

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: agrochemical and solid waste management, occupational safety, and emergency response.

CIABAY outlets have environmental permits authorized by SEAM (Paraguay's Secretariat of the Environment under the Office of the President). In this regard, CIABAY has a service agreement with a consulting firm hired to ensure compliance with regulations and the commitments contained in the environmental management plans and to apply for the renewal of environmental permits and other certifications.

Agrochemical management: The company markets products registered with the Ministry of Agriculture and Livestock's Plant and Seed Quality and Health Office (SENAVE). Registration involves following specific procedures under current law, based on the guidelines contained in the regional phytosanitary protection standard issued by the Southern Cone Plant Health Committee (COSAVE).

CIABAY's internal safety procedures for handling these products are spelled out in the environmental control plan, part of the environmental management plan submitted to SEAM in the application for the environmental permit. These plans specify the mitigation measures required to minimize the environmental impact.

The agrochemical depots are locked, with access restricted to authorized personnel. They have a system for handling accidental spills that channels any liquid spills to locked depots for subsequent removal and disposal. The residues from spills, as well as products that have expired or cannot be sold, are turned over to SENAVE, which is responsible for their final disposal, pursuant to the regulations in place.

Agrochemicals are transported and distributed in closed trucks authorized for this purpose, and their drivers must be licensed by DINATRAM (National Transportation Bureau), an agency of the Ministry of Public Works.

Agrochemicals can be sold only with an agronomist's certification. If such technical assistance is not available to a rural producer, CIABAY provides it.

Solid Waste: Nonhazardous solid waste can be considered municipal waste. Plastics and paper are separated for recycling. The rest is outsourced for collection by a private company, in keeping with current regulations.

Liquid Waste: Water use is limited to cleaning and personal hygiene, so the wastewater is treated as domestic waste. Spent lubricants from company workshops are removed by an authorized operator that later issues a certificate of final disposal.

Occupational Safety and Health: Workers who handle products receive task-specific safety

equipment and personal protective gear. Agrochemical depots are equipped with emergency shower facilities for use in the event of accidents.

All workers have health and workplace accident insurance. The company has health care agreements with private medical providers.

The depots have fire detection and fire alarm systems, as well as systems for fighting fires through the use of hand-held extinguishers and the fire protection network. Goods are stored leaving open spaces as fire breaks. The depots have emergency exits on the sides of the building, as well as the main entrance in the front.

Labor Practices: CIABAY complies with national labor laws. Mandatory core labor standards include the benefits provided by law, freedom of association and organization of workers' unions, prohibition of forced labor and exploitative and abusive child labor, and nondiscrimination in the workplace. Company employees do not belong to a labor union.

Monitoring and Reporting: CIABAY shall prepare an Environmental and Social Action Plan (ESAP) to ensure its compliance with national standards and IIC guidelines in the areas of environment and occupational safety and health. The ESAP includes a yearly report with information on solid waste management, health, safety, and emergency response training programs, and accident reports.