

**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: water sources, liquid effluent management, handling of hazardous waste, solid waste management, labor practices, personal safety, and emergency response.

The company has international certifications of good agricultural and manufacturing practices for both its fields and packing plants that enable it to export to European and North American markets. These include: BRC Global Standard for Food Safety, SA 8000:2001, BASC, LEAF, GlobalGAP, Tesco Natural Choice, SMETA, and Fundo Verde (SENASA - Peru).

Each farm has its own environmental management plan that includes an environmental assessment, a description of activities, and guidelines for managing soil, water, crops, fertilization, pest control, waste, energy use, occupational risks, and environmental protection. EXFRUSUR carries out integrated pest control with its own laboratories that grow beneficial insects and fungi, and also establishes biological areas and corridors that enable beneficial birds, mammals, reptiles, and insects to thrive.

## **Main Environmental Impacts**

### ***Water Sources***

EXFRUSUR's water is supplied from wells that have been duly registered with the national water authority, a division of Peru's Ministry of Agriculture. Chemical as well as microbiological water quality studies are performed periodically on water used in the packing plants and for crop irrigation.

### ***Liquid Effluent Management***

Water is used in the asparagus packing plant to wash produce and to clean the facility. Wastewater with a low content of organic matter is used for irrigation. Domestic wastewater from restrooms is channeled into septic tanks where it is removed by licensed operators.

Other hazardous liquid effluents, such as spent oil, are removed for final disposal by operators licensed by the Environmental Health Office (Dirección General de Salud Ambiental - DIGESA), a division of Peru's Ministry of Health.

### ***Solid Waste Management***

The main solid waste generated in the fields is plant matter from agricultural activities. EXFRUSUR uses this to make compost, which, in turn, provides significant advantages for the soil, improving its physical, chemical, and microbiological structure, as well as for the atmosphere in that it reduces greenhouse gas (methane) emissions. The residual plant matter generated at the asparagus processing plant is used to feed dairy cows.

Empty chemical product containers that are suitable for reuse are triple washed and removed by an organization that uses them. Any containers that cannot be reused, along with expired products; used uniforms, protective gear, and PVC boots; obsolete application equipment; and any other items considered hazardous, are disposed of by a service provider company licensed for such purpose.

Any nonhazardous materials that can be recycled or reused (e.g., metals, plastic, wood, and paper) are removed by recycling companies. Used vehicle and machinery batteries are recycled. Nonhazardous waste is disposed of at a municipal dump. The environmental plan details the origin, classification, and ultimate destination of each type of solid waste.

**Management of Hazardous Substances**

Chemical products are handled by specialized personnel, both in storage and when used in the field. Personnel receive specialized training and have all the necessary safety equipment. Chemical product storage depots are kept locked and are equipped with impermeable floors, spill containment systems, and adequate ventilation.

**Personal Safety and Emergency Response**

The packing plants are equipped with fire alarm systems, emergency lighting, adequate signage, and a network of extinguishers. An evacuation plan is in place and earthquake and fire drills are conducted periodically. EXFRUSUR has fire, first aid, and evacuation brigades in place. All personnel receive safety training on an annual basis.

**Labor and Social Issues**

EXFRUSUR complies with domestic labor laws and International Labour Organization (ILO) standards. Mandatory core labor standards include: legally-mandated benefits, freedom of association, organization of workers' unions, and nondiscrimination in the workplace. All field workers, whether temporary or permanent, are EXFRUSUR employees. Outsourced workers are not used. Employees are not affiliated with any union, although there is an employee delegate committee that represents them before the company and the authorities.

All workers are covered under government health insurance (ESSALUD) or private companies. EXFRUSUR has nurses and social workers to provide care to its employees.

**Monitoring and Reporting:** As part of the previous operation with the same group, Ica Pacific developed to the satisfaction of the IIC an environmental management plan (EMP) to ensure compliance with domestic regulations and the IIC's environmental and workplace health and safety guidelines. The EMP provides for a yearly report on liquid effluent and solid waste management; health, occupational safety, and emergency response training programs; and accident reporting.