

Environmental Classification and Issues:

Environmental Classification: This is a Category III project according to IIC's environmental review procedures. The environmental and labor considerations related to the project include the following: (1) solid waste management, (2) discharge of liquid effluents, (3) fire safety, (4) occupational safety and health, and (5) labor practices.

Environmental and Labor Issues:

1) Solid Waste: 95% of all the waste generated annually consists of metallic waste, plastic byproducts, packing material, and paper/cardboard. This material is sold to external companies that recycle it for use in injection and casting processes and the manufacture of plastic chairs, packaging, etc. The organic waste generated in the cafeteria (3%) is disposed of in a municipal sanitary landfill. Waste oil from lubricating equipment and machinery (2%) is packed in drums and sold to external companies that use it as fuel.

2) Liquid Effluents: These have no material environmental impact because production does not entail complex chemical reactions, require pressure tanks or containers, or use liquids as a raw material; therefore, no industrial wastewater is generated. Sewage is treated at a biological treatment plant, designed for compliance with national and international standards, before it is discharged in the Bay of Cartagena. The water released from the cooling system does not need to be treated before disposal.

3) Fire Safety: The plant is equipped with hydrants, extinguishers, smoke detectors, and automatic sprinklers. This equipment undergoes periodic inspections and preventive maintenance based on National Fire Protection Association (NFPA) standards. There are evacuation teams and fire brigades who receive ongoing training with the support of the Red Cross and an occupational hazard insurance company engaged by Biofilm to provide consulting in this area. The brigades participate in evacuation and firefighting drills when they are on duty.

4) Occupational Safety and Health: Workers are provided with personal protection equipment and health insurance, and the plant has a doctor as well as staff members trained in first aid. It also has an ambulance that can be used to transport employees to the hospital if necessary. The machines have safety mechanisms, most importantly to prevent workers from becoming trapped in moving parts. Biofilm engages an industrial hygiene company to update the plant's emergency response plans and other occupational safety and health elements.

5) Labor Practices: Company policy prohibits the employment of minors under the age of eighteen. There is no union, but workers are free to join a union if they wish. The plant's infirmary also treats family members of employees. The company regularly holds conferences on different health issues. It organizes an environmental awareness week and has sports facilities where competitions are held periodically. During the summer school vacation, it organizes excursions for the children of plant employees that include visits to museums, parks, and other cultural and recreational points of interest. The company also has a home loan program for employees.

Monitoring and Annual Reporting:

Biofilm has an environmental management plan (EMP) that was approved in 1998 by CARDIQUE (Corporación Autónoma Regional del Canal del Dique), Cartagena's local environmental authority, and adapted in 2000 for the expansion of Biofilm's production plant in Colombia. The IIC approved the project to provide financing to Biofilm in 2001; the EMP can be found in an annex to the current loan agreement with the IIC. The IIC will continue to verify that Biofilm's EMP remains in

compliance with the IIC's environmental, safety, and labor standards as mentioned above. Biofilm will submit an annual report summarizing its monitoring of solid waste management, liquid effluent discharge, occupational health, fire safety, and labor practices.