2015 on the Management of Pre-hospital Medical Services. In that context, it has established a Quality Policy. The company does not yet have an environmental, social and occupational health and safety management system although, as it has informed IDB Invest, the preparation and implementation of that system is expected in the short term. Occupational risks and environmental and social impacts are currently managed by contracting external consulting services. As established in Action 1.1 of the Environmental and Social Action Plan, Emergencias will add to its own staff, to the satisfaction of IDB Invest, a specialist in health, safety and the environment, who will be responsible for the development, implementation and monitoring of the company's environmental, social and health and safety management plans, programs and procedures, including the supervision of companies and third-party contractors. That professional may forward reports directly to the company's General Management.

b. Environmental, Social and Health and Safety Policy

Emergencias has produced an Environmental, Social and Health and Safety Policy whereby it undertakes to ensure the sustainability of its operations, the safety and health of its working environments and the participation of its employees. To define more clearly and expand the scope of the established policy and as indicated in Action 1.2 of the Environmental and Social Action Plan, Emergencias will establish an Environmental, Social and Health and Safety Policy that reflects its values and at the same time explicitly ensures compliance with current legislation and applicable requirements of the IFC Performance Standards. That policy will be signed by Management and will be binding on all of the company's own personnel and contracted personnel.

c. Identification of Impacts and Risks

Emergencias does not yet have a methodology that would allow it to systematically and continuously identify environmental and social impacts and occupational risks. In accordance with Action 1.3 of the Environmental and Social Action Plan, Emergencias will prepare and implement matrices to identify and evaluate environmental and social aspects and occupational hazards, considering in each case the respective degree of severity and probability of occurrence, in order to define potential environmental and social impacts and occupational risks. Those matrices will make it possible to discern significant impacts and risks.

Emergencias also lacks a methodology that would allow it systematically and continually identify and evaluate legal aspects. In accordance with Action 1.4 of the Environmental and Social Action Plan, Emergencias should prepare and implement an identification and evaluation matrix on legal aspects.

d. Management Plans, Programs and Procedures

Emergencias is generally seen as not yet having the essential components of an environmental, social and health and safety management system. Although some basic documents have been developed, they are not adequate to the nature and magnitude of the potential impacts and risks associated with the company's activities. The following sections indicate the management documents developed by Emergencias and the improvement actions to be implemented as indicated in the attached Environmental and Social Action Plan.

e. Environmental and Health and Safety Management Program

Emergencias has developed an environmental and health and safety program that includes objectives, goals and indicators, as well as actions to be taken to achieve those objectives and goals. Notably, that program does not assign responsibilities nor indicate deadlines.

f. Organizational Capacity and Competency

Emergencias has developed an Annual Training Plan on environmental and health and safety issues. The planned subject matter includes environmental and health and safety induction courses, courses on infectious and contagious diseases, ergonomics, waste management, fire prevention, workshop and vehicle washing risks, etc. However, there are aspects related to scope and organization that have not been addressed in documented form. As established in Action 1.5 of the Environmental and Social Action Plan, Emergencias will develop and implement an annual Training Plan intended for its own and contracted personnel (if training needs are detected in contracted personnel). In preparing this plan, consideration will be given to significant environmental aspects and occupational risks, identified by applying the respective matrices, as well as the possible enactment of new legislation and/or the adoption of new technologies and according to the typology and seriousness of personal accidents experienced by staff during the preceding period. The Training Plan will identify the type

of courses or training to be provided (including emergency drills), those responsible for conducting the training, the individuals to be trained, the dates and sites selected for each course, and the forms provided for recording attendance.

g. Emergency Preparedness and Response

Emergencias has prepared a Comprehensive Emergency Plan that is valid for the central location; it is considered generally adequate. The plan is seen as needing to include diagrams with information on the type and location of components for firefighting, escape routes, meeting points on each floor, location of alarms, power cut-off valves, fire doors (if applicable), etc. In accordance with Action 1.6 of the Environmental and Social Action Plan, Emergencias will prepare and implement Emergency Prevention and Response Plans for the central location and for each of the operational bases, to include the following minimum components: identification of possible emergency scenarios for the specific location, definition of responsibilities for handling the emergency, composition of the fire brigade, identification of outside actors (hospital, firefighters, police, etc.), a communications flowchart (including telephone numbers), an evacuation plan with a diagram indicating meeting points and planned emergency exits, a diagram with the location of the fire suppression system, fire extinguishing equipment, power/gas cut-off valves, fire doors/firewalls, flammables storage (if applicable), fire room, and servers room. Responsibilities during weekends and holidays will be defined. Each plan will be reviewed at least once a year to verify its validity.

Emergencias has an accident management procedure. The document does not adequately specify whether its application extends to contracted personnel and does not include communication aspects or reporting and investigation forms. As specified in Action 1.7 of the Environmental and Social Action Plan, Emergencias will prepare and implement an accident management procedure that is valid for its own and contracted personnel, that provides instructions on how to proceed in the event of an incident, and that includes at a minimum a description of responsibilities, a communications diagram, an accident reporting form, and an accident investigation form.

h. Management of Contractors

Emergencias does not have a general procedure for managing contractors.^[2] In accordance with Action 1.8 of the Environmental and Social Action Plan, Emergencias will develop and implement a documented procedure for managing its contractors (including outsourced services staff), to include at least: i) The basic environmental and health and safety requirements to be met by contractors; ii) contractors' obligations and prohibitions in environmental and health and safety matters; iii) penalties, warnings or fines to be imposed in the event of non-compliance. It should be kept in mind that, as required by IFC Performance Standard 1, contractors who work for Emergencias, or act as representatives of Emergencias, will be under the direct control of the company and will not be considered contracted third parties for purpose of the standard's requirements. Thus, the environmental, social and health and safety requirements indicated in services or goods delivery contracts will be in accordance with the principles of the environmental, social and health and safety policy of Emergencias and the planning, implementation, monitoring and correction methods provided in the company's integrated management system.

i. Monitoring and Evaluation

Emergencias plans annual audits to verify the environmental and health and safety conditions at the central location and secondary locations. It also conducts monthly audits at different locations where, among other things, it verifies the condition of the infrastructure and use of EPP. Any deviations noted are subject to monitoring until they are resolved. Although the planning of environmental and workplace quality and safety studies required by legislation is done, the company

does not have an Environmental Monitoring Plan or Health and Safety Monitoring Plan that would allow it to do planned and systematic monitoring of the representative parameters of environmental management (e.g., parameter values indicative of the quality of liquid and gas effluents, type, quantity, and disposal of waste generated, intensity of environmental noise, etc.) or the health and safety parameters (e.g., workplace air quality, workplace noise level, and workplace lighting level, earth resistance of electrical panels, results of periodic technical review of pressure equipment, etc.). As indicated in Action 1.9 of the Environmental and Social Action Plan, Emergencias will prepare and implement a Monitoring and Follow-up Plan on significant environmental and social aspects associated with all Emergencias activities, and occupational risks associated with the activities of its own personnel and contracted personnel. Monitoring will include an analysis of possible causes of cases in which the values measured exceed the limits accepted by current legislation or the IFC guidelines applicable to the sector's activities.^[3] Workplace Accident rates should be calculated and recorded (minimum Frequency Rate - number of injured workers per million of hours worked - and Loss Rate - number of days lost for every thousand workers exposed-) on a monthly basis, both for the company's own personnel and contracted personnel.

j. Participation of Social Stakeholders

The activities of Emergencias do not, in principle, entail direct negative impacts on neighboring communities. Nonetheless, the company publicizes its activities and maintains communication channels through social networks and through a public contact form on its website for receiving queries and opinions on its commercial operations. As established in Action 1.10 of the Environmental and Social Action Plan, Emergencias will expand the nature of consultation through the usual contact channels, extending it to not just potential clients but also to anyone in the community who might have questions, complaints, claims, or suggestions to make. In addition, Emergencias will prepare and implement a mechanism for receiving, resolving and responding to such concerns, establishing responsibilities and maximum resolution and communication deadlines.

4.2 Labor and Working Conditions

a. Human Resources Policies and Procedures

Emergencias has not yet developed a Human Resources Policy. The union that represents the employees is called the FATSA (Federation of Association of Healthcare Workers of Argentina). As reported by Emergencias, the relationship between the company and the union is without conflict; the employees have appointed their representatives, who periodically coordinate the general review of workplace health and safety conditions, reporting the results to the Health and Safety Committee (including employee and company representatives), where preventive and/or corrective measures are adopted in each case.

Emergencias does not have a mechanism for receiving and resolving complaints that its own and/or contracted personnel might refer to Management. In accordance with Action 2.1 of the Environmental and Social Action Plan, Emergencias will prepare and implement a mechanism for receiving and resolving complaints, claims, or suggestions that direct or contracted employees might formulate, allowing for an anonymous communication method. The mechanism will include the designation of responsibilities for receiving, resolving and communicating the results of the process, and a maximum deadline for implementing corrective actions and/or providing a response to the party who made the complaint, claim or suggestion.

b. Workplace Health and Safety

During the environmental and social due diligence visit, IDB Invest staff visited the facilities of

Emergencias' central location and mechanical workshop, where they were able to assess workplace conditions as acceptable. The operational health and safety conditions of the administrative facilities and the mechanical workshop are evaluated as generally adequate.

Emergencias conducts periodic surveys of labor risks and measures workplace quality and safety parameters such as noise level, lighting level, air quality, bacteriological analysis of the quality of water used, measurement of earth resistance and electrical continuity, control of containers under pressure, etc. Emergencias monitors workplace accidents through monthly calculation of the Incidence Rate (number of accidents for every 100,000 workers exposed), not including contracted workers in the statistics. As established in Action 1.9 of the Environmental and Social Action Plan, Emergencias will prepare a Monitoring and Follow-up Plan on occupational risks, including monthly monitoring of Accident Rates measured for its own and contracted personnel.

4.3 Resource Efficiency and Pollution Prevention

a. Greenhouse gases

Emergencias has not yet proceeded to quantify the generation of greenhouse gases associated with its operations. As established in Action 3.1 of the Environmental and Social Action Plan, Emergencias will prepare an Inventory of Greenhouse Gases. The methodology to be adopted may be based on ISO Standard 14064-1, using the GHG Protocol Corporate Accounting and Reporting Standard (CARS) as the working guide.

b. Waste Management

In the mechanical workshop and the ambulance re-equipping pharmacy, the main forms of waste generated are workshop waste (filters, rags, oil containers, etc.), pathogen waste, expired medicines, and sludge from the sedimentation chamber for vehicle wash water. The wash effluent is subject to sedimentation and separation of grease and oil before being discharged to the public system. AYSA (the company that provides sewer services) takes periodic samples of the discharge, making available to Emergencias a counter-sample for analysis. Emergencias has prepared a waste management procedure. Its implementation is the responsibility of the Quality Department, under the guidance of a specialized environmental consultant. The procedures provides for the classification and separation of different types of wastes (recyclables, hazardous or special, pathogenic and common)

c. Use of Water, Electricity and Pollution Prevention

The environmental objectives of Emergencias include reduced consumption of water and electricity, reduced generation of waste and increased recycling, improved legal compliance with respect to the quality of exhaust fumes from its ambulances, and reduced generation of exhaust fumes from its units through appropriate scheduling of transfer logistics. Water consumption is currently measured through measurements indicated in billing statements. As indicated in Action 3.2 of the Environmental and Social Action Plan, Emergencias will prepare and implement measures to reduce consumption of electricity, general water consumption, specific consumption of water for washing ambulances, and use of paper for offices. There will be monthly and cumulative annual monitoring of such consumption.

d. Pesticide Use and Handling

Emergencias has reported that it uses pesticide substances and has supplied their commercial names and product safety sheets. None of the pesticide substances is included in the extremely and highly hazardous (1a and/or 1b) categories established by the World Health Organization.

4.4 Community Health and Safety

The activities of Emergencias that could have a negative and direct impact on the health and safety of neighboring communities are associated with possible road accidents due to the movement of the company's own or contracted vehicles, including ambulances. Although company personnel who operate the ambulances are trained through a simulator and receive annual courses on driving at high speeds, according to Action 4.1 of the Environmental and Social Action Plan, Emergencias will prepare and implement a specific procedure for safe operation of all types of vehicles owned by Emergencias or in outsourced service, with emphasis on operating ambulances. That procedure will specify how vehicles should be operated to increase road safety levels, as well as patient safety and comfort and to reduce any inconvenience to the community (primarily with use of the siren), under both normal and bad weather conditions.

Emergencias contracts private surveillance services; none of its members bear firearms or have authorization to do so, as they are trained only for specific surveillance tasks and must notify public security forces in the event of risk or a criminal situation.

5. Local Access to Project Documentation

Contact: Mrs. Tamara Kruk

Telephone: 15 2 859 4546

E-mail: tamarakruk@gmail.com

Address: Melián 2752 - 5º Piso (C1439EYH) CABA, Argentina

Contact Information

For queries regarding projects, including environmental and social issues related to an IDB Invest transaction, please contact the client (see **Investment Summary**) or IDB Invest by e-mail at requestinformation@idbinvest.org.

As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by e-mail at mecanismo@iadb.org or MICI@iadb.org, or by calling +1(202) 623-3952

[1] The International Finance Corporation (IFC) Performance Standards are an integral part of IDB Invest's Environmental and Social Sustainability Policy.

[2] Emergencias has submitted to IDB Invest a copy of a procedure for management of construction contractors, not applicable for contracted services in general.

[3] The guidelines on the environment, health and safety are technical reference documents that contain general and specific examples of Good International Practices for the Industry. The General Environmental, Health and Safety Guidelines (IFC, April 2007) and the Guidelines for Healthcare Facilities (IFC, April 2007) are applicable to this project.