

This is a category III project according to the IIC's environmental review procedure because specific impacts may result which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines and design criteria. Environmental and social issues related to this project include, worker health and safety, fire safety and emergency response, chemicals for pest control, solid and liquid effluents, hygiene/quality control, and labor issues.

Worker Health and Safety: The Health and Safety Department of Almer has developed a health and safety training course that is presented periodically to all employees at each of Almer's 40 facilities. The company has also developed training materials and manuals that are distributed to the employees. These courses focus on emergency procedures and preventative measures to reduce the risk of accidents. In addition, workers are provided with the appropriate protective equipment, health insurance and first aid. All work related accidents are recorded and analyzed continuously.

Fire Safety and Emergency Response: The company's facilities are equipped with fire extinguishers at least every 15 meters, fire hydrants in larger facilities, and exit signage. The company will also implement a program to modernize its extinguishers and hydrants, where necessary. The company coordinates with the local fire departments and periodically performs fire drills. The company has also posted signs (no smoking signs, etc.) and provided training to reduce the risk of there being a source of ignition present, such as electric sparks, flames and hot surfaces. The silos are also grounded to prevent fires induced by lightning.

Pest Control: A limited amount of insecticides and rodenticides are used at the project's facilities. All of these chemicals are registered with the Ministry of Environment (the Secretaría del Medio Ambiente, Recursos Naturales y Pesca SEMARNAP), and the company has a strict inventory control program. The chemicals are stored in a secure room under lock and key, and the containers are labeled according to the requirements of the Health Secretariat (Secretaría de Salud), which include the classification scheme to identify the level of toxicity also used by the World Health Organization (WHO). Other information also on the labels include: instructions for use, precautionary measures, first aid measures, appropriate conditions for storage and transport, and incompatibility with other products (when relevant). In addition, personnel that handles the chemicals receive special health and safety training, and an instruction manual and logbook (to record use) are kept in the chemical storage room.

Air Emissions: The release of dust to the atmosphere from storage handling of grain does not have a significant impact, as the company has implemented measures to control dust emissions. These measures include aspirators in the larger silos and sleeve filters that are placed on the duct where the grain falls out of the silo into the vehicle where it will be transported. Emissions from drying ovens are relatively insignificant given that they are fueled by natural gas, and relatively few (7 of 40) facilities have furnaces. (One advantage of the combustion of natural gas is that it generally produces less emissions of particulate material or sulfur dioxide, compared to other fuel, such as oil.)

Solid Waste Disposal: The amount of solid waste generated at the company's facilities is minimal and consists primarily of domestic waste. The empty insecticide and rodenticide containers are returned to the manufacturers.

Liquid Effluents: The liquid effluent from the project is minimal and consists primarily of domestic sewage. The sewage from the majority of the facilities is treated in septic tanks, due to the rural location and inability to connect to municipal treatment systems. However, a few facilities (13 of the 40) are connected to municipal wastewater treatment plants. At one of the facilities that previously lacked treatment, the Mexican authorities have required that a wastewater treatment system be

constructed.

Hygiene and Quality Control: The company implements various measures to ensure the quality of the grains that are stored in their facilities. Some of these measures include: quality control when the grain enters and leaves the warehouse or silos; sampling and chemical analysis of grain received (i.e. of Aflatoxins and Mycotoxins) and the subsequent rejection of grain with elevated levels of toxins; sampling and physical analysis to detect impurities and different types of damage; and the continuous supervision of the physical quality of the stored product and the conditions of the warehouse or silo (humidity, etc.); and training for employees on quality control procedures.

Labor: Mexico has adopted the core standards for worker rights, such as the freedom of association and the right to collective bargaining, the prohibition of compulsory labor, and a child labor code that protects children and establishes a minimum age for employment. The project sponsors have good relations with labor unions and have signed a contract with 11 unions throughout Mexico in order to employ workers from them.

Monitoring and Annual Reporting: The sponsor will develop an Environmental Management Plan (EMP), which will include a schedule for the implementation of environmental projects and a monitoring and reporting program to ensure that their facilities are complying with national laws and IIC¹'s environmental guidelines. The EMP will also include an Environmental Management System (EMS) based on the ISO 14000 standards. The EMS will describe who will be responsible for monitoring the implementation of environmental activities. The sponsors will submit an annual report summarizing the monitoring data related to occupational health and safety, fire safety, accident reports, air emissions, wastewater discharge, solid waste disposal, hygiene and quality control, and labor related issues.