

1. Scope of the IIC Environmental and Social Review.

Environmental and social (E&S) due diligence was done on this operation on May 7-8, 2017 in Ecuador and on May 23, 2017 in Colombia. The information on Perú was collected simultaneously during the two visits, in addition to information sent directly from the country.

Auto workshops were visited in Quito and Bogotá, presentations by the different management teams were attended, and meetings were held with those responsible for environmental issues, occupational health and safety, human resources, and corporate social responsibility in the companies belonging to the Maresa S.A. Corporation ("Maresa"), including Mareauto.

2. Environmental and Social Classification

This is a category "C" project according to the IIC Environmental and Social Sustainability Policy given that the risks and impacts of the operation are minimal and reversible. The principal environmental and labor aspects related to the project are: management of hazardous wastes, significant water consumption, air emissions, and occupational health and safety.

3. Environmental and Social Context

Mareauto has a presence in Colombia, Perú, and in Ecuador where its main office is located. In Colombia, it has offices in Bogotá, Medellín, Cali, Barranquilla, Santa Marta, and Cartagena. In Ecuador, it has offices in Quito, Guayaquil, Cuenca, Manta, El Coca, and Santo Domingo. In Perú, it has offices in Lima. It also has its own auto workshops for its fleets in Bogotá, Quito, Guayaquil, and Lima; the remaining auto workshops are outsourced.

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

4.1 Evaluation and Management of Environmental and Social Risks and Impacts

Mareauto has an environmental policy and different procedures for identification of risks, management of occupational health and safety, control of workplace accidents, predictive and preventive maintenance, staff training, waste management, and emergency response. It also has mechanisms for handling internal and community complaints. Mareauto is in compliance with local legislation in the three countries, establishing that they have capacity and tools for the adequate management of E&S risks. At the regional level, it has ISO 9001/2008 certification for all its activities and is working to obtain an update of the 2015 certification.

4.2 Labor and Working Conditions

Mareauto manages its staff internally through a human talent management model that ensures compliance with all the requirements of Ecuador's Labor Code and labor legislation in Colombia and Perú, including: fair wages, adequate health and safety conditions for employees to perform their work safely, freedom of association (Mareauto does not have union organizations), and equal treatment. The company's Code of Ethics establishes employees' obligations with respect to confidentiality, conflicts of interest, relationship management, and the company's resources. Both documents are presented to employees upon induction carried out by the Human Talent area and the company also provides regular training on the subject. The Ministry of Labor periodically verifies compliance with the labor laws in each country.

Mareauto offers its employees extralegal benefits such as uniforms, discounts on vehicle rentals, purchase, maintenance, and repair, and vehicle policies. In Colombia, it also offers an emotional salary with time bonuses and food assistance for operational positions. In Ecuador employees receive private health, life, and disability insurance coverage.

As of December 2016, Mareauto's labor force consists of 149 employees in Ecuador (53 women and

96 men), 77 in Perú (26 women and 51 men), and 137 in Colombia (54 women and 83 men). Women hold 27%, 25%, and 43% of the management positions, respectively, in each country. Security and cleaning services are subcontracted throughout the company and are selected through a procedure for contracting service providers.

Mareauto has workplace Health and Safety Management and Risk Prevention Management systems. These systems include risk identification and control, internal and external communication, training, accident control, supervision, reports, and audits.

As a company in the transportation sector, Mareauto has developed various policies and procedures to ensure the safety of their employees, clients, and vehicles, such as the road safety policy, the policy banning the use of cell phones while driving, the vehicle maintenance program, and the safe operation procedure for drivers.

4.3 Resource Efficiency and Pollution Prevention

Mareauto has a procedure for handling filters, batteries, tires, and repair parts, and another specific procedure for handling used greases and oils. Hazardous wastes are stored in properly designated areas with adequate signage and delivered to environmental managers qualified by the Ministries of the Environment in the three countries, which provide a handbook for recording what is removed from the facilities and the final disposal of all products.

With the collaboration of the Mennonite Economic Development Agency (MEDA) Mareauto installed ecological carwashes with grease traps in two garages, in Quito and Guayaquil. These carwashes reuse the water and save 50% per wash (a normal wash uses 19 gallons of water). It is expected that this washing system can be replicated at other Mareauto sites both in Colombia and Perú. All liquid effluents from washing the cars are analyzed. Mareauto should continue to monitor the water discharged from washing in order to keep the indicators in compliance with international standards.

Also with financing from MEDA, Mareauto developed a pilot project in Colombia where ecological oil filters have been installed in high cylinder or high mileage vehicles to reduce maintenance and waste oil and filters, significantly reducing vehicle maintenance expenses and the ecological impact of this business.

Mareauto should record the CO₂ emissions for its fleet of vehicles.

4.4 Community Health and Safety

Mareauto has emergency plans to identify, minimize, and control risks in the event of emergencies related to fires or earthquakes in order to protect and preserve human life as well as the company's resources.

At the regional level, Mareauto has armed and unarmed security personnel, monitoring, and surveillance cameras. The company has a procedure for the handling and control of weapons and ammunition. Mareauto should, however, update this procedure to be consistent with the principles of proportionality and the international practices of Performance Standard 4.

The vehicles owned by Mareauto are insured against all risks, covering partial damages and total losses, with civil liability coverage amounting to US\$ 50,000.

Mareauto's corporate social responsibility is based on environmental projects, the security that its fleet can provide to clients, and best driving practices. They promote initiatives such as the abrazo+seguro program in Ecuador that promotes the use of car seats for infants and children in vehicles, the Telematica program that uses technology to show safer ways of driving by using devices that assign a rating to drivers, making it possible to reduce accident rates and increase

community safety.

They also have various social initiatives in each of the countries.

5. Environmental and Social Action Plan

Environmental and Social Action Plan - Mareauto 2017		
Action	Compliance Indicator	Delivery Date
Record the CO ² emissions for the vehicle fleet in each country.	Submit a CO ² emissions report	Annually
Develop gap analysis using the requirements of Performance Standard 4 for the armed security services	Gap analysis including a mitigation plan if necessary.	Six months after approval