

**“Las Mercedes” Farm and “Supe Packaging Plant” (PESU) Environmental and Social Action Plan (ESAP)**

#	Action	By whom	Deadline
1.	<p><b><u>Implement Corporacion Drokasa’s social and environmental affairs, quality, and occupational health and safety management policy statement at Las Mercedes and PESU.</u></b> Implement the Corporate statement of vision and mission for social (including labor practices) and environmental affairs, quality, and occupational health and safety management at Las Mercedes and PESU operations.</p>	<p align="center"><b>Las Mercedes and PESU</b></p>	<p>Implement policy statement by January 2007.</p>
2. a)	<p><b><u>Develop a management system procedures manual for social and environmental affairs, quality, and occupational health and safety management.</u></b> Develop a management system for Las Mercedes and PESU operations based upon internationally recognized management systems (e.g. ISO 9001-2000, ISO 14000, OHSAS 18000, HACCP, and EurepGap) and compatible with Corporacion Drokasa’s integrated management system. Design the system to ensure compliance with Peruvian regulations and World Bank/IFC policies and guidelines requirements. The management system must be developed by a qualified firm with adequate understanding of international trends in management system evolution and implementation.</p> <ul style="list-style-type: none"> <li>• Develop implementation work plan and schedule</li> </ul>	<p align="center"><b>Las Mercedes and PESU</b></p>	<p align="center">Present implementation work plan and schedule by June 2006.</p>
b)	<p><b><u>Submit the management system procedures manual.</u></b> The management system must be incorporated into Corporacion Drokasa’s integrated management system, which includes Drokasa Peru, Farminustria, Agrokasa (including PELAC), and now Las Mercedes (including PESU).</p>	<p align="center"><b>Las Mercedes and PESU</b></p>	<p align="center">Submit corporate management system by March 2007.</p>
3.	<p><b><u>Appoint qualified professionals to the position of environmental and social affairs, quality, and occupational health and safety coordinator.</u></b> These persons will oversee Las Mercedes and PESU operations and will report to Corporacion Drokasa’s environmental and social affairs, quality, and occupational health and safety manager with regards to the Integrated Management system issues.</p>	<p align="center"><b>Las Mercedes and PESU</b></p>	<p align="center">Appoint a qualified professional at Las Mercedes by June 2006 and at PESU by September 2006.</p>

4. a)	<p><b><u>Develop environmental monitoring program for Las Mercedes and PESU.</u></b> 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 must be in agreement with the technical monitoring parameters that are required for compliance with the AMR format. The monitoring program must be compatible with Corporacion Drokasa's monitoring programs.</p> <ul style="list-style-type: none"> <li>• Submit monitoring program to IFC.</li> </ul>	<b>Las Mercedes and PESU</b>	Submit Monitoring plan for Las Mercedes by June 2006 and for PESU by September 2006.
b)	<ul style="list-style-type: none"> <li>• Implement environmental monitoring plan.</li> </ul>	<b>Las Mercedes and PESU</b>	Implement environmental monitoring plan at Las Mercedes starting June 2006 and in PESU starting as soon as it begins operations. The monitoring program will be conducted on a yearly basis. Results will be presented in yearly AMRs.
5.	<p><b><u>Comply with Peruvian Environmental Regulations.</u></b> This will include the development of environmental impact assessments or similar studies as required by existing laws for both Las Mercedes and PESU.</p>	<b>Las Mercedes and PESU</b>	Present required studies to GoP and IFC by June 2007.
6. a)	<p><b><u>Design a wastewater treatment plant at PESU operations.</u></b> This system should appropriately treat sanitary liquid effluent in accordance with World Bank/IFC's regulatory limits and associated design and construction standards. The plant will be designed to treat effluents for 1,000 employees at both the asparagus and avocado packaging plants.</p>	<b>PESU</b>	Submit WWTP design by June 2006.

b)	<b><u>Install a wastewater treatment plant at PESU operations.</u></b> The treatment plant discharge will be used, to the extent possible, to irrigate green areas within the property. The remainder treated effluent will be discharged into an open canal.	<b>PESU</b>	Install WWTP by the time PESU starts operations.
c)	<b><u>Comply with World Bank/IFC's General Environmental Guidelines standards for liquid effluents.</u></b>	<b>PESU</b>	The wastewater treatment plant effluent must comply with IFC's guidelines by June 2007.
7.	<b><u>Develop a plan to prevent road accidents and traffic congestion near the entrance to PESU.</u></b>	<b>PESU</b>	Present safety plan by September 2006.
8. a)	<b><u>On a best effort basis, brokerage agreements and/or contracts with agrochemical providers to take back all product containers.</u></b> Las Mercedes, together with Agrokasa, will pursue on a best effort basis agreements and/or contracts with agrochemical providers so that all agrochemical containers are taken back by them. They, in turn, will need to provide adequate assurances of proper disposal.	<b>Las Mercedes</b>	Present take-back program by December 2006.
b)	<b><u>In case providers do not take back agrochemical containers, develop a plan to discard agrochemical containers (paper and plastic) in an environmental friendly manner, following best agriculture practices.</u></b>	<b>Las Mercedes</b>	Present alternative plan by December 2006.
9. a)	<b><u>Recycle 2000 to 3000 km of drip piping.</u></b> Las Mercedes will find a Company which will recycle all the old drip piping.	<b>Las Mercedes</b>	Present evidence of drip piping recycling by December 2006.
10. a)	<b><u>Install a water measurement system for Las Mercedes.</u></b> This system will collect data 24 hours a day of the amount of water flowing into the farm. The data should be presented on a yearly basis (in the AMR) to demonstrate compliance with allotted water volumes given by GoP.	<b>Las Mercedes</b>	Present flow report in each AMR.
b)	<b><u>Assess the data recording system accuracy.</u></b> In case the implemented measuring system is inaccurate and/or inefficient, design and install a more efficient measuring system to demonstrate compliance with GoP.	<b>Las Mercedes</b>	Present assessment by April 2007.

11. a)	<b><u>Conduct a self assessment exercise to determine compliance of Las Mercedes and PESU operations with Good Manufacturing Practices (GMPs).</u></b> Based on the self assessment, the Company will develop a corrective action plan which will set out remedial tasks needed to meet GMPs in compliance with Codex Alimentaris food safety requirements. These will include proper sanitary standard operating procedures (SSOPs), a integrated pest management system, and a Hazard Analysis and Critical Control Point (HACCP) Plan.	<b>Las Mercedes and PESU</b>	Present assessment results and corrective action plan by March 2007.
b)	<b><u>Complete all remedial tasks to achieve compliance with GMPs.</u></b> Complete GMP implementation and preparation of facility specific SSOPs.	<b>Las Mercedes and PESU</b>	Complete all remedial tasks by September 2007.
c)	<b><u>Obtain 3<sup>rd</sup> party certification for HACCP.</u></b> This certification will be conducted by a recognized consulting company.	<b>Las Mercedes and PESU</b>	Obtain certification by September 2007.
12.	<b><u>Obtain European Retailers Producers Association Good Agricultural Practice (EurepGap) Certification for Las Mercedes and PESU operations.</u></b> The Company will be certified by a recognized certification company.	<b>Las Mercedes and PESU</b>	Present Certification by September 2007.
13. a)	<b><u>Evaluate archaeological resources/cultural property within the estate of Las Mercedes as part of the environmental assessment required by the Government of Peru (GoP).</u></b> The Terms of Reference for the preparation of the environmental assessments should specify that an evaluation of cultural property will be carried out as part of the assessment.	<b>Las Mercedes</b>	Submit EIA to GoP and IFC by June 2007.
b)	<b><u>Develop chance find procedures to protect cultural property that could be discovered during construction activities in Las Mercedes.</u></b>	<b>Las Mercedes</b>	Submit procedures by June 2007.
14. a)	<b><u>Prepare a plan to improve living conditions in the community of Los Olmitos.</u></b>	<b>Las Mercedes</b>	Submit plan by June 2006.
b)	<b><u>Implement measures to improve living conditions in the community of Los Olmitos</u></b>	<b>Las Mercedes</b>	Implement measures by June 2007.
15. a)	<b><u>Develop technical specifications for third party contracted services.</u></b> Develop contractual specifications following international best practice to define requirements for World Bank/IFC environmental, social, and occupational health and safety policies and guidelines compliance. Insert these specifications into all contracts.  <ul style="list-style-type: none"> <li>• Develop contract specifications.</li> </ul>	<b>Las Mercedes and PESU</b>	Present contract specifications by September 2006.

b)	<b><u>Include technical specifications in contracts with third party services.</u></b>	<b>Las Mercedes and PESU</b>	Include technical specifications in all third party contractors by December 2006.
16. a)	<b><u>Prepare and submit proposed consolidated annual environmental monitoring report (AMR) format for IFC approval.</u></b> 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 will include all of Agrokasa's operations (La Catalina, Santa Rita, PELAC, Las Mercedes, and PESU). This report should be designed to have maximum utility for Agrokasa's management and informational brevity for IFC.	<b>Agrokasa</b>	Present AMR format by July 2006.
b)	<b><u>Submit consolidated annual environmental monitoring report (AMR) for IFC revision.</u></b>	<b>Agrokasa</b>	Present AMR on each April for each reporting calendar year, starting in 2007.