

This is a category III project according to IIC's environmental 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 issues associated with this project include worker health and safety; food safety; solid waste disposal; liquid effluent; air emissions; land use; pesticide use; and labor.

**Compliance with Chilean Environmental Law:** Monitoring is carried out by government inspectors, including the newly created Hygiene and Health Control Division of the Quality Control Department of the Ministry of Health to ensure compliance with Chilean environmental laws and regulations regarding wastewater discharge, worker health and safety, and food safety.

**Worker Health and Safety:** All personnel are provided with the appropriate protective clothing and supplies. Invertec routinely provides training on worker health and safety. (For 1999, 24 training workshops are anticipated.) A review of Invertec's accident reports indicates that the company has a very good track record, with only minor accidents being reported. In addition, government health and safety inspectors from the Ministry of Health visit the plant on a quarterly basis to ensure compliance with Chilean food safety, sanitary and worker health and safety regulations. The Government has increased resources for inspections by over 60 percent since 1990. As a result, enforcement has improved and the number of inspections has increased significantly.

**Food Safety:** Invertec is currently implementing a Hazard Analysis and Critical Control Point (HACCP) System in order to identify and minimize all potential sources or points in the process where the food could potentially be contaminated. The workers are routinely trained in quality control and good hygiene practices. In addition, Invertec's international clients require that their products be in compliance with the US Food and Drug Administration's regulations regarding pesticides and herbicides.

**Solid Waste Disposal:** The solid waste consists primarily of residues derived from the processing plant and domestic garbage. The residues from the process including apple cores are sold as feed for animals or is transferred to Natural Juice Co., where a final extraction of juice takes place reducing the quantity of solid end-waste to about 0.5t/day, which is subsequently disposed of off site by a company authorized to transport and dispose of solid waste. In addition, health and safety inspectors from the Ministry of Health inspect the facility annually in order to ensure the appropriate management and disposal of solid waste.

**Liquid Effluent:** The domestic wastewater from the plant is discharged to a municipal sewage treatment plant and the process wastewater from the plant is discharged to an irrigation canal used to water Invertec's adjacent agricultural fields. Monitoring data of the process liquid effluent indicates that the water quality is suitable for irrigation. The liquid effluent will be monitored by the newly created Hygiene and Health Division of the Quality Control Department at the Ministry of Health in order to ensure compliance with Chilean national standards regarding the quality of wastewater discharged from an industrial plant. According to Chilean Law No. 19300, if the liquid effluent does not to comply with national standards, the plant will be required to either improve the wastewater treatment process at its own plant, or send it to an authorized collection and treatment center.

**Air Emissions:** No significant levels of air emissions are generated or anticipated. The primary source of emissions is from steam generators, which are operating in compliance with national and international standards.

**Land Use:** Expansion of the area to be cultivated will have relatively insignificant impacts since the

additional 70 hectares consists of agricultural land.

**Pesticide Use:** All pesticides used by Invertec are authorized by national and international authorities. The pesticides are all biodegradable and comply with national and international standards for application of agrochemical.

**Labor:** Chile is a signatory to the UN and ILO conventions on child labor, as well as the core standards for worker rights. The Chilean Constitution and the Labor Code prohibit forced or compulsory labor and the law has provisions to protect workers under 18 years of age by restricting the types of work open to them and by establishing special conditions of work (i.e. limit on hours worked per day). Labor inspectors enforce these regulations, and evidence of compliance has been good in the formal economy.

**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 compliance with Chilean laws and IIC's environmental and labor 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 plant. 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, and labor issues.