

This is a category III project according to the IIC's environmental and labor 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 solid waste disposal, liquid effluents, air emissions, worker health and safety, cultural patrimony and labor issues.

**Compliance with Honduran Environmental Law:** Under Honduran law the expansion of the industrial park is not required to obtain an Environmental License from the government because the park was constructed prior to the existence of the law. The park conducted an environmental audit on its own volition in order to identify ways to improve its environmental performance.

**Worker Health and Safety:** All companies that operate within the industrial park are obliged under Honduran law to comply with the Ministry of Labor's regulations and procedures regarding occupational safety, machinery and equipment maintenance, and food safety. The industrial park has its own medical clinic that offers care to the workers and also has an ambulance in case of emergencies to transport injured or ill workers to the local hospital. The clinic is staffed with five doctors and nurses and the medicine is provided by the state. Other services provided at the clinic include family planning, maternity check-ups, and counseling on the prevention of infectious diseases.

In addition, it is typical for individual plants to have emergency aid stations within most of the large work areas, as well as infirmaries staffed with nurses from the national health system, which are periodically visited by a doctor. Given the sedentary nature of the work, ergonomic issues are important to the sponsors. Both cushioned standing mats and ergonomic chairs are provided to workers, as necessary. Safety glasses are provided to personnel in areas when there is a risk of sparks or where intense light is generated, and masks are provided to workers exposed to high levels of dust. Other protective clothing is provided as necessary to ensure the safety of workers. Training to promote the use of protective gear is ongoing.

**Fire Safety and Emergency Response:** The industrial park has its own water supply of 1,500 cubic meters per day, of which approximately 1/3 is designated for fire control. All of the new buildings will be supplied with fire extinguishers and exit signage as in the other buildings in the ZIP. Fire and emergency response is coordinated with the municipal fire department. Periodic fire drills with the fire department and training with respect to the use of emergency equipment are conducted. Fire hydrants are also periodically inspected to ensure that they function properly. In addition, the ZIP has a medical clinic with an ambulance to transport injured persons to the local hospital.

**Solid Waste Disposal:** The disposal of solid waste is a service provided by the free trade zone. The waste consists primarily of packaging material and fabric. Waste that can be reused is recycled and the remainder is disposed of in a municipal dump. In the event that industrial or hazardous liquid effluents are generated provision for its treatment would be a condition of the lease. The project will include the purchase of an incinerator, which will be designed to meet emissions standards and will substantially reduce the volume of waste to be taken to the dump. In addition, the trash is removed three times a day, particularly after meal breaks and the sponsors plan to purchase mechanical sweepers to increase the efficiency of this process.

**Liquid Effluents:** The industrial park has a biological wastewater treatment plant with the capacity to treat wastewater for 12,000 people or the equivalent of 1,000 cubic meters per day. Monitoring data for the water discharged from the plant indicates that the plant is effective in meeting Honduran water quality guidelines. The plant will be expanded for the project in order to ensure that

the additional wastewater to be produced as a result of the expansion of the park will be appropriately treated prior to discharge to the local watercourse.

**Air Emissions:** No significant levels of air emissions are generated or anticipated. The primary source of emission is due to vehicular traffic in the park, which is minimal with approximately eight cargo trucks a day circulating the park. The majority of the workers are brought to the ZIP by bus any many others use bicycles.

**Cultural Patrimony:** In 1993 and 1994, prior to initiating construction of the Zip Buena Vista Industrial Park, the Honduran Institute of Anthropology and History (IHAH) completed an archeological mitigation and rescue project to salvage artifacts found in part of the area where the present industrial park is located. In 1993 and 1994, the IHAH authorized construction of the park. If any additional archeological sites are identified during the construction of this project, which involves the expansion of the Park, the IHAH will be contacted and the appropriate measures will be taken to rescue any artifacts identified.

**Labor:** Honduras is a signatory to the UN and ILO conventions on child labor, as well as the core standards for worker rights. The industrial park has voluntarily adopted the Code of Conduct for the Honduran Apparel Manufacturers Association, which establishes rules regarding the following: child labor, work regime for pregnant women, health and safety, wages and work schedules, discrimination, the right to belong to any organization, environmental protection, and criminal activities. The salary of workers in the maquila sector is generally higher than the wages received by workers in other sectors in Honduras.

**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 tenants are complying with national laws and IIC's environmental guidelines. The EMP will also include an Environmental Management System that describes who will be responsible for monitoring the implementation of environmental activities at the park. The sponsors will submit an annual report summarizing the monitoring data related to wastewater discharge, solid waste disposal, air emissions, occupational health and safety, accident reports, cultural patrimony and labor.