

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 consist of general occupational health and safety, solid waste disposal, and labor issues. Desler's proposed services include the separation of liquids and dehydration of sludge by centrifugation to recycle reusable products such as oil products, chemicals and process water and allow the disposal of waste in a more efficient and environmentally sound manner. In the first stage of the project considered under this operation Desler's services will not include the final disposal of waste, which will continue to be the responsibility of its generator.

Environmental Management: Desler has obtained international certification in ISO 9001, ISO 14000 and OHSAS 18001 for the Environmental Management System they have in place in Argentina and will apply the same standards in their operations in Brazil. The company will work towards the same certifications in the new operations. In addition, the company will ensure that any necessary environmental licenses are obtained in order to comply with the federal, provincial, and municipal laws that apply to its current activities.

Occupational Health and Safety: Desler will ensure that occupational health and safety procedures specific to the proposed project are developed. There will be procedures for risk identification and assessment of activities involving cleaning of wastewater treatment plant ponds, storage tanks, as well as other proposed project activities. The occupational health and safety procedures will also specify personal protective equipment and air monitoring devices needed in different areas, emergency procedures, on-site training plans, a safety inspection program, accident recording and investigations, and safe work procedures.

The company will employ approximately 9 people in Brazil. All technical and managerial staff will be required to have high levels of education and technical skills. A periodic training program for all employees will be carried out, and employees will be provided with the necessary personal protective gear.

Labor: Desler will adhere to local labor requirements, as well as those required by the IIC.

Emergency Preparedness and Response: Desler will ensure that emergency preparedness and response plans are in place. These will include plans for emergencies, such as fire or spill scenarios, amongst others.

Waste Collection, Handling, and Transport: Desler will ensure that any hazardous materials collected from the separation activities proposed are handled, transported and stored adequately in accordance with both local standards and international good practices.

Monitoring: Desler's activities shall continue to be monitored by the IIC to ensure that their facilities and activities meet the requirements of the relevant standards. Desler will prepare and submit to the IIC annual environmental and labor monitoring reports.