

## **Environmental Classification and Issues:**

This is a category III project according to the IIC's environmental review procedure because specific impacts may result that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines, and design criteria. The environmental and labor considerations related to the project include: liquid effluent management, air emissions, solid waste management, personal safety, and emergency response.

### **Liquid Effluent Management**

Infodema's main industrial liquid waste comes from sprinkling the logyards and from discharge from the wood soaking tanks. Currently, the greater part of these industrial effluents is discharged into the Calle Calle river, in compliance with Chilean regulations. Infodema's plan is to entirely do away with them. Among the improvements included in the investment plan are modifying the wood soaking tanks, replacing the immersion system with one using sprinklers, and recycling all of the water and eliminating the liquid effluents from the soaking tanks. This means that only one kind of sludge will be generated. There are plans to install a logyard sprinkler water recovery system so that there is complete recirculation and no effluent is produced. These two projects will be carried out during 2007.

The industrial process generates liquid waste consisting of water contaminated by adhesives from the gluing machines. This liquid is put in containers and taken away to be processed by the adhesive supplier.

### **Air Emissions**

The company has just installed a new boiler that burns wood bark and scraps and replaces the old boilers that were a source of particulate matter, mainly soot. In addition to producing low levels of particulates, burning scrap wood does not emit sulfur oxides.

The plant also has three diesel-powered electric generators. Since they provide electricity only during scheduled stops, they do not operate continuously. Air quality is monitored at the gluing machines in order to detect concentrations of solvents and other organic compounds. The levels measured fall within admissible levels.

### **Solid Waste Management**

Infodema presented the pertinent authorities with a Solid Waste Management Plan, and the health permit is being processed. Infodema's waste is classified according to the following categories: domestic (recyclable and non-recyclable), industrial (biomass, ash, metal, etc.), and hazardous (fuel, adhesives, and batteries). Non-recyclable domestic waste is sent to a municipal landfill, and recyclable waste to companies that recycle it. In the case of industrial waste, the biomass is used for fuel in the boiler, metal waste is recycled, and the ashes go to a dump or landfill. Hazardous waste is treated by specialized companies. Cured adhesives do not pose a risk and are disposed of in landfills, while waste that contains uncured adhesives is considered hazardous and is disposed of through the adhesive supplier.

### **Personal Safety and Emergency Response**

Infodema has an Internal Order, Health, and Safety Manual that covers the main aspects of health and safety in the company's plants. The company is a member of the Chilean safety association Asociación Chilena de Seguridad (ACHS), which provides medical coverage for occupational accidents and diseases. ACHS provides safety training, inspects plants, suggests improvements, and

implements safety plans. Infodema has developed an Annual Risk Prevention and Occupational Health Plan that includes training on safety issues, defines personal safety measures, maps and inventories risks, identifies and investigates accidents, and monitors preventive management. Furthermore, there is a Contingency Plan for fires, major and minor earthquakes, resin and fuel spills, and liquefied gas leaks.

### **Labor Practices**

Infodema complies with national labor laws and International Labour Organization (ILO) standards. The applicable mandatory labor standards include: social security benefits, freedom of association, organization of workers' unions, prohibition of forced labor and exploitative and abusive child labor, and nondiscrimination in the workplace. Infodema employees are members of a union, created in 1962, and have a collective labor contract that is renewed every two years.

### **Control and Follow-Up**

Infodema shall develop an Environmental Management Plan (EMP) satisfactory to the IIC to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The EMP shall provide for a yearly report on: liquid effluent and solid waste management; health, occupational safety, and emergency response training; and accident reporting. The company will also inform the IIC on progress achieved on water recirculation from the logyards and the wood soaking process.