

## 1. Environmental Classification:

This is a category III project according to the IIC's environmental classification system because specific impacts may result that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines, and design criteria. The environmental and labor considerations related to the project include the following: liquid effluents, solid waste disposal, fire protection, employee safety, and emergency response.

## 2. Principal Environmental Impacts

**Generation of Liquid Waste** The Zonamerica park has several existing buildings; four multiuse buildings are covered by the project financed by the IIC. The principal liquid effluents generated in the buildings are: sewage and domestic waste from three of the four buildings. A laboratory will be installed in the remaining building; its wastewater will be routed to the Zonamerica wastewater treatment plant.

**Combustion Gases.** In the facilities there are sources of combustion gases that run on diesel or bunker fuel. The combustion gases are tested regularly; the concentration of air pollutants is within the acceptable range suggested by the World Bank for this type of activity. There are plans to use the combustion gases in the near future for the initial neutralization of untreated water in the liquid effluent treatment process.

**Particulate Matter (Cotton Dust) and Dust.** The industrial bays in the knitting area have a cotton particle and dust extraction and filtering system with extractors in channels in the floor throughout the areas that generate the most particulate matter and fine solids.

**Zonamerica has a system for treating industrial waste.** The system was built early in the project, when the free zone was designed as an industrial park. The waste treatment system can handle effluents from all the activities carried out in the free zone. The effluents generated by any biotech firms will require specific treatment. The type of treatment used for Zonamerica's liquid waste has been approved by DINAMA (Dirección Nacional de Medio Ambiente), Uruguay's environmental protection authority, and consists of the following pond system: two anaerobic ponds and a facultative pond.

The choice was based on the type of liquid waste to be treated, the area available, and the need for a treatment plant that could be expanded further with minimal maintenance costs and no operating costs. DINAMA's approval for Zonamerica requires that each building entering into operation be cleared by DINAMA before being connected to Zonamerica's general sewer system. To this end, each user must apply for DINAMA approval to discharge its waste into Zonamerica's system as if the system were a public one and must show DINAMA approval when signing the lease agreement with Zonamerica.

**Solid Wastes.** Each company moving into the complex will be responsible for managing its own solid waste, and a Zonamerica inspector will supervise appropriate waste handling and disposal using the Management and Waste System that ensures correct disposal of all waste generated in Zonamerica.

**Hazardous Refuse and Waste.** Waste defined in Law 17.220 and Basel Convention Annexes I and II (including goods that have generated hazardous waste due to improper management: expired, broken, abandoned, etc.).

**Special Waste.** Nonhazardous waste requiring some sort of treatment prior to final disposal (to prevent reuse, recovery, consumption, sale).

Each procedure covers the instructions, authorizations and responsibilities for general waste management at Zonamerica.

Users handling waste types 2 or 3 will receive appropriate training as needed for following the procedure.

The Waste Management System includes a specific procedure for hazardous waste: hazardous waste must be stored in specific areas within user warehouses under safety measures agreed with the System Manager. Once final disposal of the waste has been decided, the user reports the beginning of the process to the Manager as set out in the "*Instructions for Requesting Destruction of Items within Free Zones*," and authorization will be processed under the instruction issued on 8 May 1998 by the Dirección General de Comercio - Área Zonas Francas. The specific requirements of the Dirección Nacional de Medio Ambiente - (DINAMA) are consulted and authorization requested for final treatment, destruction, transport, and disposal of the waste in question.

When authorization is received, the waste is destroyed and/or treated once approval of the final disposal method (incineration, etc.) is received from Laboratorio de Higiene de la Intendencia Municipal de Montevideo. Depending on its nature--urban, hazardous, etc, solid waste is generally handled as follows:

*Urban Waste* (includes leftover food and waste from food preparation and consumption in offices, restaurants, etc.) is placed in nylon bags in appropriate containers and is removed daily for disposal as common waste.

*Waste paper and cardboard* from handling goods (packing, containers, etc.) are placed in special containers in the users' cargo loading and unloading areas for collection and transport to Zonamerica's waste treatment area. There the waste is sorted and treated for reuse, recycling, and/or disposal.

*Waste lumber* (from broken pallets) is treated in special containers for reuse by Zonamerica or collected for disposal.

*Other waste* includes packaging waste (nylon, plastic, string, glass, tin, other metals, etc.) and broken goods that cannot be sold and require no treatment prior to disposal. This waste is collected and disposed of directly as common waste.

*Hazardous Waste* Hazardous waste is managed following the specific procedure described above. In addition, Zonamerica monitors and controls goods entering the area under Decree 920/988 in order to prevent and control the generation of hazardous waste. The documents describing incoming goods are used to verify that they are "legitimate" and do not contain hazardous waste under Law 17.220 or the list in Basel Convention Annexes I and II. If they do contain hazardous waste, the user in question provides temporary safe storage and must return the goods. If the content of the load is not the responsibility of the user (theft or fraudulent load switching), Zonamerica will handle final disposal.

For legitimate goods that can generate hazardous waste if improperly handled (accidents, expiration, abandonment), a record will be kept of the type of merchandise and the user responsible for how it is handled. This information will be checked semiannually against the requests for destruction in order to identify any possible intentional use of Zonamerica as an entry point for hazardous waste.

### **3. Occupational safety and hygiene**

Demolition / construction personnel will have protective gear (such as ear and eye protection, safety footwear and gloves), health insurance and emergency response training. Each contractor or subcontractor has an Emergency Response Plan submitted for approval by the Ministerio de Trabajo y Seguridad Social. Once complete, the facilities will have adequate fire extinguishers and hydrants, alarms, and other emergency devices, as well as emergency exits and clearly-marked evacuation routes.

### **4. Labor Practices**

Each project or company must comply with national labor legislation. The principal labor standards that apply and must be complied with include legal benefits, freedom of association, freedom to form labor unions, abolition of forced labor, and elimination of exploitative child and job discrimination. Each company in the park will have its own policies, although they will have to respect these standards.

### **5. Control and Follow-Up**

For building the new facilities, Zonamerica will be required to prepare and submit to the satisfaction of the IIC an Environmental Management Plan including at least the following: a detailed schedule of the operations involved in expanding the free zone and their associated environmental impact, as well as the mitigation action taken to minimize or attenuate that impact.

The factors and variables to be monitored yearly throughout the life of the project will be verified by the IIC in keeping with its own environmental and labor review policy, by reviewing the verification reports that Zonamerica submits each year and making regular field visits as part of the project supervision process.