

FINCA ONCE S.A.
CEDULA JURIDICA 3-101-120451-08
3 Km norte de la Escuela de Santa Cecilia, Carretera a los Chiles.
Teléfono (506) 2471-8558 / Fax (506) 2471-8112 Ext. 116
Oficina Central (506) 2442-3100
P.O. Box. 100-4003 Alajuela Costa Rica

May 3rd, 2016

Dear ladies and gentlemen,

We all – executive employees and me as highest superior – are shocked and horrified about the investigation report sent to us resulting from your visit to our farm.

1) - All workers are Nicaraguan

- They do not have permits of residence
- Earnings are less than the minimum wage
- They do not have a social insurance
- Some earn only half of the minimum wage. They work at a piece rate. They have to work up to 10 to 12 hours to get the minimum wage.
- They work 10-12 hours per day
- Overtime is not paid

It is true that on most plantations in the north of Costa Rica, 70-80% of the workers are originally Nicaraguan, many of them established in the Nicaragua-Costa Rica border, since many year, and because of this the majority has earned legal status to work in the country. There is also a percentage of new immigrants coming to the country looking for job opportunities, some of them in a temporary bases, this as a result of the lack of work opportunities in Nicaragua, where unemployment is over 50%.

Most of our Nicaraguan workers do not work as a seasonal work force, but:

- Work daily and with regular working hours
- All have residence permit or have applied for it in the Immigration office, which authorized them to have a working permit and are covered by Social Security
- We cover their social insurance
- Nobody in the farm receives less as is determined by law.
- In case that working extra hours is needed, we pay the extra hours according to the law
- On a very few exceptions, workers work 10-12 hours a day. This is strictly voluntary.



Following inquiries in this regard:

A) The Work Ministry, Immigration Office and Social Security Personnel examines our farm on an irregular basis.

B) RFA examines us rigorously on a regular basis. At the last RFA audit, we scored 97.4%. This audit will be made available to you.

2) Ten working hours while work with pesticides

We do not deny that a driver of a modern cabin spray device needs to interrupt his work on days with heavy rainfalls, or other situations on which this labour cannot be performed. In these cases, it is possible that the driver will be at work for more than 10 hours, but it is not the case that he is working 10 hours with pesticides. Such individual cases are automatically corrected and stopped by us.

In this context we want to point out, that we (almost) only use tractors with a closed cabin with carbon air filters for the sprayer devices, so that the driver does not come into contact with pesticides, and is protected from heat, wind and rainfall, and can therefore perform his work safely and comfortable, all of this according with the Costa Rica Working Health Regulations.

3) Trade union rights were violated, no access to the farm.

Indeed this is true, but not only for Finca Once, but for all farms. The farm is a site of 1.200ha, which is 12 M. m²; we owe this to our workers and clients, that nobody has access to the company site. It hardly bears thinking what could happen if everybody could walk through the farm. (Manipulation!!) We deal with a Fresh Consumption Product. We do not make any exceptions same as all other farms.

4) 99% of our personnel are part of “solidarismo” organization

We do not take any influence as Finca-Once what our personnel is doing outside the farm and their working hours. All employees are free to join Soldarismo, any Union or no organization at all. This is the employee’s decision.

5) Chemicals / Pesticides

We do not act on the network PAN but on the European law. Lidl arranges that every delivery is continuously checked. We know that in the last three years we have been one of the few farms in Costa Rica who did not have any problems with pesticides. Only the original substances with labels are used. Everything which is referring to USA does not concern us since we deliver exclusively to Europe and only apply pesticides with EU-authorization.



b) Handing out to the personnel bottles without labels.

The farm has a proper pesticide inventory control and all staff related with pesticide (warehouse, preparation, spraying etc.), has been properly instructed for the manipulation and control for the adequate use of pesticides. It is forbidden to buy illegal substances or to apply them, not only by law but also by the owners.

This is checked!

- a. Daily through the executive director
- b. Weekly through the representative of the owner Oscar Arias
- c. Through RFA, as already mentioned above.
- d. Health Ministry, Agricultural Ministry and the Phytosanitary Department audit this without notice, as requested by law.

6) Use of Pesticides during the presence of workers on the field

The pineapple production system is a highly equipped and mechanized operation. The layout of the field is done very precisely and in such a way that most of the maintenance operations are semi-automatic, requiring after plantation establishment very little to no people working in the field (12 to 13 month period) until harvesting.

All spraying operations that are undertaken during the crop cycle are done with a special spraying equipment (Sprayboom) done as mentioned before, with the use of a closed cabin tractor. So there is only the need of one person (tractor driver) for the spraying operation in the field. Limiting the contact of chemicals with people.

Most spraying operations are done early in the morning or after sunset, a period of the day where there are no workers in the field. All fields that are been applied or that are during the cadency period are properly indicated in front of the field.

7) During Audits, chemicals are hidden with red labels

We have never acted this way and would refuse to act likewise. Why should we?

The Company makes the same profit when we use only the substance allowed in the EU and Costa Rica, no penny more when we use unknown, anonymous or not admitted substances. On the contrary: we would have problems with the destruction of the goods in Europe. Due to the high frequency of residue tests in Europe by customer protection organizations and the client, this would always be detected and automatically lead to destruction of the fruit.



8) Illegal workers on other plantations

As mentioned above, most of our work force has a proper legal immigrations status in the country. A small group of our employees have an open file with the immigration office, this condition allowed them to legally work in the country and to access the Social Security system.

9) 2-year-Contracts...

- We have revolving contracts always for two years.
- The prices are negotiated weekly according to market-conditions in mutual accordance with OGL.

For any other questions, please do not hesitate to contact me.

Sincerely,



Oscar Arias M.
President
Finca Once S.A

