

Drokasa Environmental and Social Corrective Action Plan (CAP)

#	Action	By whom	Deadline
1.	<p><u>Develop social and environmental affairs, quality, and occupational health and safety management policy statement.</u> Develop a Company wide statement of vision and mission for social (including labor practices) and environmental affairs, quality, and occupational health and safety management.</p>	Drokasa Corporation	Provide copy of approved policy statement for IFC endorsed by Drokasa highest-level management by December 2004
2.	<p>a) <u>Develop and implement an integrated management system for social and environmental affairs, quality, and occupational health and safety management.</u> Establish an INTEGRATED, systematic management program based upon internationally recognized management systems such as ISO 9001-2000. Design the system to ensure compliance with Peruvian regulations and IFC policies and guidelines requirements.</p> <ul style="list-style-type: none"> • Develop implementation work plan and schedule. 	Drokasa Corporation	Submit implementation work plan November 2004
b)	<ul style="list-style-type: none"> • Submit corporate management system procedures manuals. Procedures manuals will incorporate corporate and facility-specific management system requirements. 		Submit procedures manuals to IFC November 2005
3.	<p>a) <u>Corporate Environmental Affairs Management.</u></p> <ul style="list-style-type: none"> • Hire or assign a qualified environmental and social affairs, quality, and occupational health and safety manager for Drokasa's corporate operations. 	Drokasa Corporation	Completed. The company has assigned a person responsible for coordinating all activities in these areas.
b)	<ul style="list-style-type: none"> • Appoint qualified professionals to the position of environmental and social affairs, quality, and occupational health and safety coordinator for each operating unit. 		Completed. The company has assigned personnel responsible in each operating area.

4. a)	<p><u>Develop environmental monitoring program.</u> As part of the integrated management system for environmental and social affairs and occupational health and safety, develop a monitoring plan to characterize ambient and point source air emissions, ambient noise, process and potable water quality, sanitary and process wastewater discharges, non-hazardous and hazardous solid and liquid waste discharges, and any other emissions to the environment. Measurements will also characterize workplace conditions, such as air quality, noise, illumination intensity, heat stress, and other parameters in specific critical operating areas. The parameters measured have to concur with those being requested in the AMR. .</p> <ul style="list-style-type: none"> • Submit Monitoring plan to IFC. 	Drokasa Corporation	March 2005
b)	<ul style="list-style-type: none"> • Implement environmental monitoring plan. 		June 2005
5.	<p><u>Conduct emissions gap analysis.</u> Once the monitoring program has been conducted, provide IFC with quantitative data report; identify all parameters out of compliance with IFC guideline requirements; prepare corrective action plan (CAP) describing ameliorative measures and proposed completion date for implementation.</p> <ul style="list-style-type: none"> • Submit report including proposed corrective measures and proposed schedule for implementing corrective measures. 	Drokasa Corporation	December 2005
6.	<p><u>Carry out corrective measures to bring all emissions into compliance with IFC guideline requirements.</u> Carry out all corrective measures to bring out of compliance emissions to levels mandated by IFC guidelines with the exception of Farmindustria's process effluent must comply only with Peruvian treatment and permissible limit standards.</p>	Drokasa Corporation	Corrective measures must be carried out in a gradual manner, between December 2005 and December 2008
7. a)	<p><u>Develop and Implement a CFC refrigerant replacement PLAN.</u> Peru is a subscriber to the Montreal Protocol which requires replacement of CFCs.</p> <ul style="list-style-type: none"> • Submit a phase out PLAN satisfactory to IFC. 	Drokasa Corporation	Completed

b)	<ul style="list-style-type: none"> Carry out CFC phase out plan. The company will replace 55 units (282 tons) at Farindustria's plant and 4 units (20 tons) at Drokasa's Santa Anita warehouse. The phase out program and subsequent refrigerants utilized will comply with IFC/World Bank policies and guidelines. These require compliance with the Montreal Protocol. 	Drokasa Corporation	Phase out schedule as follows: \$ 2005: 25 largest units at Farindustria. \$ 2006: 25 units at Farindustria. \$ 2007: 9 units at Santa Anita and remaining units at Farindustria.
8. a)	<p><u>Develop technical specifications for third party contracted services (e.g. transportation, packaging, etc).</u> Develop and implement specifications following international best practice developed by the United Nations to define requirements for IFC Policy/Guidelines compliance. Insert these specifications into all contracts.</p> <ul style="list-style-type: none"> Develop contract specifications. 	Drokasa Corporation	May 2005
b)	<ul style="list-style-type: none"> Include technical specifications in contracts with third party services. 	Drokasa Corporation	August 2005
9. a)	<p><u>Conduct audit of operations and define gaps between existing operations and IFC guidelines.</u> This audit should identify all the areas within each facility that do not comply with World Bank/IFC hazardous material policies and guidelines (e.g. proper storage of materials and wastes, proper disposal of wastes, good house keeping practices, etc).</p> <ul style="list-style-type: none"> Submit audit report, including proposed corrective measures and proposed schedule for implementing corrective measures. 	Drokasa Corporation	June 2005
b)	<ul style="list-style-type: none"> Close gaps identified in audit so as to comply with IFC guidelines and procedures. 		Corrective measures must be carried out in a gradual manner, between June 2005 and December 2008

10.	<u>Life and fire Safety programs in Drokasa's operations facilities.</u> Implement required life and fire safety measures required to bring each operating facility into compliance with IFC's Occupational Health and Safety Guidelines.	Drokasa Corporation	December 2005
11.	<u>Prepare and submit proposed consolidated annual environmental monitoring report (AMR) format for IFC approval.</u> Devise and submit proposed annual monitoring report format to IFC. Report should be designed to facilitate IFC's understanding of the compliance status of all facilities, outstanding compliance issues and target resolution dates, and the results of benchmarking activities among the Company's operations. The report should be designed to have maximum utility for Drokasa's management and informational brevity for IFC.	Drokasa Corporation	Submit Proposed Format to IFC prior to signing
12.	<u>Submit consolidated annual environmental monitoring report (AMR) for IFC revision.</u>	Drokasa Corporation	Receipt of AMR as designed by October 2005