

Environmental Classification and Issues: 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. The principal environmental and social issues related to this project include solid waste disposal, fire safety, and worker health and safety. Environmental Issues: Wastewater: The facilities do not generate industrial wastewater other than water purged from the cooling towers, which does not require treatment due to the quality of the water. Sewage from the project's facilities in Cagua is treated by a municipal wastewater treatment system. In Maracay the sewage is disposed of in septic systems. Solid Waste: The majority of the solid waste generated at the company's facility consists of pieces of plastic which are sold to companies that recycle the material to make plastic toys and other items. In the thermoforming process, the skeleton sheet of plastic that is not used in the mold is ground up to be reprocessed. Fire Safety: The IIC will require all of the plants and storage warehouses to be equipped with a network of fire hydrants, extinguishers and smoke detectors. Improvements will include increased signage indicating evacuation routes and emergency exits, and an increase in the number of fire/emergency evacuation drills. Occupational Health and Safety: Workers are provided with the appropriate protective equipment, health insurance and first aid. All work related accidents are recorded and analyzed continuously. The machinery in the production line has guards to protect employees from entrapment in moving parts. Employees are trained in the safe operations of the equipment. In addition, the Cagua facility has an infirmary that can perform first aid and has a doctor who visits on a daily basis. An industrial hygienist is currently working on improving accident prevention plans and other aspects of the plant regarding occupational health and safety. The IIC will require that the plant implement a program to improve the ventilation in the Cagua plant. Labor: The Company has a policy that persons under 18 years of age are not permitted to work. Two distinct unions have been formed by employees at Vasos Venezolanos and Selva, and in both cases collective workers agreements have been signed with the companies, specifying salary arrangements, as well as other benefits. Monitoring and Annual Reporting: The sponsor will develop an Environmental Management Plan (EMP), which will include a schedule for the implementation of environmental and health and safety projects and a monitoring and reporting program to ensure that their facilities are complying with national laws and IIC's environmental guidelines. 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, accident reports, wastewater discharge, solid waste disposal, and labor related issues.