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 sustainable forestry practices, air emissions, wastewater, solid waste, occupational health and safety, and labor issues.

Tablemac MDF S.A.S. will be required to develop and implement an environmental, occupational health and safety management system according to international standards (ISO 14001, environmental management, and OHSAS, occupational health and safety). In addition, Tablemac MDF S.A.S. will develop and implement a social/human resources management system in accordance with the International Finance Corporation's Performance Standard 1.

Forest Management: Tablemac owns approximately 5,000 hectares of forest, 1,650 of which will be protected. The plantations consist primarily of pine and are located in the north of the Department of Antioquia, the north of the Department of Caldas, and the north of the Department of Tolima. In addition, raw material will also be obtained from waste wood scraps from sawmills, and other facilities involving carpentry located in urban areas. Tablemac MDF S.A.S. will be obtaining Forest Stewardship Council (FSC) Chain of Custody certification for its raw materials, and Tablemac S.A. will be obtaining FSC certification for its own plantations and for its round wood suppliers.

Air emissions: Air emissions from the plant are primarily a result of combustion processes. The boilers rely on biomass (from sawdust and wood scraps) as their energy source. Tablemac MDF S.A.S. will monitor air emissions to ensure compliance with Colombian and international standards, such as the IFC's Environmental Health, and Safety Guidelines for Board and Particle-Based Products and General Environmental, Health, and Safety Guidelines for Air Emissions and Ambient Air Quality.

Tablemac MDF S.A.S. will ensure that the appropriate dust extraction systems are in place and working efficiently. In addition, Tablemac MDF S.A.S. will ensure that the air quality in the workplace complies with the limits for acceptable levels of formaldehyde emissions, in accordance with BS EN 13896 Standard. (Class E1 boards can be used without causing an indoor air concentration greater than 0.1 ppm formaldehyde).

Solid Waste: Solid waste generated by the project primarily consists of residual wood, board offcuts, dry chips, and sawdust, which are disposed of in the boiler to avoid the accumulation of waste.

Wastewater: Wash water contains high quantities of suspended solids and leachate from woodchips, resulting in high organic content. Tablemac MDF S.A.S. will upgrade its existing wastewater treatment systems, as necessary, to comply not only with Colombian standards, but also with the IIC's requirements for wastewater quality as specified in the IFC's Environmental Health and Safety Guidelines for Board and Particle-Based Products.

Occupational Health and Safety: Staff are required to wear the necessary appropriate personal protective equipment and the company will ensure that all machinery is properly guarded. Workers are provided with all relevant social security benefits provided for in Colombia's labor regulations.

Labor Issues: Tablemac MDF S.A.S. is in compliance with ILO Core Labor standards. The company's policy establishes that persons under 18 years of age are not permitted to work.

Monitoring and Annual Reporting: Tablemac MDF S.A.S. will develop an Environmental and

Social Action Plan (ESAP), which will include a schedule for the implementation of environmental projects, such as its environmental and occupational health and safety management systems and a monitoring and reporting program, which, upon successful implementation of agreed measures, will ensure that its facilities comply with national laws and IIC environmental guidelines.