



# DOE RUN PERU

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May 2, 2007

Mr. Richard Fuller  
The Blacksmith Institute  
2014 5<sup>th</sup> Avenue  
New York, N.Y. 10035  
U.S.A.

Dear Mr. Fuller,

As a result of your organization's decision to include La Oroya, Peru, on your list of the world's most polluted cities, we have responded to numerous requests to detail what Doe Run Peru is doing to improve conditions in that community. Given the high level of interest and the positive feedback received from people with whom we have shared these results, we thought this a good opportunity to communicate that progress more broadly.

Doe Run Peru will always and continues to be committed to the safety and welfare of our employees, their families, and the local community. The report failed to mention the significant progress made in the nine years since Doe Run arrived at La Oroya and began to address the effects of the previous 75 years of unchecked pollution. The report also fails to acknowledge the responsibilities for historical contamination that lie with the previous owners and the Peruvian State. This is a highly important factor given the fact that the metallurgical facility at La Oroya has been in operation since 1922 and Doe Run only acquired the complex in 1997.

Since 1997, more than \$116 million have been invested to address environmental issues with real, measurable results:

- Emissions of particulate matter and heavy metals – including lead – from our main stack are now in compliance with Peruvian standards. Particulate matter dropped from 175 milligrams per normal cubic meter ( $\text{mg}/\text{Nm}^3$ ) in 1994 to 147  $\text{mg}/\text{Nm}^3$  in 1997 to 72  $\text{mg}/\text{Nm}^3$  in 2007 (through February). The maximum permissible limit is 100  $\text{mg}/\text{Nm}^3$ . Lead dropped from 43  $\text{mg}/\text{Nm}^3$  in 1994 to 38  $\text{mg}/\text{Nm}^3$  in 1997 to 23  $\text{mg}/\text{Nm}^3$  in 2007 (through February). The maximum permissible limit is 25  $\text{mg}/\text{Nm}^3$ . Arsenic dropped from 30  $\text{mg}/\text{Nm}^3$  in 1994 to 28  $\text{mg}/\text{Nm}^3$  in



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1997 to 12 mg/Nm<sup>3</sup> in 2007 (through February). The maximum permissible limit is 25 mg/Nm<sup>3</sup>.

- Sulfur dioxide emissions have been reduced approximately 22.5 percent since 1997. Last December the Company completed a series of improvements on a sulfuric acid treatment plant for the zinc circuit, which contributed to this progress. The Company is on track to complete two additional acid plants for the lead and copper circuits in September of 2007 and October of 2009, respectively.
- The Company is also investing approximately \$1 million per year in a joint program with the Peruvian Ministry of Health and the Regional Government of Junin that is designed to lower blood lead levels in the people of La Oroya, particularly children. The program, developed voluntarily by Doe Run Peru in 2003, was recently renewed for three more years and constitutes the first serious attempt at addressing blood lead levels in children at La Oroya since the metallurgical facility of La Oroya started operations in 1922.
- The Company has reduced effluent discharges to the Mantaro River from 42.7 m<sup>3</sup>/min in 1997 to 6.5 m<sup>3</sup>/min last March, and has invested approximately US\$ 38 million in a state of the art industrial wastewater treatment plant. This investment represents, approximately, ten times more than the original commitment agreed with the Peruvian Government for this project.
- These and other efforts have been acknowledged and supported by more than 15,000 residents of La Oroya; national and international officials and observers; and individuals who have witnessed La Oroya's evolution. .

Last year, Doe Run Peru received a three-year extension on its PAMA (the environmental operating agreement with the Peruvian government) for one of nine projects in La Oroya. The other eight projects were finished on time. The one remaining project, which involves the construction of three sulfuric acid plants designed to reduce sulfur dioxide emissions, is under way. The Company also increased its environmental investments commitment from US\$ 107.5 million agreed to at the time of our arrival at La Oroya in 1997 to \$254 million, more than twice the original commitment.



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Doe Run Peru is also working with government officials, national and international organizations, and universities to build a strong economic and social foundation for La Oroya. The Company has made significant contributions to community programs, including:

- vocational training for women;
- the refurbishment of local schools;
- the reforestation of public spaces; and
- the establishment of public parks, bathrooms, and laundry facilities.

Currently, Doe Run is working with the Universidad Nacional del Centro del Perú to support sustainable economic development programs in 13 communities in Yauli-La Oroya, and with the Graduate School of Business of the Universidad del Pacifico and the Global Consulting Practicum at the Wharton School of Business of the University of Pennsylvania to improve the productivity of local silver artisans and help them access the U.S. market.

Doe Run Peru remains committed to meeting our environmental obligations and minimizing the impact of our operations; however, we recognize it requires the efforts of others to resolve all of the issues in the community. We at Doe Run intend to continue building a business that supports a vibrant community and are proud to collaborate with partners that share a vision for a viable and vibrant future at La Oroya.

The Blacksmith Institute report does not consider the efforts and positive progress achieved since the arrival of Doe Run at La Oroya, how our record compares to that of the previous owners of the facility between 1922 and 1997, and the willingness of the people of La Oroya to anticipate a brighter future already on the horizon. The people of La Oroya deserve better.

Sincerely,

Juan Carlos Huyhua  
President & General Manager  
DOE RUN PERU S.R.L.