

1. Environmental and Labor Issues

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. Environmental and labor considerations related to the project include liquid effluent management, solid waste management, air emissions, and personal safety and emergency response.

2. Main Environmental Impacts

Liquid Effluent Management

Because Apex is a vertically integrated enterprise, it has different industrial plants for each one of its production stages. All of the plants generate liquid effluents from the lavatories at the facilities similar to domestic sewage which is discharged into septic tanks and subsequently into the drainfield, in keeping with local regulations. The hatchery and processing plant are the only ones that generate industrial liquid effluents with an organic load from processing and from the washwater used to clean products, machinery, cases, trays, and trucks, transport water (towards the rendering plant), and discarded cooling water. The processing plant has a plant for treating liquid effluents before discharge into the river Río Cuarto. This plant has a stationary separator to eliminate coarse solid materials, an equalizer tank, a dissolved air flotation unit, an activated sludge unit that includes an aeration tank and a settling tank, as well as a chlorination chamber. The sludge from the treatment plant is disposed of by landfarming on the premises. The treatment plant is currently being readied before the production plant becomes fully operational. While the volume of liquid effluents produced at the hatchery is small and has a low organic load, an effluent treatment plant for that facility is being designed.

Solid Waste Management

Nonhazardous solid waste is generated in all stages of the process: office and laboratory refuse; boxes, bags, and nonhazardous product containers; and waste from cleaning supplies, among others. An authorized company trucks this solid waste to a municipal landfill. Each type of nonhazardous waste typically generated at poultry processing plants is processed according to its characteristics. The dust generated at the feed-mill and the rejected raw material (grains) are disposed of in landfills. Eggshells, feathers, discarded eggs, and dead chicks from the hatchery are sent to a rendering facility that produces animal feed. Used chicken bedding from grow-out facilities consists mainly of rice hulls and excrement and is used by farmers for soil improvement. Dead birds in the grow-out facilities are burned in incinerators on the premises. Unusable viscera, rejected poultry, bone waste, and other waste generated at the processing plant are processed at the rendering plant for the production of animal feed. This plant is currently being assembled, so waste is temporarily being picked up by an authorized company.

Avex generates small quantities of hazardous solid waste consisting mainly containers of pest control chemicals, veterinary medicines and disinfectants, paint and lubricant containers, as well as pathogenic waste from the infirmary, all of which are treated by specialized companies.

Air Emissions

There are no significant air emissions from the plant. The feed-mill uses cyclone dust collectors and sleeve filters to prevent the emission of particulate matter from processes that could generate dust. Steam for the plants is from sources that run on natural gas, which reduces air pollution. However, there is a potential risk of generating unpleasant odors at different stages of production. While all

plants are located in rural areas, away from populated areas that could be adversely affected by unpleasant odors, Apex must be very careful to ensure that its effluent treatment and rendering plants operate correctly, provide for proper ventilation of the grow-out sheds, and plant a tree line to act as a barrier at places that could be deemed critical.

3. Personal Safety and Emergency Response

Because the plants are new and the processes and equipment are designed to comply with guidelines for minimizing health and safety risks, accident risk is mitigated. However, given the complexity and characteristics of the processes, there is potential for physical, chemical, and biological risk, as well as exposure to heat, cold, noise, and vibrations. In terms of biological risks, the risk of spreading diseases is a key consideration for the poultry industry in general. Avex was therefore especially designed and located to have a low sanitary risk as one of its competitive advantages. The enterprise offers training and induction sessions and provides employees with appropriate protective gear. In accordance with Argentine law, all workers have health and occupational accident insurance coverage (ART).

4. Labor Practices

Avex 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.

5. Monitoring and Reporting

Avex shall develop to the satisfaction of the IIC an Environmental Management Plan (EMP) to ensure compliance with domestic regulations and the IIC's environmental and workplace health and safety guidelines. The EMP shall provide for a yearly report on liquid effluent and solid waste management; air quality monitoring; health, occupational safety, and emergency response training; and accident reporting.