

Environmental and Labor Issues: This is a category B project according to the IIC's Environmental and Social Sustainability Policy 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 to the project are fire safety, spill and leak prevention, emergency response and potential contamination from leaks and spills from above ground storage tanks (ASTs) and/or the loading of fuel trucks, liquid effluent treatment, labor, occupational health and safety practices and community health, safety and security. Environmental and Labor Standards: The IIC's environmental and social review included an assessment of the facilities at the Varreux Terminal, in order to ensure compliance with IIC policies and standards applicable to this project. The environmental and social standards that are applicable to this investment include: the IIC Environmental and Social Sustainability Policy, applicable elements of the Inter-American Development Bank (IDB) Environmental and Safeguards Compliance Policy, the International Finance Corporation (IFC) Environmental, Health, and Safety Guidelines for Retail Petroleum Networks, and the IFC Environmental, Health, and Safety Guidelines for Contaminated Land. Other standards may become applicable in the future should further information suggest such a change. Environmental Management System: In July of 2013 WINECO generated two new manuals that represent WINECO's existing written procedures that have been prepared as of this date. Currently, there is no written Environmental Management System (EMS) or documentation, other than those procedures contained in the aforementioned documents. The "Emergency Management Manual" (EMM) and the "Loss Prevention Programs Manual" (LPPM) were developed to enhance risk management at WINECO operations and with staff. The LPPM discusses risk assessment, a self-inspection program at the tank farm, a self-inspection program for unloading tankers, procedures for acquiring hot work and confined entry permits and fire and critical equipment impairment remediation procedures. The EMM was developed to assist with identifying emergency situations, assess their severity and likelihood of growth/termination, attempt to control the situation and prevent it from spreading. It was written in six chapters; Fire Fighting Procedures, Emergency and Fire Evacuation Procedures, Emergency and Fire Drill Evacuation, Contingency Plans for Natural Disasters, Salvage Procedures and an Incident Management Plan. Currently, there is no Environmental Management System at the Varreux Terminal. The assets are being managed under ad-hoc procedures as determined by individual managers whose responsibility varies according to their duties. There are no healths and safety or environmental manuals at the Varreux Terminal, other than the two aforementioned manuals. Additionally, there is no health and safety manager for the facility, but WINECO intends to hire an individual to fill this position by 2014. Generally, during the site visit WINECO management understood the principles that can lead to the establishment and distribution of documents describing the operating procedures and programs that will ensure the smooth performance and operation of the facility. These documents should also help to minimize the risks pertaining to safety and health of employees and the surrounding community, thus contributing to the reduction of injuries and disease, controlling losses and protecting the environment. Establishing this framework, as explained in easy to understand text with illustrations, should strengthen good working habits and positive attitudes among Varreux Terminal personnel. The International Ship and Port Facility Security Code (ISPS Code) is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States. The ISPS Code is implemented through chapter XI-2 Special measures to enhance maritime security in the International Convention for the Safety of Life at Sea (SOLAS), 1974. The Varreux Terminal piers have maintained a current ISPS certificate, but this certificate expired on 5 March 2012. Paperwork has been submitted to make the certificate current, but it has not yet been received. Spill Prevention and Release Detection/Monitoring: There is no historical record of overfills and other spills at the facility. Additionally, there are no monitoring wells at the site to determine if groundwater has been impacted at the site. The terminal should develop a spill response plan and a groundwater monitoring plan that includes the placement of monitoring wells to assess the condition of

groundwater at the site. These plans should include a timetable and estimated costs for implementation. Solid and Liquid Wastes: The facility should develop and implement waste management procedures for the Varreux Terminal. Design and implementation of these programs will improve housekeeping, truck loading, and waste management procedures to eliminate existing sources of contamination and instances of potential contamination. This will include procedures for repairing and purging and replacing piping and ASTs. Procedures and standards for the installation of new piping and new tanks should be developed. Waste management at the site needs to be addressed in a waste management plan that explains how wastes are handled including their final disposition. Labor: Currently there is no written human resources policy at WINECO. A policy should be developed that describes procedures for determining salary, benefits, and working hours. This policy should be reviewed to ensure that the issues such as sick leave and maternity leave, overtime hours and other items are addressed. There are no unions operating at Varreux Terminal. However, the development of a clear policy addressing unions will be beneficial for its operations. Occupational Health and Safety: The IIC will require that the Varreux Terminal establish policies, implement training and position equipment at the facility for the protection of workers. This includes personal protection equipment and environmental protection equipment to handle potential contamination scenarios impacting the environment. The IIC requires that employees receive training on operational safety procedures and that the drivers employed by WINECO and those drivers entering the facility take defensive driving courses. The IIC will ensure that these policies and training programs regarding health and safety and emergency response are reviewed and modified as necessary to ensure compliance with good international industry practices. WINECO will be expected to prepare reports on quarterly basis. The reports will document accidents, near misses, health, safety, security, environmental and quality issues. The reports will identify priority action items implemented over the current quarter and those anticipated during the next quarter. WINECO will be expected to monitor and ensure that all employees are supplied with and using the appropriate procedures, personal protective equipment as well as continue to further develop health and safety components of the Management System. Fire Prevention and Emergency Response: WINECO will continue to ensure that the Varreux Terminal firefighting equipment is properly maintained and that there is adequate fire safety training for all WINECO employees. Fire drills should be held periodically at the Varreux Terminal with local fire departments in the vicinity of the facility. The procedures outlined in the EMM should be tested and improved with experience gained through the periodic drills. Monitoring and Reporting: WINECO will develop an Environmental and Social Action Plan (ESAP) to ensure compliance with those relevant government regulations and the IIC environmental and workplace health and safety requirements. An annual environmental monitoring report will be submitted to the IIC on the implementation and status of the ESAP that includes information on infrastructure improvement plans, liquid and solid waste management, health and safety, accident reporting, fire prevention, emergency response training and labor issues.