

AGROKOR CORRECTIVE ACTION PLAN

<i>Task</i>	<i>Indicator of Completion</i>	<i>Required Completion Date</i>
<u>Belje dd</u>		
1. <u>Research and nominate an integrated farm quality assurance and food safety program appropriate for Belje's operations.</u> Research available integrated farm assurance/food safety programs suitable for farming operations such as European Euro-Retailer Produce Working Group Good Agricultural Practices (EurepGAP) to achieve a certified management program for Good Agricultural Practices on all Belje farms.	Submit name and characteristics of proposed system to IFC	July 2006
2. <u>Conduct gap analysis between requirements of program nominated in #1 above.</u> Using a professionally qualified and licensed certification body or consulting firm conduct a gap analysis of existing Belje operations considering the requirements of the nominated program. Define the specific activities that must be undertaken to achieve certification and estimated timetable for completion of the required tasks.	Send copy of gap analysis to IFC for review;	December 2006
3. <u>Implement nominated program.</u> Implement integrated farm assurance/food safety program for Belje farms and obtain certification of the program implementation for all Belje farms.	Provide qualified certification body certificate of compliance with nominated program requirements.	December 2007
4. <u>Design required modifications for liquid wastewater management at Belje Dairy Farms to achieve compliance with Croatian regulatory and IFC/World Bank guideline limits for treated effluent disposal.</u>	Submit waste modification/preparation plan to IFC	December 2006
5. <u>Implement required modifications for liquid wastewater management at Belje Dairy Farms to achieve compliance with Croatian regulatory and IFC/World Bank guideline limits for treated effluent disposal.</u>	Submit adequate evidence to IFC that the wastewater management plan has been implemented and associated effluent	December 2007

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	impacts have been eliminated.	
6. <u>Design appropriate utilization or disposal program for management of unused bedding waste at Belje Dairy Farms.</u> The program shall appropriately prepare or digest collected straw bedding waste and animal manure and render it acceptable for use in agricultural fields or other non-disposal options.	Submit waste modification/preparation plan to IFC	December 2006
7. <u>Implement Dairy bedding waste management program.</u> Belje's selected alternative shall appropriately prepare or digest collected straw bedding waste and animal manure and render it acceptable for use in agricultural fields or other non-disposal options.	Submit adequate evidence to IFC that the plan has been implemented and the backlog of collected dairy bedding waste is being reduced or has been eliminated.	June 2007
8. <u>Plan an integrated management system encompassing quality, occupational health and safety, food safety and environmental affairs management for all Belje operations.</u>	Submit adequate evidence to IFC that an adequate plan and appropriate staffing, management endorsement, vision and mission statements and associated documentation is in place to implement integrated management system	July 2006
9. <u>Fully implement the integrated management system encompassing quality, occupational health and safety, food safety and environmental affairs management for all Belje operations.</u>	Submit adequate evidence to IFC that system implementation is complete; the system is certifiable to acceptable international standards (e.g. ISO 9001-2000, OHSAS 18001);	December 2007
10. <u>Develop detailed potable water monitoring program.</u> Plan a potable water monitoring program for Belje's operations to characterize all raw potable water sources and all distributed, treated waters' baseline chemical, physical and microbiological	Submit adequate evidence to IFC of program planning, procedures in place, nominated staff to carry out the program, arrangements for	July 2006

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quality. The program will be applied for all waters used for potable purposes, animal husbandry operations and food manufacturing activities.	laboratories to conduct analytical work, and nominated standards that the analytical laboratory will adhere to in its work (e.g. Standard methods for the Examination of Water and Wastewater).	
11. <u>Implement potable water monitoring program.</u> Program implementation shall be used to demonstrate adequate quality of water is used for all agricultural and industrial operations and that raw water analytical results are used to prescribe and to implement appropriate water treatment as needed.	Provide evidence to IFC that the program is implemented including designation of responsible management, staff, resources, and an annual operating budget and plan.	December 2006
12. <u>Plan integrated pest management program for all Belje operations.</u> Develop a scientific program destructive pest infestation program that investigates the root cause and prescribes non chemical actions as a first resort to resolve the infestation and uses chemical controls only after elimination of other viable means.	Evidence to IFC of the formulation of a pest management program, training of staff and farmers and others using Integrated Pest Management (IPM) techniques will be applied to Belje farming operations.	July 2006
13. <u>Fully Implement integrated pest management program for all Belje operations.</u>	Submit adequate evidence to IFC that the planned program has been implemented.	June 2007
14. <u>Design implementation and certification of a HACCP food safety program for Belje industrial food manufacturing operations.</u>	Submit adequate evidence to IFC that a meaningful roadmap to certification has been prepared and that the projected schedules are realistic and achievable.	July 2006
15. <u>Provide implementation plan with schedule.</u>	Submit adequate evidence to IFC showing that the projected schedules are realistic and achievable and in line with obtaining certification as required by IFC.	December 2006

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16. <u>Implement and obtain certification for HACCP food safety program implementation for industrial food manufacturing operations.</u>	Evidence to IFC of certification by an accredited certification body	December 2007
17. <u>Conduct Environmental Impact Assessment and other studies required to obtain Regulatory Approval for new Belje integrated slaughterhouse construction and associated wastewater treatment system.</u> Obtain local regulatory agency approval for proposed wastewater treatment plan and proposed timing to meet local wastewater treatment requirements for Mesna Industrial slaughtering and processing operations.	Obtain regulatory agency approval stating that planning documents (e.g. environmental assessment) and associated submittals are adequate to obtain a permit to construct the facility; and that the wastewater management program will comply with Croatian regulatory limits for discharges to surface water.	Upon approval Agrokor to proceed with the project
18. <u>Submit plans and specifications for revised wastewater treatment system for new Belje slaughterhouse.</u> Submit approved wastewater management system design and calculations to IFC. Provide drawings and specifications for treatment system design along with projected flows and strength data to IFC for review. Treatment system shall incorporate a sludge management component acceptable to IFC.	IFC agrees that the proposed treatment scheme is adequate to comply with IFC guidelines and Croatian regulatory requirements	Upon approval Agrokor to proceed with the project
19. <u>Install revised wastewater treatment system for new Belje slaughterhouse.</u> Complete installation of revised system and submit data illustrating that the system produces a treated industrial effluent consistent with IFC guideline limits and Croatian regulatory limits.	Provide photo documentation evidence of installation project prior, during and after construction; submit analytical results of influent and effluent wastewaters.	Prior to commissioning of new Belje slaughterhouse
20. <u>Conduct engineering studies and design remedial measures required to resolve dust problems affecting neighbors around Belje animal feed mill and Belje flour milling operations.</u> Investigate and eliminate root causes of complaints and eliminate them. Collaborate with the affected	Submit documentation acceptable to IFC elucidating professional analysis of root causes of dust problems and associated, proposed remedial measures to resolve the current,	December 2006

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communities to ensure that their concerns are heard and addressed.	elucidated issues.	
21. <u>Implement remedial measures required to resolve dust emissions affecting neighbors around Belje animal feed mill and Belje flour milling operations.</u> Investigate and eliminate root causes of complaints and eliminate them. Collaborate with the affected communities to ensure that their concerns are heard and addressed.	Submit documentation acceptable to IFC demonstrating that engineering retrofits have been completed; and submit documentation from community leaders and representatives demonstrating that all dust problems emanating for the two mills have been resolved to their satisfaction.	June 2007
22. <u>Eliminate animal welfare and bio-security issues in Belje dairy and beef farms.</u> Convert Belje intensive dairy farming practices that potentially deny the five animal welfare freedoms. Convert existing animal housing systems or eliminate existing facilities to ensure adequate animal welfare and to ensure adequate and appropriate bio-security for all animal husbandry operations.	Documentation of conversion of practices observed at the time of appraisal.	December 2006
<u>Pik Vrbovec</u>		
<i>Task</i>	<i>Indicator of Completion</i>	<i>Required Completion Date</i>
1. <u>Expand Pik Vrbovec food safety management system to incorporate quality, occupational health and safety and environmental and social affairs management.</u>	Submit adequate evidence to IFC demonstrating compliance with task requirements	March 2007
2. <u>Conduct clean production audit of Pik Verbovec operations.</u> Undertake clean production studies to reduce wastewater flow and strength, segregate non contaminated wastewaters (e.g. storm, condensate, and other clean streams) and associated activities to reduce the volume and strength of industrial wastewater to be treated.	Submit adequate evidence to IFC that a professional engineering evaluation has been conducted to include specific action items and associated costs and savings that may be realized.	December 2006

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3. <u>Implement Clean Production Program at</u> Implement clean production engineering program to ensure that design and ultimately construction of the industrial wastewater treatment facility for Pik Vrbovec will reduce to the degree feasible process water use and industrial wastewater production.	Submit adequate evidence to IFC that recommended action items have been implemented.	June 2007
4. <u>Submit detailed plan for the construction for the wastewater management facility at PIK, outlining the respective commitments of Agrokor/PIK and the local authorities responsible for wastewater management at Vrbovec.</u> The new wastewater management facility shall have been sized in accordance with the waste volumes resulting from production after taking into account the benefits derived from design and implementation of the clean production program defined above in #2 and #3.	Submit detailed plan and schedule for the construction of the waste management facility for completion of construction by 31 December 2007.	June 2007
5. <u>Complete Construction of wastewater management facility for Pik</u>	Provide photo documentation evidence of installation project prior, during and after construction; submit analytical results of influent and effluent wastewaters demonstrating compliance with Croatian regulatory and IFC/World Bank guideline limits.	June 2008