

Environmental and Labor Issues This is a category III project according to the IIC's environmental and labor review procedure 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 related to the project are: impact on natural habitats, liquid effluent and solid waste management, hazardous substance management and storage, personal safety and emergency response, water and energy conservation measures, and community relations. The project had all the necessary permits for its construction and the operating permits are valid.

Protection of Natural Habitats The hotels are located on land that was reclaimed from the sea in the 1960s during the dredging of the port of Montego Bay; thus, it was not originally a natural environment. Over the years, however, natural flora and fauna established themselves, and today the site is considered a natural habitat for various species of fish, turtles, coral, and plants. The entire coastline of the hotel complex is part of the Montego Bay Marine Park, considered a sanctuary for some aquatic animal and plant species. In designing the project, the company worked with NEPA (National Environment and Planning Agency), an entity of Jamaica's Ministry of Water, Land, Environment, and Climate Change, and with the NGO Montego Bay Marine Park Trust. The environmental impact assessment (EIA) was conducted by the consulting firm Environmental Solutions Ltd., under terms of reference approved by NEPA. The preparation of the EIA included a public hearing, which was held on September 15, 2006. Based on the EIA, CL Environmental Co. Ltda., another consulting firm, prepared an environmental monitoring plan that Seawind began implementing during the construction phase. Sporadic sea turtle nesting sites have been reported on the northern shore of the peninsula occupied by the hotel complex. Four species of sea turtles inhabit this area, all of them classified as endangered species with different degrees of risk. Public access to the beaches once made it difficult to properly monitor the depredation of eggs and hatchlings. Seawind has entered into an agreement with the Montego Bay Marine Park Trust to monitor the coastal strip, permitting patrols and the demarcation and protection of turtle nests when they appear on hotel beaches. The agreement also calls for proper lighting far removed from the coastal strip to prevent hatchlings from becoming disoriented. The southern shore of the peninsula contains mangrove stands that serve as shelter and a food source for several types of fish and other marine life, such as mollusks, squid, and octopus. A separate strip of pristine coast has been set aside to preserve these mangrove stands as a natural habitat. Coral and seagrass meadows were transplanted in the areas where the breakwaters and piers were constructed. The work was supervised by NEPA, which continuously monitors the survival rate of the transplanted species. Prior to the construction stage, the native terrestrial plant species that would have to be preserved were identified, and during the construction phase, they were either protected or transplanted elsewhere.

Liquid Effluent Management The hotel rooms have a double water supply and liquid effluent drainage system, which allows effluents to be classified according to their origin and facilitates more efficient effluent management, permitting water savings. There are three categories of effluent water. The first, graywater, is the wastewater from guestroom showers. Combined with swimming pool wastewater, it is stored in a tank and then filtered and chlorinated. The treated water is then reused to flush toilets. The second category is sewage, which comes from toilets and is channeled to the public sanitation network and treated at the plant of the country's National Water Commission. The third category is rainwater, some of which is harvested and stored in a tank for use as a fire reserve and for irrigation. Rainwater that is not harvested infiltrates the soil, permitting its gradual return to the sea. The hotels also use seawater to cool its refrigeration systems. The temperature at which it is returned to the sea is controlled, with a maximum allowable increase of 2.5o C.

Solid and Semisolid Waste Management Solid waste falls under the category of household waste and is classified as wet waste (mainly from kitchens and restaurants) and dry waste (primarily cardboard). Seawind retains the services of an authorized solid waste disposal company for the removal of this waste. This company has installed a compactor on the premises for wet waste disposal. Used kitchen oil and grease are disposed of by an authorized company.

Management of Hazardous Substances The hotel complex has two 8,000-gallon tanks for diesel fuel, which is used for boilers and

emergency electric generators. It is also used for the emergency fire pump. The tanks are surrounded by a spill-containment wall capable of holding one and a half times the total volume of fuel. The tanks, in turn, are double-walled with a leak detector. There are also four 2,000-gallon liquefied petroleum gas tanks for use with the stoves and the hotel laundry's clothes dryers. The tanks have an independent circuit of sprinklers to fight fires. An outside maintenance service removes the spent lubricants from the generator and fire pump motors. Water and Energy Conservation Measures The hotels and their services were designed to achieve maximum water and energy savings. As noted above, the hotel's water supply system permits the reuse of a significant portion of the water obtained from the public system and the use of harvested rainwater. Central air conditioning significantly reduces the need for air conditioning when guests leave their rooms or windows are left open, resulting in substantial savings in electricity consumption. The boilers produce hot water at two different temperatures, one suitable for the needs of the guests, and the other for the laundry. This saves energy in distribution, since there is no need to heat all the water to the higher temperature. The hotel has installed a bank of solar panels to preheat the water in the boilers. The system is currently being evaluated and may be expanded if its benefits are demonstrated. Personal Safety and Emergency Response The complex has a firefighting system consisting of pressurized pipes and a distribution ring with hoses and hydrants. It also has a network of portable fire extinguishers. There are thermal fire detectors in the kitchens, optical fire detectors in the rooms, and gas leak detectors in the laundry and kitchens. The fire detectors and manual alarms are connected to the switchboard, which is always manned. The emergency response and fire safety manual is based on the AMResorts manuals. It contains the procedures to follow in response to medical emergencies, earthquakes, bomb threats, and fires. It details the chain of command, the communications system, and the evacuation plan. There is also a document with hurricane procedures that describes the preparations that must be made prior to the hurricane season, which is from June to November of each year. Preparedness includes the identification and securing or removal of anything that can be dislodged by the wind, procurement of all the supplies needed during a hurricane, and inspection and testing of the emergency systems. The manual also details the distribution of responsibilities during each phase of the hurricane and subsequent damage assessment. Labor Practices Seawind is in compliance with domestic labor laws and International Labour Organization (ILO) standards. Mandatory core labor standards include: legally-mandated benefits, freedom of association, organization of workers' unions, and nondiscrimination in the workplace. Company personnel are not members of any union. All full-time employees have health, life, and workplace accident insurance. Medical services are provided through private insurance, and employees may obtain coverage for their immediate family at a reduced cost. Social Issues Seawind Key Investments is a member of the Spanish American Foundation, comprised of Spanish companies located in Jamaica. The Ambassador of Spain to Jamaica is the president of the foundation, which provides funding for different initiatives of community interest throughout the island. Seawind has community programs of its own in the Montego Bay area, supporting schools and orphanages and implementing volunteer programs staffed by company employees. Monitoring and Reporting Seawind shall prepare an environmental and social action plan (ESAP) satisfactory to the IIC to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The ESAP shall provide for a yearly report on environmental monitoring and preservation, training programs in health, occupational safety and emergency response, and accident reporting.