

This Project is a Category B project according to IDB Invest's Sustainability Policy because its environmental and social risks can be mitigated via measures that are readily available and feasible to implement in the context of the operation. The potential key Environmental, Social and Health and Safety ("ESHS") negative impacts and risks initially identified for the Projects, during the construction phase, include: (i) generation of solid waste, both hazardous and non-hazardous; (ii) air emissions; (iii) noise pollution; (iv) wastewater generation; (v) movement of soils; (vi) ground vibrations (vii) occupational health and safety of workers; and (viii) community health and safety concerns related to increase of heavy traffic. However, the construction phase was finalized on April 2018. During the operations and maintenance (O&M), the risks tend to be related to: (i) occupational health and safety of workers, (ii) generation of solid waste, both hazardous and non-hazardous; and (iii) use of resources such as energy, water and local services (e.g.: sewage, access roads, etc.). Natural disasters such as earthquakes, fires, floods and electric storms, might also pose very limited risks to the project, both from the potential of risk to employees and students, and in terms of structural and environmental damage to physical infrastructure. The IFC performance standards (PS) likely applicable to this Project, include: • PS 1 - Assessment and Management of Environmental and Social Risks and Impacts • PS 2 - Labor and working conditions PS3 - Resource Efficiency and Pollution Prevention, does not apply to small and medium-sized projects, like this project, with limited potential emissions that may be achieved through compliance with emissions and effluent standards and the application of other pollution prevention and control approaches. PS 4 - Community Health, Safety and Security, does not apply also to the fact that it's unlikely for an emergency event extends beyond the project property or originates outside the projects property boundary. PS5 - Land Acquisition and Involuntary Resettlement, does not apply because this project will be built in land already developed by the Borrower, within Avenida Escazú business complex; therefore, PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources, PS7 - Indigenous Peoples and PS8 - Cultural Heritage, won't also be applicable. However, once IDB Invest's investment proceeds, IDB Invest will periodically review the project's ongoing compliance with all the Performance Standards. According to the information provided by the Borrower, the environmental viability of the Project is granted in the environmental resolution No. 821-2004-SETENA (environmental license) dated May 31, 2004. In July 2014, this license was modified by the environmental resolution No. 2250-2014-SETENA, in which the commercial and office area of the building AE205 was increase from 12,500 m<sup>2</sup> to 21,193 m<sup>2</sup>; however, all the environmental measures were already supported by the Affidavit of Environmental Commitments, stated in public deed. The Project will be aligned with the following UN Sustainable Goals: (i) quality education, allowing access to internationally recognized education at a affordable cost; (ii) gender equality, by fostering the inclusion of women in STEM careers; (iii) decent work and economic growth, by fostering entrepreneurship and higher wages, through higher education; (iv) industry, innovation and infrastructure, by fostering innovation and creative solutions through problem-solving pedagogy; (v) climate action, by developing a facility that meets LEED Silver standards; (vi) peace, justice and strong institutions, by promoting international understanding, respect, global perspective and peace, through multicultural learning; and finally (vii) reduced inequalities, by fostering volunteer work and social outreach through student organizations. By August 9th, 2018, the AE205 Building was completely constructed and fully operational (GLA 13,476 m<sup>2</sup>); therefore, the construction phase has not been evaluated in this analysis.