

**Environmental Classification and Issues:**

**Environmental Classification:** This is a Category III project according to 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 this project are (1) permitting and product quality control; (2) solid waste and liquid effluent management; (3) air emissions and odor control at the pig farms; (4) industrial safety and occupational health; and (5) labor practices.

**Permitting and Product Quality Control:** The company holds the requisite sanitation, health, and farming permits for its meat packing plant and pig farms. In compliance with applicable regulations and standards, the company is also certified as an export supplier by Costa Rica's Ministerio de Agricultura y Ganadería. To ensure good product quality, Carnes Zamora follows a good manufacturing practices program for operating its meat packing plant and has implemented a Hazard Analysis and Critical Control Point (HACCP) system. The company's quality control system is audited by its clients and by the Ministerio de Agricultura y Ganadería, with regular inspection visits and audits.

**Solid Waste and Liquid Effluent Management:** The company does not generate a significant volume of meat scraps because its meatpacking byproducts are sold for use by third parties. It has, for example, found a market for exporting certain byproducts that in the past were regarded as waste. The temporary storage of these meat byproducts is done in compliance with domestic health regulations. Solid waste consists of plastic, cardboard, and paper from the office area and is collected by the municipal waste management service.

The company does not slaughter animals, so the wastewater from the meat packing plant is minimal and has a relatively low pollutant content. This wastewater is from washing the equipment and cleaning the processing area. The liquid effluents from the processing plant consist mainly of sewage from the bathrooms. Before being discharged into the public sewer system, the processing plant wastewater passes through a treatment system that enables Carnes Zamora to meet standards set by the utility company Empresa de Servicios Públicos de Heredia for water discharged into the public sewer system and subsequently treated at the municipal wastewater treatment plant. Wastewater from the pig farms is treated in biological oxidation ponds that are currently being improved. At the IIC's request, the company will implement a corrective action plan to finish improving the biological oxidation ponds so that they work better and meet the IIC's environmental requirements.

**Air Emissions and Odor Control at the Pig Farms:** The refrigeration equipment at the meat processing plant is in compliance with the Montreal Protocol because the supplier has certified that no ozone-depleting substances are used.

A field visit confirmed that the pig farms, located in a rural area surrounded by trees and other vegetation and operated in accordance with Costa Rican regulations, are not a source of nuisance odors. The farms hold a current operating permit issued by the animal health authority Servicio Nacional de Salud Animal (SENASA), which is the branch of the Ministerio de Agricultura y Ganadería that oversees the operation of pig farms in Costa Rica.

**Industrial Safety and Occupational Health:** There is a health and hygiene safety protocol that must be followed for entering the processing plant and the pig farms. The processing plant facilities have fire prevention and firefighting equipment (alarms, smoke detectors, extinguishers, hydrants, and hoses). Workers are given personal protection equipment for safe performance of their tasks, and the company monitors for correct use of the equipment. The workers receive training in good

manufacturing practices, quality control, and hygiene. There is a safety and hygiene committee with members representing both management and workers that oversees compliance with these measures. However, at the IIC's request the company will appoint an employee to coordinate industrial safety and occupational health measures so as to ensure continued compliance with the pertinent regulations.

**Labor Practices:** Carnes Zamora is in compliance with domestic labor laws. Its workers receive social security and other benefits. It also adheres to core International Labour Organization standards. There is a worker solidarity association in place.

**Monitoring and Compliance:** The Company's monitoring procedures will be described in the Environmental Management Plan to be prepared by Carnes Zamora. The company will submit an annual report summarizing the monitoring data related to current permits and product quality control; solid waste and liquid effluent management; odor control; operation of biological oxidation ponds at the pig farms; occupational health and industrial safety; and labor practices. During the life of the project, the IIC will monitor ongoing compliance with its own environmental and labor review guidelines by evaluating monitoring reports submitted annually to the IIC by the company and by conducting periodic site visits as part of the project supervision process.