

1. Environmental Classification

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 handling of agrochemicals, solid waste disposal, occupational safety, and emergency response.

2. Main Environmental Impacts

Handling of Agrochemicals. The company markets products registered with the Ministry of Agriculture and Livestock's plant and seed quality and health office (SENAVE). Registration involves following specific procedures in accordance with current law, based on the guidelines set out in the regional phytosanitary protection standard issued by the Southern Cone Plant Health Committee (COSAVE).

Agrofertil's internal safety procedures for handling these products are spelled out in the company's regulations for workers, job description manual, and workplace health and safety manual. These documents set out the requisite precautions for preventing accidents and pollution, as well as procedures to follow in the event of accidents.

Agrofertil's agrochemical storage facilities have a spill channel system to drain any accidentally spilled fluids to enclosed tanks for subsequent removal and disposal. Agrofertil has an agreement for transferring spilled chemicals and treating them at Tecnomyl, a related company that is the only company in Paraguay with facilities for this purpose.

Solid Waste. Products are not processed or fractioned, so the only waste generated from the company's operations can be treated as municipal waste. They are disposed of in municipal landfills, in compliance with current regulations.

Liquid Waste. Water use is limited to cleaning and personal hygiene, and the water is treated as domestic waste. Sewage is disposed of in septic tanks in accordance with municipal regulations and is subsequently picked up by authorized commercial services.

Occupational Safety and Hygiene. Workers who handle products receive safety equipment and personal protection gear for the specific task performed as provided in the workplace health and safety manual and in some specific job descriptions.

All of the workers receive health care coverage and workplace accident insurance. The company also has a preventive medical care program with semiannual check-ups.

The warehouses have firefighting equipment. Workers receive fire response training in the form of educational talks given by volunteer firefighters. The new main plant has fire extinguishers and a central firefighting system that draws water from a 20 m³ underground tank with an independently powered electric pump that feeds fire hydrants located throughout the building.

Labor Practices. Agrofertil complies with national labor laws. Mandatory core 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. Agrofertil's employees do not belong to a labor union.

Monitoring and Reporting. Agrofertil has developed 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 solid waste management; health, occupational safety, and emergency response training; and accident reporting.