

Environmental Compliance: The environmental standards of the cement industry in the Dominican Republic are very similar to those adopted internationally and the company has agreed to comply with World Bank standards where they are more stringent. The company is committed to superior environmental and safety performance of all of its operations and has identified specific equipment whose costs are included in the project. The company has carried out an environmental study that has been submitted to Instituto Nacional de Protección Nacional from which it has obtained a construction permit. This included (1) an environmental study on potential environmental impacts of the proposed operations, (2) ABCO's environmental permits, and (3) other information which form the basis for this report. IIC has requested additional information on possible pollution control equipment and the results of theoretical modeling of emissions from the electrical generation plant.

Air emissions: The main priority in this industry is to minimize the increase in ambient particulate levels by reducing the mass load, "dust", emitted from (1) the mill, and (2) fugitive emissions from other sources such as crushers and grinders and material handlers. The Company has agreed to comply with the World Bank guidelines. In particular, for control of particulate emissions, the plant will be equipped with seven new dust collectors, to be installed at critical points in the process flow to minimize particulate matter emissions, including the clinker unloading areas, the clinker silo, the belt conveyors, the grinding mill, the cement silos, the packing plant and the cement loading bays.

Noise: In the immediate vicinity of the clinker mill and of the power generators the noise level during operation will exceed the World Bank standards. This is normal for such operations. Operators and any person in the immediate vicinity of such equipment will be provided with and required to wear protective earmuffs.

Occupational Health and Safety and emergency response: Safety is important for the Company and all safety matters will be coordinated by an Environmental and Safety Officer, reporting directly to the General manager. Cement production process does not present significant safety issues. The process is highly automated requiring few interventions by operators. In the case of accidents there are control systems to shut down the mill and material handlers. Each operation will have guidelines to be followed for the safe operation of activities performed there. The company is developing operating manuals that include emergency response procedures. All operators will be trained and updated when necessary. The facility will have fire systems and in-house fire brigades. There will also be periodic fire drills and training in the proper operation and use of emergency equipment.

Liquid effluents: Sewage will be treated by a septic tank system. Spent lubricants will be collected and removed in accordance with Dominican laws.

Labor: All employees will comply with Dominican minimum age standards and will not be prevented from the rights of association or collective bargaining. Employees are provided with competitive wages, health insurance and benefits that amply surpass the minimum requirements of Dominican laws.

Monitoring: ABCO shall be required to prepare an environmental management plan (EMP) that includes a monitoring program for all of the project facilities as a condition of first disbursement. Key components in the EMP are (1) the schedule for the implementation of all pollution control equipment, and (2) the requirement for annual reporting of environmental performance, accidents and training.