

Environmental Classification

This is a category B 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 liquid effluent and solid waste management, air emissions, handling of hazardous materials, alarm and firefighting systems, personal safety, and emergency response.

The company is subjected to external corporate audits every five years, which among other issues verify that it is complying with environmental and labor good practices pursuant to ADM's global standards.

Main Environmental Impacts

Land Use: Bolivia's national institute for agrarian reform (Instituto Nacional de Reforma Agraria, INRA) regulates land use and certifies land that is used for agricultural purposes. For its part, the land and forest authority (Autoridad de Bosques y Tierras, ABT) determines what percentage of land can be cultivated and how much must be set aside as a protected area. There are 700,000 hectares of agricultural land in ADMSAO's area of influence, of which the producers that supply ADMSAO occupy about 120,000 hectares. At a corporate level, ADM is part of the Round Table on Responsible Soy (RTRS).

Air emissions: ADMSAO uses natural gas and sunflower seed hulls in its oil mill boilers. It has four water-tube boilers with exhaust cleaning systems (hydrocyclone and multicyclone) that allow it to keep levels of particulate emissions low.

The company outsources the monitoring of combustion gases, particularly those resulting from burning sunflower seed hull. The analyses carried out indicate that pollutant values fall within national standards and meet the IFC's guideline values.

It uses wood burners in its grain bins to dry the grains. The company ensures that all the wood it uses has legal origin certifications.

Liquid effluent management: The principal source of liquid effluents is the oil extraction mill, which produces an effluent with high organic matter content. The effluent undergoes a primary physical-chemical treatment to reduce its oil content in which flocculants are added, sludge and foam are mechanically separated in a dissolved air flotation (DAF) filter, and temperature is lowered by aeration. Once temperature, oil content, sedimentable solids, and pH parameters are met, the water is discharged into the industrial park's sewer system. The industrial park's effluents are processed along with the city's in a treatment plant operated by the Santa Cruz utilities cooperative (Cooperativa de Servicios Públicos de Santa Cruz Ltda., SAGUAPAC).

Solid Waste Management: The company has a solid waste management plan. Waste is classified as either hazardous or non-hazardous. Management of hazardous solid waste (such as batteries, contaminated rags, and filters) is outsourced to an authorized company that specializes in special waste management, pursuant to local laws. Recyclable materials (paper, plastic, metal, and glass) are sorted and collected by a third party for recycling. Domestic waste is sent to a municipal landfill. The company has disposal agreements with different companies for each type of waste.

Through its ADM Cares foundation, ADMSAO supported the agricultural input producers association's (Asociación de Productores de Insumos Agrícolas, APIA) clean countryside (Campo

Limpio) program, which collects and processes used agrochemical containers, using the plastic as raw material for manufacturing pipe. The challenge facing this organization is the growing volume of containers, requiring more collection areas.

Handling of Hazardous Materials: The ADMSAO oil extraction mill has two metal underground tanks with concrete containment walls for storing hexane. There is a system of hexane detectors located in the oil extraction mill and at other points where hexane might be detected. The company also checks for leaks through routine measurements. ADMSAO uses specialty and hazardous chemicals as raw materials, auxiliary products, and laboratory reagents, and therefore is registered and licensed for activities involving hazardous materials (Licencia para Actividades con Sustancias Peligrosas, LASP) Each substance has a technical data sheet with its properties and its material safety data sheet; trained employees handle these substances.

Occupational Safety and Emergency Response: ADMSAO has an industrial health and safety manual that covers the main aspects of health and safety in the company's facilities. It establishes health and safety standards and procedures that all mill personnel must comply with, including aspects such as fire prevention and safety, using machinery, electronic equipment, and hand tools, handling hazardous materials, and use of safety equipment. The mill has a general emergency plan, as well as plans for its individual areas. The plans set up safety brigades, channels of communication, evacuation procedures, and training plans.

The firefighting system covers the entire industrial area. The pressurized system has a 30m³ water storage tank and automatic pumps. The plant is also equipped with portable fire extinguishers.

The grain storage silos have temperature controls and forced air ventilation systems that are activated when stored grain needs to be cooled down.

Labor and Social Practices: ADMSAO is in compliance with domestic labor laws and International Labour Organization (ILO) standards. Core labor standards include social security benefits, freedom of association, organization of workers' unions, and nondiscrimination in the workplace. Approximately 30% of mill personnel are members of ADMSAO's workers' union. A collective bargaining agreement is renewed annually.

All workers have medical coverage through Seguro Integral de Salud (SINEC) and workers compensation and life insurance through La Bolivariana Seguros. The company also has a staff physician on site, and occupational check-ups are performed periodically on all personnel.

A corporate training program fosters management development and technical training. The company also promotes individual education among its employees by reimbursing up to 75% of education-related expenditures on tuition and books. ADMSAO's policy is to pay 100% of the cost of the technical training that its personnel needs to improve its job performance. It also adds trained personnel to its staff through paid internships in its engineering, agronomy, and sales departments.

Monitoring and Reporting: ADMSAO shall prepare an Environmental and Social Action Plan (ESAP) satisfactory to the IIC to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The ESAP will include a yearly report on liquid effluent and solid waste management, air quality controls, and accident reports.