

**Environmental and Labor Issues:**

This is a category III project according to the IIC's environmental 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 liquid effluent and solid waste management, labor practices, product safety, personal safety, and emergency response.

**Effects of Refrigerants on the Atmosphere.** The refrigeration equipment will use ammonia as a refrigerant, which is considered harmless in terms of its impact on the ozone layer and its greenhouse effect. Nevertheless, the use of ammonia requires that special precautions for possible leaks be taken due to its irritant effects if inhaled.

**Liquid Effluent Management.** Since the cold-storage facility will not process products, the only water used is for washing and for the bathrooms. Water is drawn from two registered wells that were already on the property. Liquid effluents are discharged into septic tanks.

**Solid Waste Management.** The facility will not generate a significant volume of solid waste because it is for cold storage only. Nevertheless, the facility could generate waste as a result of accidental damage to crates of stored products that may need to be repackaged. This could generate packing waste material (plastic straps, cardboard, etc.). All recyclable materials (cardboard) are donated for recycling. The rest is collected by an authorized company.

**Labor Practices.** Frigorífico Copiapó will follow the same labor practices as Subsole and will comply with domestic labor laws as well as International Labour Organization (ILO) standards. The workers employed during the grape harvest are mostly the same as those employed at the Subsole plants in the south because there is a minimal overlap of harvest seasons.

**Product Safety.** To enter the European and U.S. markets, the company must have international product hygiene and safety certifications and must be certified for good farming and manufacturing practices.

**Personal Safety and Emergency Response.** The cold-storage facility will be equipped with firefighting systems (sprinkler system), and emergency response training for fires, earthquakes, and gas leaks will be provided. Because cooling equipment uses ammonia as a refrigerant, the engine room will be adequately ventilated, and emergency brigades will have protection equipment such as self-contained breathing apparatus. Since the workers who will operate this plant have been trained at the Subsole plants, prevention and emergency response plans will be the same at both facilities. Subsole has a joint management/employee health and safety committee charged with detecting, evaluating, and controlling risk.

**Monitoring and Reporting.** Frigorífico Copiapó shall develop an Environmental Management Plan (EMP) to ensure compliance with domestic regulations and the IIC's environmental and workplace health and safety guidelines. The EMP shall provide for a yearly report on solid waste management; health, occupational safety, and emergency response training; and accident reporting.