

Environmental Classification and Issues:

Environmental Classification: This is a Category III project according to IIC's environmental review procedures. Environmental and labor considerations associated with this project include handling and disposal of medical material (including biohazardous waste) and solid and liquid waste, safety and fire prevention measures, and labor practices.

Biohazardous and Infectious Waste: The Mexican environmental regulatory framework applicable to institutions providing medical services consists of the general act promoting environmental balance and protecting the environment ("Ley General del Equilibrio Ecológico y la Protección al Ambiente"), its regulations on hazardous waste, and the general health act ("Ley General de Salud") and its regulations. Biological/infectious hazardous waste generated at the facility will be treated physicochemically to render it unrecognizable and eliminate biological risk for subsequent disposal at a sanitary landfill, as per Mexican regulation ("Norma Oficial Mexicana") NOM-087-ECOL-SSA1-2002 setting forth specifications for classification and handling of biohazardous and infectious waste. Hospital ABC will engage a private contractor authorized by the Environment Department ("Secretaría de Medio Ambiente y Recursos Naturales" or SEMARNAT) for treatment and final disposal of all biohazardous and infectious waste.

Handling and Disposal of Solid and Liquid Waste: Municipal solid waste such as paper, cardboard, glass, organic waste, aluminum, and plastic will be sorted and recycled; all other waste will be disposed of at a municipal sanitary landfill. Wastewater will be treated at a treatment plant located at Hospital ABC's Centro Médico Santa Fe that uses conventional technology involving biological treatment with extended aeration of activated sludge and final disinfection with chlorine. Treated water will be used for irrigation of green spaces.

Safety and Fire Prevention: Personnel will be trained as per local regulations regarding occupational health and safety ("Reglamento Federal de Seguridad, Higiene y Medio Ambiente de Trabajo"). Compliance with this regulation is overseen by the Labor Department ("Secretaría del Trabajo y Previsión Social"). All measures set forth in Mexican regulation NOM-002-STPS-2000 regarding fire prevention and firefighting will be implemented. These include, among others, preparing a risk assessment survey and a specific fire prevention, fire protection, and firefighting program as well as training a firefighting unit. All hospital facilities will comply with National Fire Protection Association standards regarding fire prevention, fire protection, and firefighting and will be equipped with sprinklers, smoke detectors, emergency exits and stairwells on all floors, fire extinguishers, hydrants, signage of evacuation routes, and protective firefighting gear, among other items. All measures set forth in Mexican regulation NOM-017-STPS-2001 regarding the types and use of personal protective gear to be provided to employees and training for proper use will be implemented. Proper use of equipment by personnel will be monitored.

Labor Practices: Hospital ABC adheres to core labor standards such as the right to organize and collective bargaining, the prohibition of forced labor, and a child labor code that protects children and sets a minimum working age. Compliance with all these principles is regulated by Mexican Federal Labor Act ("Ley Federal del Trabajo"). The trade union representing all unionized workers and participating in all collective bargaining is the national trade union for this sector, which is part of the Mexican trade union organization Confederación Revolucionaria, Obrera y Campesina (CROC).

Monitoring and Annual Reporting: The sponsor will prepare an environmental management plan including a schedule for implementation of the environmental protection measures mentioned in this summary, as well as a reporting system to ensure project compliance with Mexican legal requirements and IIC environmental guidelines. The environmental management plan will also

include obtaining all project-related permits required by applicable law. The sponsor will provide the IIC with a copy of the environmental impact report, the environmental license, all permits related to generation, handling, and final disposal of biohazardous and infectious waste, and wastewater discharge, among others. Hospital ABC will submit regular reports summarizing all control data related to biohazardous and infectious waste handling and disposal, solid waste disposal, wastewater discharge, safety and fire prevention measures, and labor practices.