

Environmental and Labor Issues:

According to the IIC Environmental and Social Sustainability Policy, this is a Category B project: potential environmental and social risks and impacts are limited to the project site, largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation. The main environmental and social issues related to this project are: proper disposal of solid waste, particularly waste composed of used computer hardware; occupational health and safety management; and labor management.

Environmental and Social Assessment and Management System

This review encompasses the overall Group OB as well as Ati due to the interrelatedness of their activities in terms of environmental and social risks and impacts. The Group OB has an overarching environmental policy, to which all of the member companies as well as Ati subscribe. The policy states their commitment to ensuring, via plans and campaigns, that their economic activities produce the least environmental impact possible. Focal areas specifically mentioned in the policy include: using natural resources and energy rationally; contributing to minimizing climate change; strengthening the environmental conscience and culture in company personnel; and serving as a positive example for other companies.

In 2014, Componentes El Orbe obtained ISO 14001 certification. In order to achieve and maintain this certification, the company's Quality Management Department conducts scheduled and random internal performance audits, and the company is subjected to annual external audits by ISO certified auditors. Although the certification is specific to the Componentes El Orbe company, the environmental management system that El Orbe developed as part of the certification process also encompasses the activities Ati. Given that the activities performed by Ati are relatively benign in terms of their potential environmental and social risks, the company does not require its own, separate certification.

Implementation of the environmental management system is primarily accomplished at the level of various committees - for example, the Emergency Response Committee and the Environment Committee. The Environment Committee is divided into several subcommittees, including subcommittees for water, electricity, and waste disposal among others. Oversight of the committees is handled by the Quality Management Department, staffed by managers observed during the IIC appraisal visit to be well-trained and well-versed in the ISO 14001 standard. Organizationally, this department reports directly to the president of the Group OB.

The entire Group OB and Ati recently enrolled in a national environmental certification program called Blue Flag (Bandera Azul), and is on track to become certified under this program by early 2016. In order to achieve certification, the Group needs to meet a series of targets agreed to between the Group and the program coordinators. These targets include, among others: a 100% recycling rate for toner cartridges; recycling of 100% of all plastic, paper and aluminum collected on premises; and average electricity consumption lower than 90 kWh per employee per year.

Waste Management

Componentes El Orbe has an extensive and detailed service contract with Empresa GEEP Costa Rica for the disposal and recycling of the electronic equipment that is returned to Componentes El Orbe and that cannot be newly rented or sold. The contract specifies that Empresa GEEP must handle this electronic waste in compliance with all national and ratified international legislation (e.g., the Integrated Electronics Waste Management Regulation - Reglamento para la Gestión Integral de los Residuos Electrónicos, Decreto Ejecutivo Numero 35933). Empresa GEEP is licensed by the Costa Rican Ministry of Health to provide this type of service.

Occupational Health and Safety

The main occupational health and safety risks faced by Ati employees relate to potential emergencies, such as fires and earthquakes. The Group OB's emergency response committee includes Ati staff in regular training events and simulations. The members of the committee themselves also undergo regular training according to an annual training calendar maintained by the Human Resources Department. The committee's activities are guided by a well formulated document called the Evacuation Plan in Case of Earthquake or Fire Emergency (Plan para Evacuación en Caso de Emergencia de Sismo e Incendio).

A secondary and more focused health and safety risk relates to the use of chemical solvents by the Novatech department - the small team of technicians responsible for cleaning and refurbishing returned computer equipment. As part of its Environmental and Social Action Plan for this project, the Group OB and Ati will commit to ensuring that this team uses appropriate personal protective equipment (e.g., respirators and gloves) while using these chemicals, and that these chemicals are used only in sufficiently ventilated areas.

Finally, staff is provided with workstation assessments and advice to combat common health risks associated with poor workstation ergonomics.

Labor Management

Ati employees are not unionized, though they are free to join labor unions if they desire. Ati employees have the option to participate in the Group OB's Solidarity Association (Asociación Solidarista). For every two dollars contributed to the association by its members, the Group contributes one dollar. In the past year the Group has offered sixteen training courses in thematic areas such as teamwork, effective communication, and conflict resolution. Additional benefits offered to staff include: subsidized meals, automatic cost of living salary increases, and the part-time operation of a free, on-site medical clinic.

Monitoring and Reportings

Ati will develop and implement an Environmental and Social Action Plan (ESAP) satisfactory to the IIC. The ESAP will specify that the company's activities will continue to be fully incorporated into the environmental management system of the Group OB, and that a dedicated Ati employee will participate directly in the oversight and implementation of this system. Ati will submit annual monitoring reports to the IIC confirming continuous compliance with Costa Rican environmental and labor laws and with the IIC Environmental and Social Sustainability Policy.