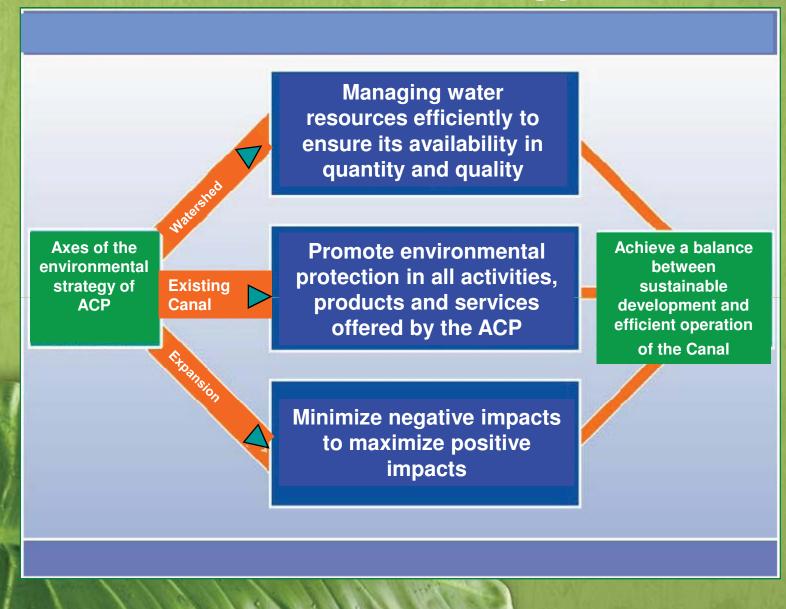






Environmental Strategy of ACP

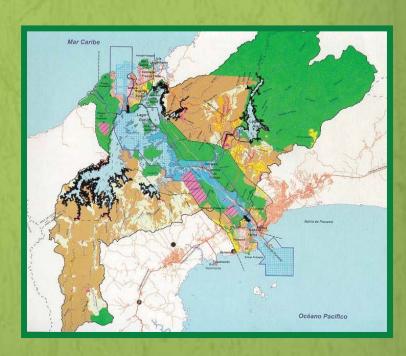


Legal Framework 1/2

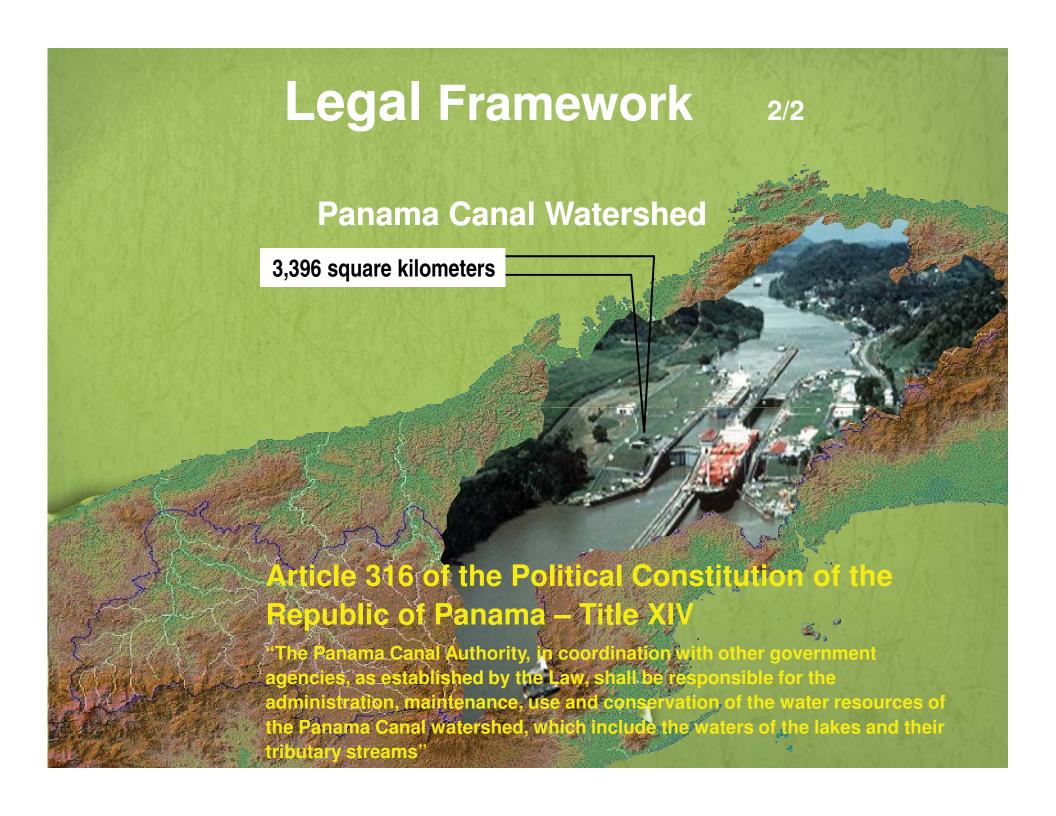
Constitution of the Republic of Panama Nov. 1994

Law 19 June 1997

ACP Rules
June 1999



By Constitutional directive, the Panama Canal Authority is responsible for the administration, maintenance, use and conservation of the water resources of the Canal watershed



To accomplish this directive, ACP:



- Establishes actions to conserve the environment in the operational and compatibility areas of the Panama Canal
- Conducts inspections and environmental follow-up to identify and analyze pollution activities
- Develops and communicates legislation and environmental regulations to avoid contamination in areas under ACP responsibility
- Establishes pollution control, prevention and reduction measurements and identifies environmental aspects and impacts in the operations of the Panama

Environmental Management System



Since June 2003 ACP (through the Environment Division) received ISO 14001 Certification, Environmental Management System







CERTIFICATE OF APPROVAL

This is to certify that the Environmental Management System of

Autoridad del Canal de Panama Division de Administracion Ambiental Balboa, Panama, Panama Balboa, Las Cruces, Panama Gamboa, Mount Hope, Colon, Panama Balboa, Corozal, Paraiso, Gatun, Panama

has been approved by Lloyd's Register Quality Assurance to the following Environmental Management System Standard

ISO 14001:1996

The Environmental Management System is applicable to:

Environmental Management Activities in Connection with the Operation and Maintenance of the Panama Canal.

Approval Certificate No: 113221 Original Approval: February
Current Certificate: February

medanco







This document is subject to the provision on the reverse.

This approad is assist set in recording with the LRQA appropriation or distillution produces and ventioned by LRQA.

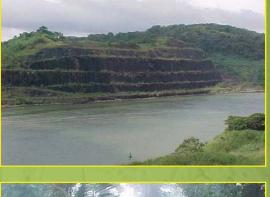
The use of the UKAS Accretitation MAP Indicates Accretitation in require of time extractes awared by the Accretitative Certificate Number (0) Base French 9



Environmental Inspections Program

Objectives:

- Operational Areas: verify the fulfillment of the environmental measures established through the Environmental Adequacy Programs, Environmental Impact Studies and environmental legislation
- Compatibility areas and watershed: verify the fulfillment of the Environmental Management Plan and Environmental Management and Adequacy Plans



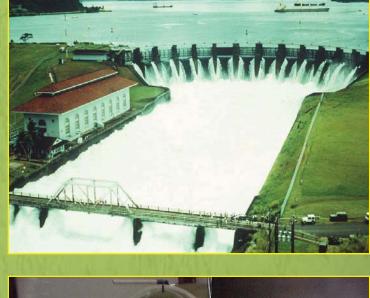




Energy Savings Program

Objectives:

- Accomplishment of energy savings measures in administrative and operational areas
- Implementation of an awareness campaign and strategy







Materials and Residues Management Program

Objectives:

- Promote the efficient use of materials
- Reduce waste generation
- Seek alternatives of resources recuperation through processes like reutilization, recycling, residues commercialization and adequate final disposition







Air Emissions Control Program

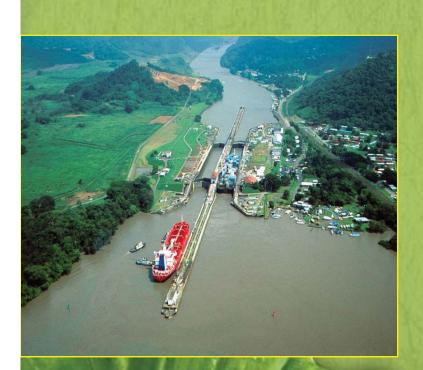
- Fixed source measuring: Miraflores Thermoelectric Plant
- Mobile source measuring: vehicles of ACP fleet







Corporative Environmental Performance Index



Objective:

Measure the organization efforts in applying good practices, regulations and environmental improvements in order to operate under the concept of clean production (CDM), maintaining an efficient Canal operation and being friendly with the environment

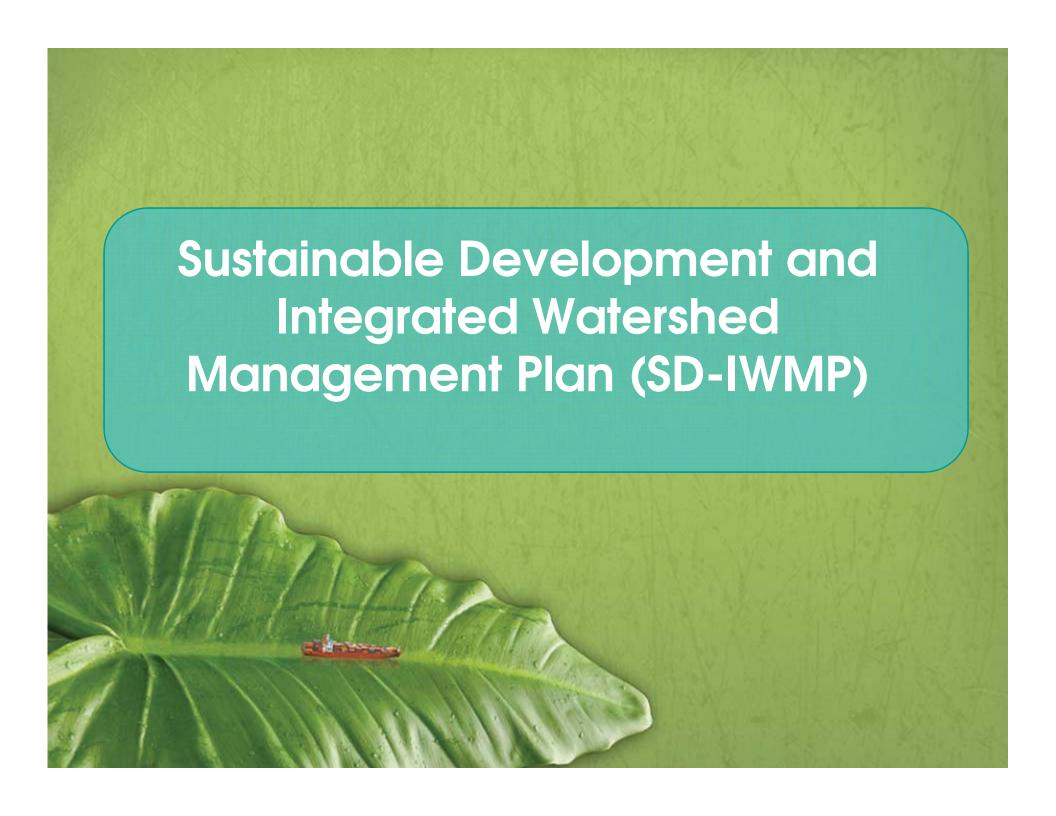
- Organization compliance with the environmental legislation (50%)
- Investment in the improvement of environmental performance (20%)
 - Investment on human resources environmental training (30%)

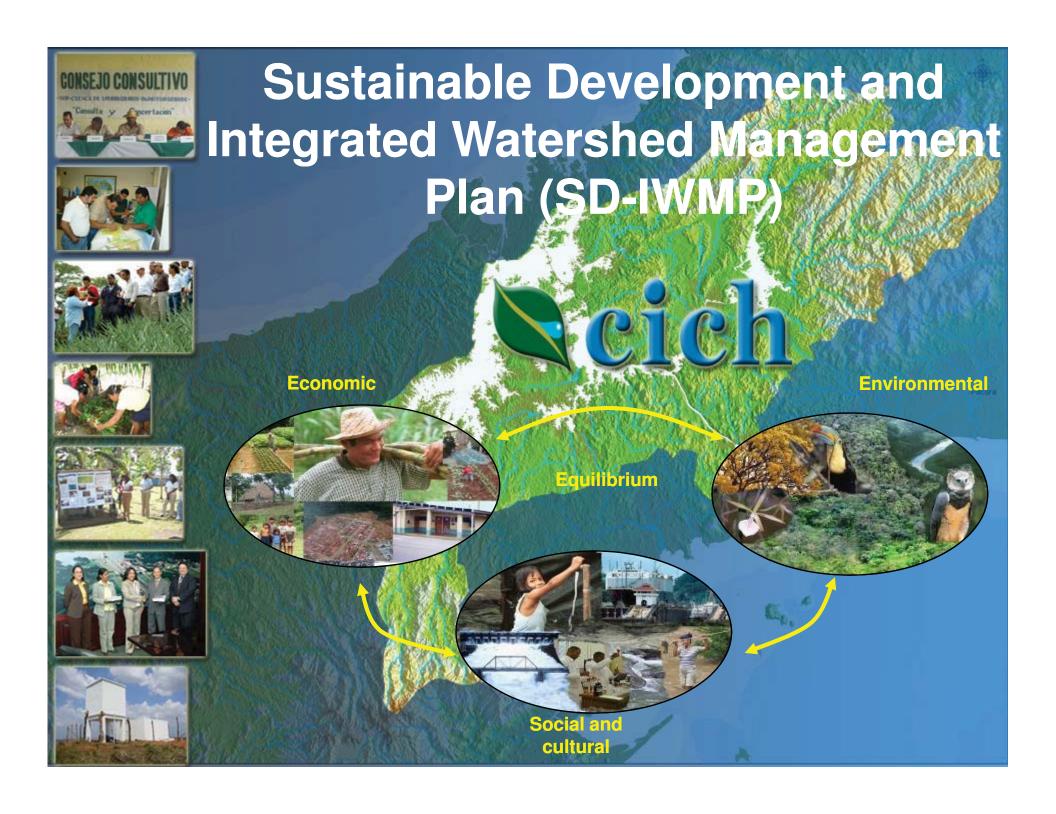
Hydrocarbons Pollution Control and Management of oily water and used oil

- Investigation, response and mitigation of hydrocarbons spills
- Proactive prevention through labor training (annual exercises of hydrocarbons spills)
- Collection of used oil in floating equipment and ACP shops
 - Oily water treatment









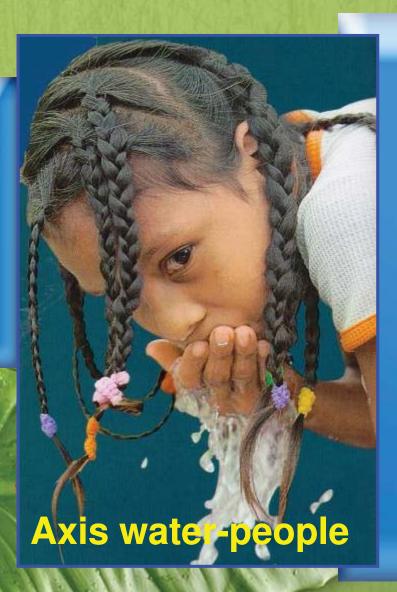




Socio-environmental Management in the Panama Canal Watershed

Water

- Quantity
- Quality
- Forest coverage
- Land uses



People

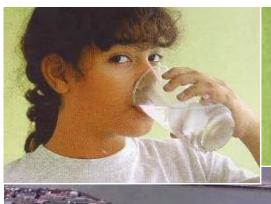
·Uses:

Consumption
Recreation
Economic activities

•Pressure:

Discharges
Solid waste
Deforestation
Inappropriate land use

Effects on population:
 Resources shortages
 Diseases
 Soil loss
 Competition for use



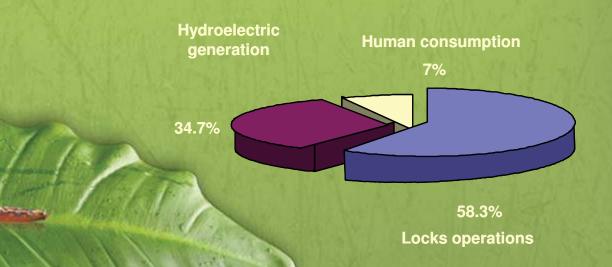






Water uses

- Potable water
- Navigation
- Energy generation
- Other activities



Community relationships:

Creation and strengthening of local committees and Environmental **Conservation Work Training Program**



Gatún – Gatuncillo Agua Sucia y Limón Chagres - Alahuela

Chilibre - Chilibrillo

Los Hules Tinajones Caño Quebrado

Pescado - Baila Mono - Cañito y Paja











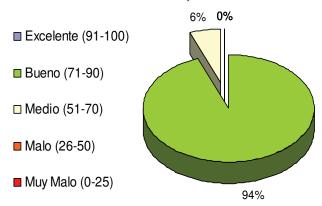
Cirí y Trinidad



46 stations

for the population, human activities and operations of the Canal

Índice de Calidad de Agua en la Subcuenca de Gatuncillo, 2008

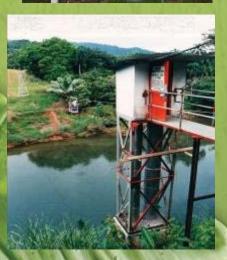


Monitoring Water Quality and Quantity

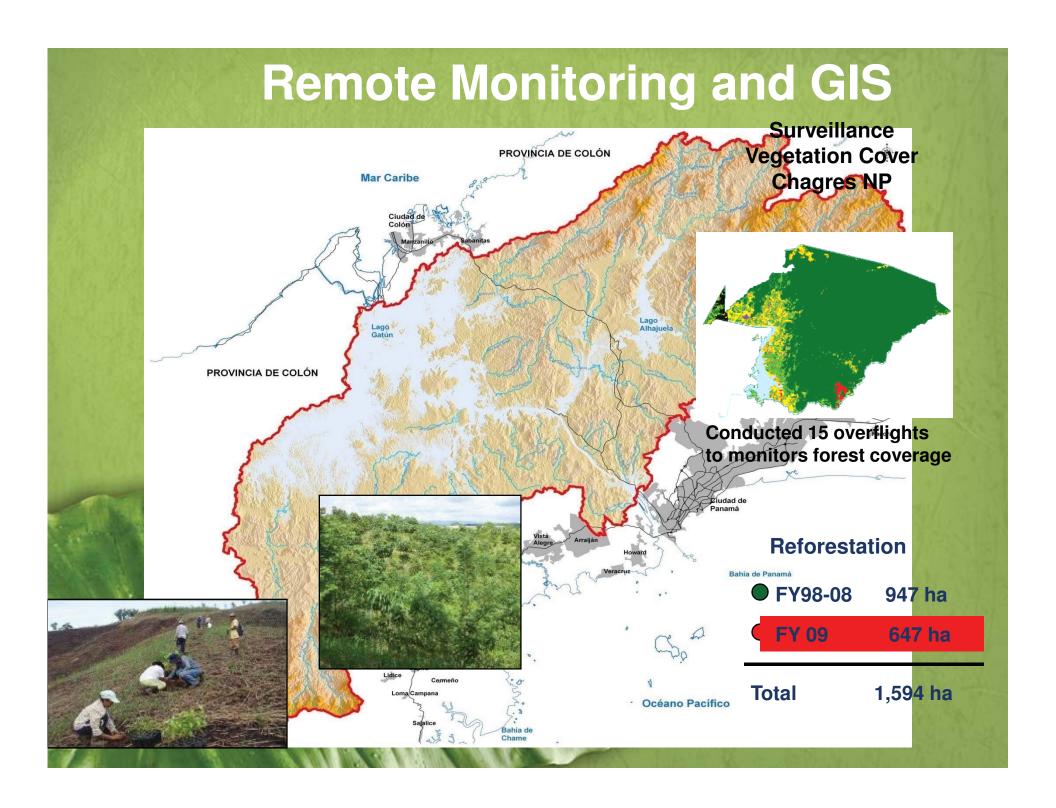


Analysis conducted:

Conductivity, biochemical oxygen demand **Temperature, Nitrates Dissolved oxygen Nitrites** Total coliforms and fecal, pH **Turbidity, Alkalinity Chlorides, Sulfates** Total dissolved solids, Calcium Magnesium, total suspended solids Potassium, Sediments **Sodium Phosphates**







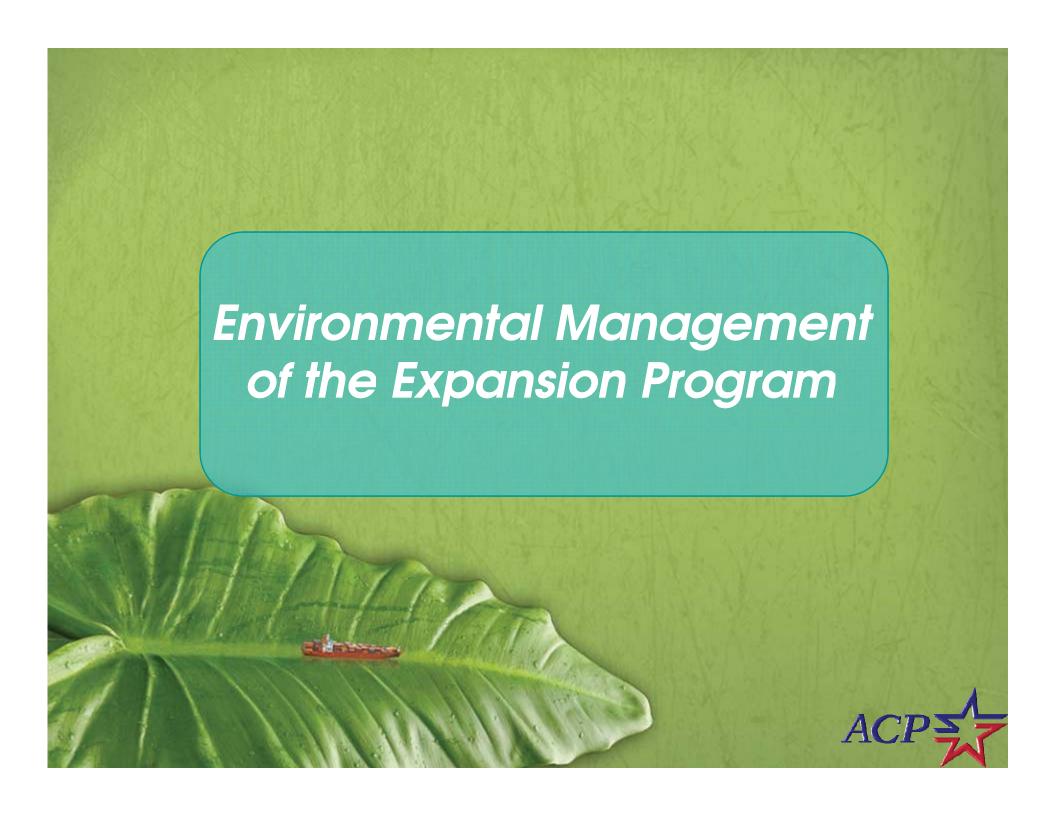
Environmental Education

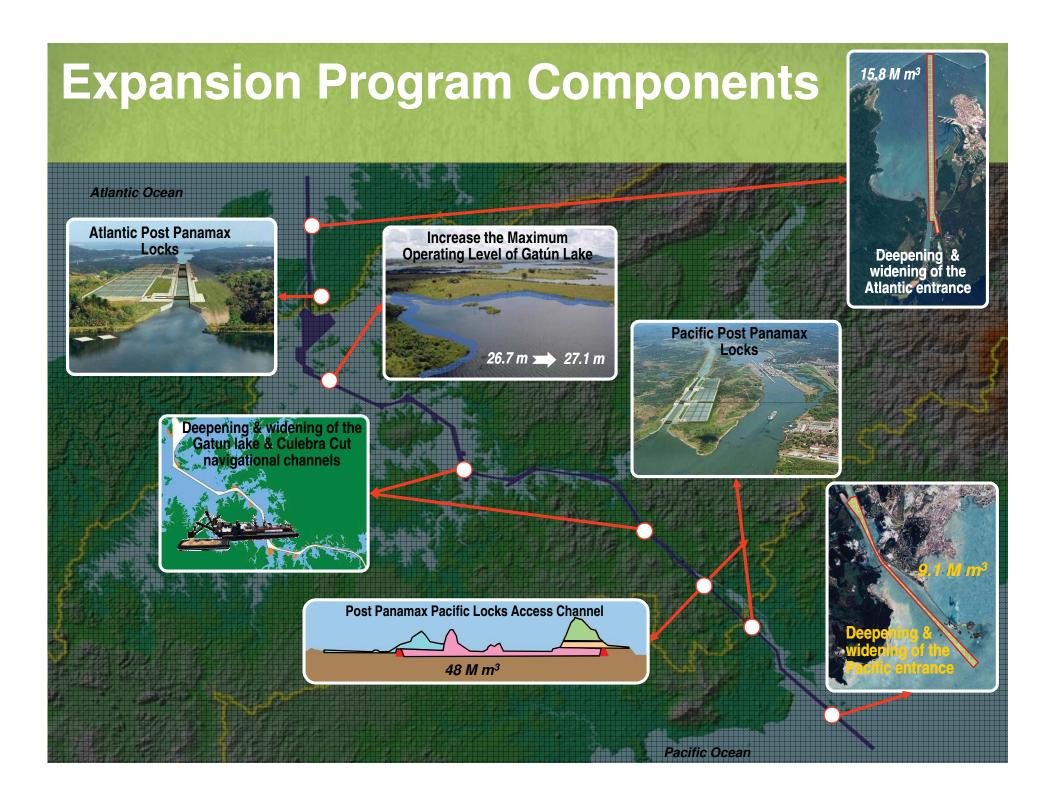






- Environmental Education Program in Public Schools in the Panama Canal Watershed
- Watershed Guardians to sensitize teachers and students of the watershed for the conservation of water resources
- Our Canal and its watershed Promotes a culture of entrepreneurship and responsible use of natural resources
 - The 3R Campaign: Reduce, Reuse and Recycle, to encourage savings, optimal use, reuse and proper disposal of materials





Environmental Assessment Process

ENVIRONMENTAL STANDARDS

Environmental conditions:

- Environmental Impact Studies and Enforcing Resolutions
- Panamanian Laws and Regulations
- ACP Standards
- Multilateral Development Banks Requirements

Environmental and Health & Safety Aspects Addressed:

- Noise and Vibrations
- Air Quality
- Water Management
- Awareness Training
- o Solid and Hazardous Waste Management
- Erosion and Sedimentation Control
- Wildlife Rescue
- Occupational Health and Industrial Hygiene
- Cultural Resources Protection
- Public Participation





Wildlife Rescue and Ecological Compensation

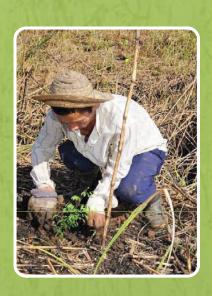
Wildlife Rescue

- o mammals
- o reptiles
- o amphibians

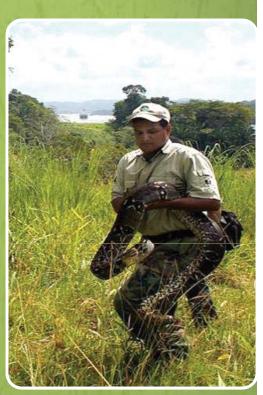
Reforestation Program 2008-2010: 665 Hectares

Ecological Compensation: a total of 2,988,147.00 US \$ has been paid in concept of ecological compensation









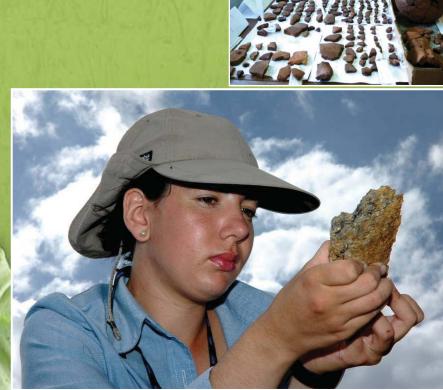


Cultural Resources

Contract with Smithsonian Tropical Research Institute for:

- Paleontological research and rescue
- $_{\circ}$ Reconstruction of plant and animal diversity
- Oceanic and climatic model addressing variations due to the rise of the Isthmus
- Detailed Geological Map
- Stratigraphy and structural model of the Canal and tectonic evolution of the Isthmus
- Geological dating of units of interest







Progress Reports on the Expansion Program











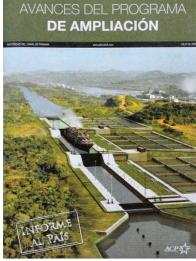


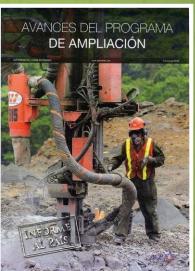


TUCANAL,
Vos de Programación por TO AL DÍA

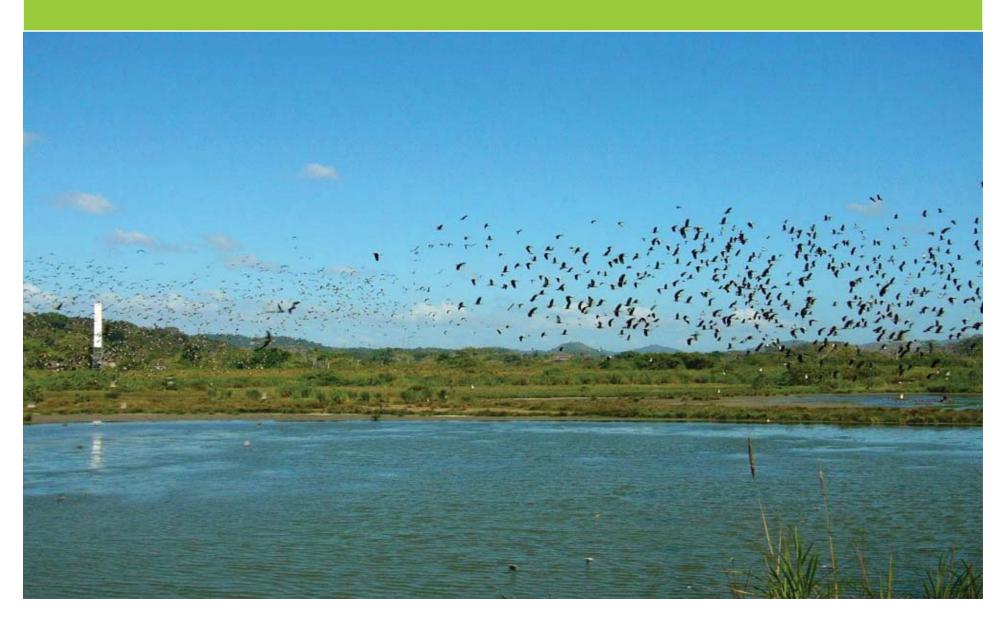


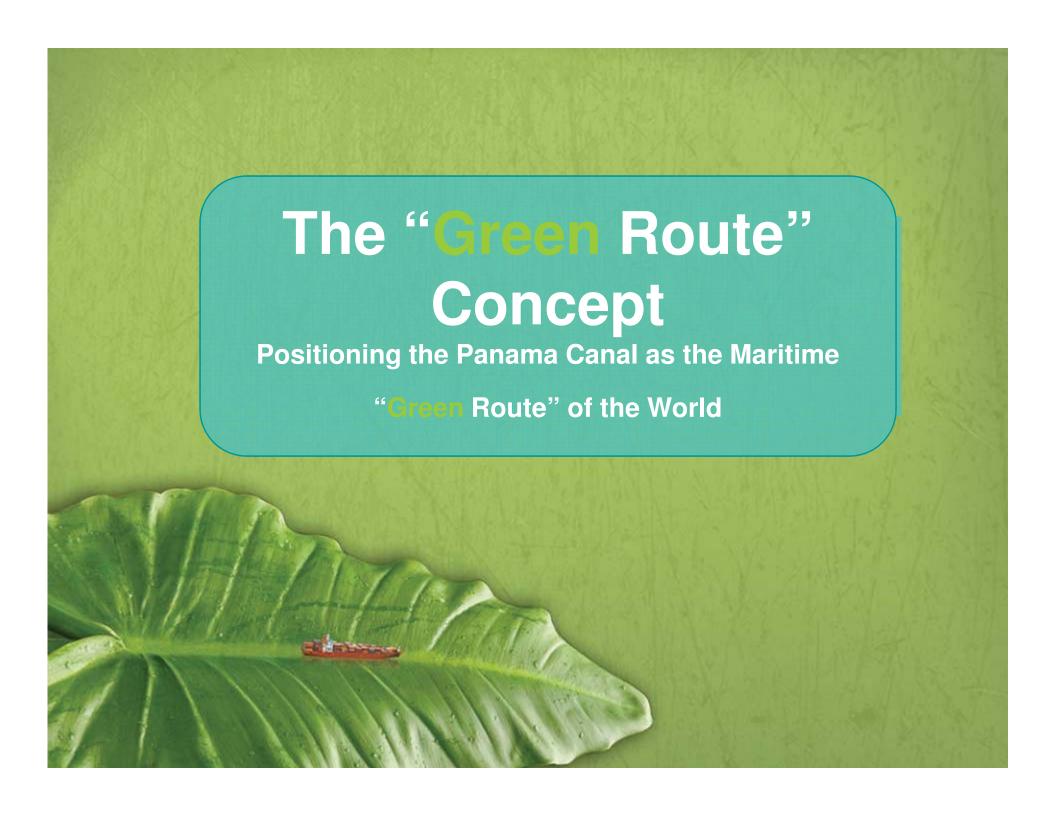






Works are carefully planned, evaluated and executed to **prevent**, **minimize**, and **mitigate** adverse impacts and improve environmental performance







The socio environmental commitment of ACP in the Panama Canal watershed

The reductions of CO₂ emissions in the planet, as a result of the Panama Canal route

Establish ACP as a carbon neutral organization







The socio environmental commitment

Objective:

Protect and conserve the water resources of the Panama Canal Watershed, both in quantity and quality, for the operation of the Panama Canal and to provide potable water to the population

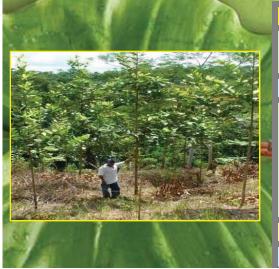




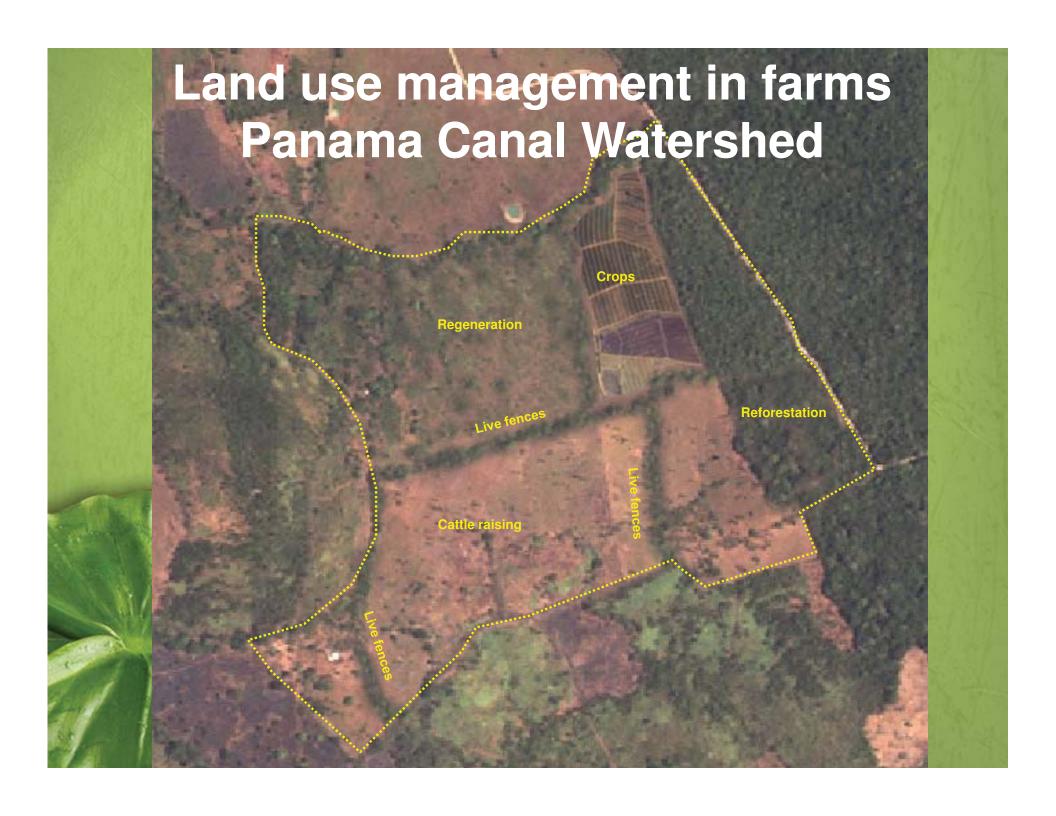


Components:

- The protection of the existing forest cover and the promotion of sustainable land use
- The reconversion of degraded areas
- The inclusion of activities of commercial reforestation



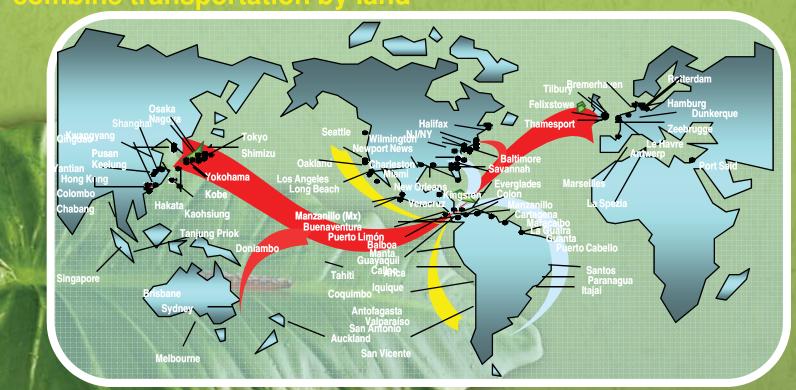
Component	Scheme	Sub-scheme	Activity	Area (hectares)
Protection	Forest conservation		Conservation	11,000
	Regeneration		Conservation	2,000
Sub total				13,000
Reforestation and agroforestry	Agroforestry plantations	Agroforestry	Conservation	1,290
		Silvopastoral	Conservation	1,232
	Forest plantations		Commercial	1,500
		Continuous areas	Conservation	2,485
		Enrichment	Conservation	493
Sub total				7,000
Total				20,000



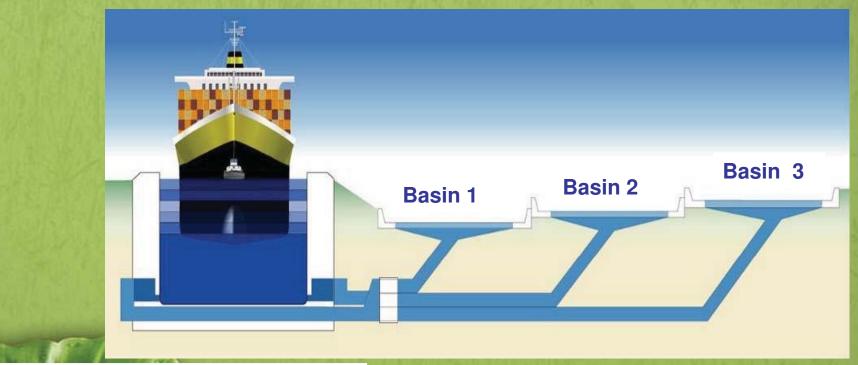
Mitigation of global CO₂ emissions by the Panama Canal route

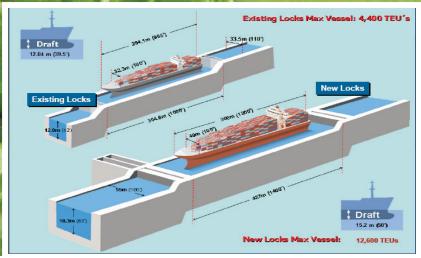
The Panama route enhances environmental contribution by reducing GHG emissions on the planet:

- More efficient transport, reducing fuel consumption per cargo unit
- All-water route causes fewer emissions than other routes that combine transportation by land



Adaptation to the Climate Change



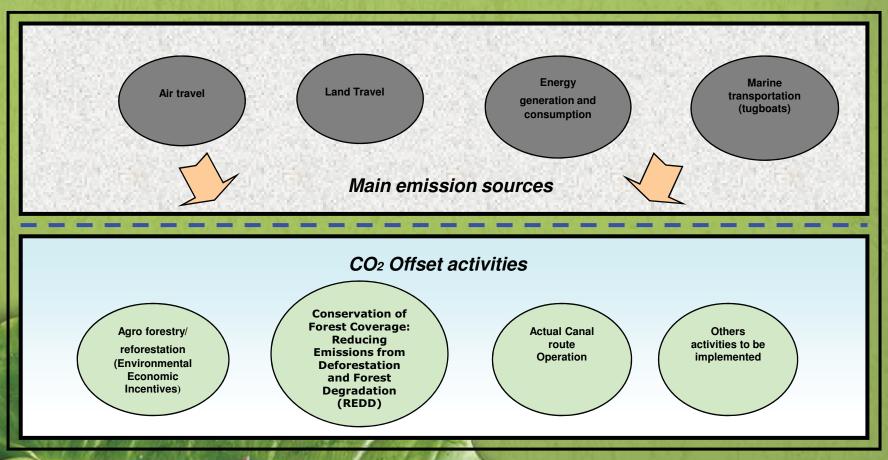


The Panama Canal Expansion project is an adaptation model for the climate change

With the new water saving basin system, the new locks will utilize 7% less water than the existing locks

60% of the water is reutilized in each transit It will not require new reservoirs for the operation of the new locks

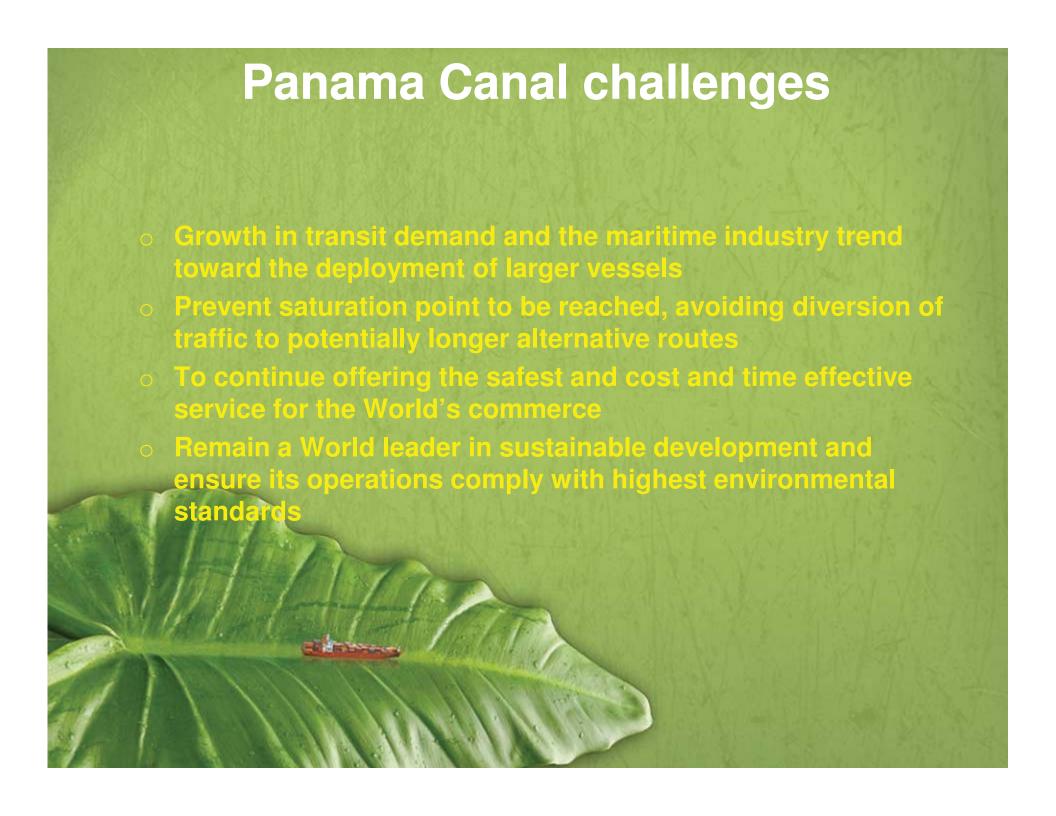
Establish ACP as a carbon neutral organization



The ACP seeks to become a carbon neutral organization to fulfill its vision of being global leader in services for the maritime industry and sustainable development for the conservation of the Panama Canal Watershed



- A leader in the World Merchant Fleet: World's largest shipping registry
- One of ten Council IMO Members with the largest interest in providing international shipping services
- Maritime services to 6% of World Commerce
- Panama Canal offers high standards of efficiency, safety and reliability
 - Panama is a Hub for global shipping and trade





- The ACP has developed an innovative strategy to face the environmental challenges associated with the Panama Canal Expansion, the promotion of sustainable development activities in the Panama Canal Watershed and the reduction of emissions in the worldwide shipping industry
- The Panama Canal Expansion Project will provide benefits to the international shipping industry, in terms of time and cost, as well as the CO₂ emissions reductions in the planet
- The all water route of the Panama Canal, with the sustainable management of its watershed, has been established as the Green Route of the world maritime commerce

