

Environmental Classification and Issues:

Environmental Classification: This is a category III project according to the IIC's environmental and labor review procedure because specific impacts may result that can be avoided or mitigated by adhering to generally recognized performance standards, guidelines, and design criteria. The environmental and labor considerations related to the project include the following: third-party certification of good agricultural and environmental practices; product quality; management and application of chemicals; water supply; management of solid, liquid, and hazardous waste; and social and labor issues.

Third-party certification of good agricultural and environmental practices

Ben David's operations are certified under Chile's good agricultural practice program (BPA). Its operations are also certified under Eurepgap and Natural Choice (for Tesco) standards, ensuring compliance with European Union standards. Compliance with European certification requirements is sufficient for the U.S. market.

Product quality

The company monitors the entire production process to ensure product quality. Product is tested at critical points, and follow-up reports are generated. Some key aspects are: fruit residue analysis; plant water supply chlorination and quality control; specific training for packinghouse workers; use of task-specific clothing; regular medical exams for workers; and implementation of a plant hygienization program. The company's pest control program is outsourced to specialized companies.

Management and application of chemicals

The use of chemicals on the fields is in accordance with the aforementioned standards (BPA and Eurepgap). This involves handling and dosing of chemicals by trained workers authorized by the farm and livestock service (Servicio Agrícola y Ganadero) of Chile's Ministerio de Agricultura; ensuring that the chemicals are in proper, correctly labeled containers; banning the use of unauthorized chemicals; and storing chemicals securely. The warehouses, which comply with domestic regulations, have ventilation, lighting, and shelving systems that meet the requisite standards, as well as walls and chambers to contain accidental spills.

Workers have task-specific protective gear (PVC suit, respiratory protection, gloves, and boots). The sanitary facilities are designed to keep work clothes separate from clean clothes. Workers receive appropriate training at regular intervals.

Water supply

Ben David uses water from rivers and deep wells for drip irrigation of fields, and well water for the packing plant. The wells are so deep (60 to 90 meters) that no organic pollutants are detected in the water. The sources are tested for substances that should not be used for irrigation (such as heavy metals, or salts that could damage the distribution system).

Management of solid, liquid, and hazardous waste

Domestic wastewater from workers' facilities is kept separate from water that has been used in preparing and handling chemicals. Domestic wastewater, both from the fields and from the plant, along with fruit wash water (with organic content), is processed at on-site facilities that include a degreasing chamber and a septic tank, with subsequent soil infiltration. The septic tank and degreasing chamber design is approved by local environmental authorities. Wastewater that could

contain chemicals is put in containers for pickup by a certified treatment company. Used lubricant oil is also put in containers for pickup by a certified company.

Solid waste is separated, as well; organic waste is composted on site, and plastic (from containers) is chipped and picked up for subsequent processing.

Social and Labor Issues

Ben David complies with domestic labor standards and regulations, as well as International Labour Organization (ILO) standards. Among other provisions, these standards bar job discrimination, forced labor, and exploitative and abusive child labor. There is freedom of association, but the company's workers do not belong to a labor union. The workers have medical coverage through Asociación Chilena de Seguridad (ACHS).

The company has established emergency procedures with staff trained as first responders. Training is provided with advice from ACHS.

Monitoring and Annual Reporting

Ben David shall develop an Environmental Management Plan (EMP) satisfactory to the the IIC to ensure compliance with domestic regulations and the IIC's environmental and workplace safety and health guidelines. The EMP shall provide for a yearly report on management of chemicals, occupational health and safety training programs, emergency response, occupational accident reporting, and food safety issues.