

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. The following potential environmental and labor effects were analyzed during project evaluation: environmental management, liquid effluents, air emissions, solid and hazardous waste management, occupational health and safety, and other labor and social issues.

Environmental Management: To manage aspects relating to quality, the environment, and the occupational health and safety of its operations, Café Britt has an integrated management system accessible through the company's intranet. Using the integrated management system implemented by Café Britt, the company monitors the environmental performance of its operations in Costa Rica and elsewhere, particularly in Peru and Mexico where it has industrial facilities. Café Britt's corporate group obtained ISO 9001 quality management certification and ISO 14001 certification for its environmental management system in 2001 and 2006, respectively. Both certifications are valid until 2012. The scope of these certifications includes the processing and marketing of coffee and chocolate products at its main facilities located in Costa Rica. For the production process, it has also implemented good management practices and a quality control system based on the hazard analysis and critical control points (HACCP) system, which monitors quality from inputs (raw materials and packing materials) to final products. These same manufacturing, quality management, environmental, and occupational health and safety practices have been implemented at Café Britt's coffee roasting and chocolate production plant in Peru and are now being implemented at its new plant in Mexico. The company intends to obtain the appropriate certifications for both plants over the medium term. In the case of its plant in Peru, Café Britt has already started the certification process for its integrated management system and expects to complete the process in 2011. In addition, Café Britt has a Corporate Social Responsibility (CSR) program for addressing these issues with communities. The CSR program is applicable to all subsidiaries in the corporate group.

Liquid Effluents: The liquid effluents produced at the coffee roasting and chocolate manufacturing facilities located in Heredia, Costa Rica, consist primarily of domestic wastewater from the restrooms and dining room. Due to the nature of these industrial processes, where water is not used in the production process, no significant amounts of industrial liquid effluents are generated. Quality measurements are periodically taken on the liquid effluents discharged into the sewer system, which are subsequently released to a wastewater treatment plant operated by the city of Heredia. The management of liquid effluents produced at the industrial operations in Peru and Mexico is subject to compliance with applicable environmental regulations in the respective countries.

Air Emissions: These consist primarily of smoke (particles and gases) produced while roasting green coffee grains. To control these emissions and comply with established national regulations, the coffee roasting plant in Costa Rica has a smoke purification system that allows it to keep levels well below the limits established by Costa Rican environmental law. Smoke emissions are checked periodically by an independent laboratory (usually the Universidad Nacional laboratory). The coffee roasting plants in Peru and Mexico also have equipment to control air emissions generated by this operation, in order to comply with the maximum emission limits established by the national environmental provisions of the respective countries.

Hazardous and Solid Waste Management: Café Britt's environmental management system includes a waste management and materials recycling plan. The solid waste generated at the facilities in Costa Rica, for example in the office, dining room, and restroom areas, is collected, transported, and disposed of through a local contractor. Waste is identified, classified, and temporarily stored until the contractor collects and transports it for final disposal in an authorized sanitary landfill in accordance with national and local regulations. Waste from the company's employee medical clinics is also managed and disposed of through a local contractor with all the

permits required by the competent authorities. Solid and hazardous waste is managed similarly at the facilities in Peru and Mexico in compliance with national and local environmental provisions.

Occupational Health and Safety: Café Britt's policy is to maintain a working environment that provides protection for its employees by adhering to preventive programs and complying with applicable regulations. To manage occupational health and safety aspects, the facilities in Costa Rica have a system consistent with OHSAS 18000. The occupational health and safety measures at the coffee roasting plant, chocolate factory, and other facilities include internal safety procedures, an emergency response plan and emergency brigades, evacuation signage and routes, as well as strategically located portable fire extinguishers, among other measures. Workers are provided with task-specific protective equipment. Fire drills are conducted periodically and fire alarms and extinguishers are checked for proper operation. There is also a training and induction program for new hires that covers occupational health and safety measures and other aspects. These same practices are used at the industrial facilities in Peru and Mexico.

Labor Practices and Social Issues: Café Britt does not have its own coffee or cacao plantations. It purchases green coffee and chocolate as raw materials from suppliers. As part of its corporate mission and commitment to its clients, Café Britt strives to promote a culture of quality in coffee production and environmental and social sustainability, establishing fair trade practices (it has Fair Trade certification) with its suppliers. Through its fair price policy, Café Britt ensures that growers receive above-market prices and an additional incentive based on quality. Through its Corporate Social Responsibility program, Café Britt provides training to micro, small, and medium-size coffee producers, as well as support to the artisanal sector in the communities surrounding its main facilities in Costa Rica. Coffee producers receive training that covers internal audits regarding compliance with the Rain Forest Alliance standard for organic coffee, rational use of agrochemicals, and occupational health. Café Britt has been a pioneer in promoting certified organic coffee growing in Costa Rica and has the requisite certifications. In 2008, 496 Costa Rican artisans received training on logistical aspects and export of artisanal products. In addition to Costa Rica, there are similar trade agreements and support and training programs with coffee producers and artisans in other countries. All suppliers agree to comply with Café Britt's social and environmental standards. Café Britt's labor practices comply with labor regulations in the countries where it operates. For example, workers at the company's main facilities in Costa Rica are older than age 18, their salaries are higher than those required by law, and they have worksite medical services and medical expense coverage. Currently there is no union presence at the facilities in Costa Rica but workers are entirely free to join unions should they so desire. There is currently an Employee Solidarity Association.

Monitoring and Compliance: Each year Café Britt will submit an environmental and social performance report to the IIC summarizing monitoring data relating to air emissions control and measurement, liquid effluent management, solid and hazardous waste final disposal, occupational health and safety, fire prevention and firefighting measures, and labor and corporate social responsibility practices, as included in this summary. During the life of the project, the IIC will monitor ongoing compliance with its own environmental and labor review guidelines by evaluating monitoring reports submitted annually to the IIC by the company and by conducting periodic site visits as part of the project supervision process.