

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 main environmental and labor considerations related to the project are hygiene and quality control, solid waste and liquid effluent management, occupational health and industrial safety, and labor practices. ALMER has an environmental management plan (EMP) in place that was previously agreed upon with the IIC to ensure that all of its facilities are in compliance with domestic law and the IIC's environmental guidelines. The company regularly reports to the IIC on its environmental and labor management.

Hygiene and Quality Control: ALMER continually monitors the quality of stored goods. Specifically, it has implemented measures to ensure the quality of the grain stored in its facilities. Insecticides and rodenticides are used sparingly for pest control. They are applied by an authorized local contractor that only uses products registered with the Comisión Intersecretarial para el Control del Proceso y Uso de Plaguicidas, Fertilizantes y Sustancias Tóxicas (CICOPLAFEST), the agency that monitors the use of pesticides, fertilizers, and toxic substances in Mexico. All of the chemicals used by ALMER are registered with Mexico's environmental and natural resources authority, Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), and ALMER has a strict inventory control program.

Solid Waste and Liquid Effluent Management: The solid waste generated at the company's facilities comes mainly from its cafeterias and offices. This waste is collected by the municipality for disposal in compliance with local and national regulations. Plastic, cardboard, and wood scraps generated by the company's operations are sold to third parties for reuse or recycling. The project produces minimal liquid effluents, mainly sewage. Most of ALMER's facilities are in rural areas and cannot be connected to municipal treatment systems; sewage is therefore treated in septic tanks. Nevertheless, some facilities are connected to municipal sewage treatment plants.

Occupational Health and Industrial Safety: ALMER provides training to its employees at all of its workplaces. In 2010 and the first quarter of 2011, the company trained its workers in industrial safety and civil protection, emergency response, evacuation drills, safety measures for work high off the ground and in confined spaces, use of fire extinguishers, and fire prevention and firefighting, among other topics. All of ALMER's workers are provided with personal protection equipment for safe performance of their tasks. Within the facilities, workers have access to medical services and medicines at no charge. All employees are enrolled in the Instituto Mexicano del Seguro Social. ALMER's payroll employees have additional medical coverage in private hospitals, life insurance, and insurance to cover funeral expenses. The company keeps a record of occupational accidents and ensures that all its employees at all of its workplaces receive accident prevention training. At all of its facilities ALMER has fire prevention and firefighting programs and measures in place, such as inspecting and maintaining firefighting equipment, signage, dust explosion prevention, and fire prevention systems in warehouses where flammable substances are stored. For example, there are temperature increase and alcohol vapor concentration detectors in the tequila storage areas; this equipment underwent corrective and preventive maintenance in 2010. A fire drill was carried out in the Pantaco, Mexico City, plant in August 2010, coordinated by a local contractor specializing in fire protection services. All of the silos are grounded to prevent fire caused by electric discharges while in operation. There is a safety and health commission comprising worker and company representatives.

Labor Practices: ALMER is in compliance with Mexican labor legislation and International Labour Organization core labor standards, such as the right to organize and the right to collective bargaining, the prohibition of forced labor, and a child labor code that protects children and sets a

minimum working age. All its workers receive social security benefits.

Monitoring and Annual Reporting: ALMER will continue to submit yearly reports summarizing monitoring data on the company's environmental management, hygiene and quality control, solid waste and liquid effluent management, occupational health and industrial safety, and labor practices. 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 regular field visits as part of the project supervision process.