

**Montelimar (#32253)
Environmental & Social Action Plan (ESAP)**

#	Action	Deadline
	PS1 Assessment and Management of Environmental and Social Risks and Impacts	
1	<p><u>Enhance and implement the Company's Environmental, Occupational Health and Safety and Social (EHS) Management System consistent with IFC Performance Standard 1, during construction and operational phases:</u></p> <p>a) Provide to IFC specific EHS operating policy requirements and procedures manuals for compliance with social, OHS and environmental issues during construction and operational phase.</p> <p>b) Communicate the policies to all levels of its organization and employees and contractors will be provided copies of these policies at the time of hiring and orientation.</p> <p>c) Provide to IFC full evidence that the EHS management system is operational.</p>	<p>a) March 15, 2013 b) March 31, 2014 c) December 31, 2014</p>
2	<p><u>Establish Stand-alone Environmental Management Unit:</u></p> <p>a) Provide IFC a copy of the internal memorandum appointing a corporate social and environmental person with managerial responsibilities exclusively for environmental, OHS and social issues. The Company has agreed that this person will report directly to Montelimar's senior administrative manager (Gerente de Administracion).</p> <p>b) Provide IFC a copy of internal memorandum appointing a Community Liaison Officer reporting to the above Manager, who will be responsible for implementation of the Stakeholder Engagement Plan (ESP) and PS5 requirements.</p> <p>c) Submit evidence to IFC that an adequate plan and appropriate staffing, budgeting, management endorsement, vision and mission statements and associated documentation are in place to institutionalize the functions of the Environmental Management Unit.</p> <p>d) In the future, if completing any consulting work related to IFC and the Performance Standards, send the draft ToRs to IFC for input and send the CVs of potential consultants identified to perform all such social and environmental studies, for approval by IFC..</p>	<p>a) COD b) COD c) January 31, 2013 d) Throughout the life of the IFC investment</p>
3	<p><u>Training in Environmental, OHS and social issues</u> Provide IFC with a copy of the EHS management system procedure and evidence of the implementation of the training in EHS issues.</p>	<p>March 15, 2013 and Report annually in the Annual Monitoring Report (AMR)</p>

4	<p>Senior Management Reporting and Monitoring. Provide IFC a copy of the EHS management system procedure for monitoring and reporting environmental and social issues to senior management. As part of this, the Company will review and expand its existing Key Performance Indicators (KPIs) to mainstream Environmental, Health and Safety parameters, including a) Safety – Lost Time Incidence Frequency Rate (LTIFR - Number of injuries per million of hours worked); Accident Free Days (Number of Days since last Lost Time Incident); b) Sustainability – Carbon (kg/ton - CO2 emitted / tons produced); Water Usage (M3/ton) and Efficiency - Consumed versus tons produced; Energy Usage (kWh/ton) - Energy consumed/tons produced; Wastewater monitoring effluents and air emissions parameters; c) Staff - Retention - Number of full time equivalents leaving in the period /Avg. full time equivalents - and Training days - Number of training days provided to new and existing employees.</p>	March 31, 2013
5	<p>Prepare Environmental and Social Impact Assessment (ESIA) for Proposed Expansion. Present to IFC an ESIA consistent with the requirements of Performance Standard 1 and Nicaragua regulatory authorities. The environmental and social impact assessment study (ESIA) will follow the guidelines in accordance with IFC PS1 requirements as described in paragraph 7 through 12, and Guidance Notes 23 through 26. The social issues described under PS5 will be part of the ESIA.</p>	Condition of Public Disclosure
6	<p>Prepare and Implement EHS Management System Procedures Addressing Stakeholder Mapping and Community Engagement, including a Community Grievance Mechanism Complying with PS1: Develop and implement a Stakeholder and Community Engagement Plan (SEP) and management system procedure. Provide a copy for IFC of the community engagement procedure, including a grievance mechanism for the communities in the vicinity of agriculture, processing and transport facilities and operations. Ensure that the mechanism is clearly communicated by posting on the Company website and included in relevant written public communications at the facilities. The procedure shall also promote engagement with potentially affected villages and homesteads on issues that could affect them and to ensure that Montelimar's feedback response information is disclosed and distributed among local residents and stakeholders. As part of the community grievance mechanism, Montelimar will provide a means for communities to raise issues about the Company's security arrangements or personnel as outlined in PS4.</p>	Submit a draft of the SEP to IFC prior to Board and a final version as a COD, and report annually in the AMR

PS-2 Labor and Working Conditions		
7	<u>Revise Human Resources (HR) Policy:</u> Provide IFC a copy of the approved and signed management system procedures implementing NAVINIC's human resources policy that ensures full compliance with national labor law, and IFC Performance Standard 2 requirements directly, and through contractors, and/or the supply chain.	March 31, 2013
8	<p><u>Occupational Health & Safety Plan and Life and Fire Safety: Provide Occupational Health & Safety Plan and Physical Provisions for Fire Detection, Compartmentation, Extinguishing and Employee Egress:</u></p> <p>a) Provide IFC with signed contract for professional services to perform the OHS gap analysis and system design during the forthcoming zafra in the mills and in operations related to manual cane harvest. Provide IFC with signed contract for professional services to evaluate and provide remedial engineering for facility provisions for Fire Detection, Compartmentation, Extinguishing, and Employee Egress.</p> <p>b) Present to IFC both OHS and Fire Safety gap analyses and required remedial measures reports;.</p> <p>c) Begin implementation of corrective measures defined during the OHS/L&F Safety gap analysis, including required OHS training activities.</p> <p>d) Submit final report with documentary evidence upon completion of agreed date in schedule of implementation, and provide IFC with a certification from the Montelimar task manager that all observed deficiencies have been corrected.</p> <p>e) Demonstrate to IFC that area coordinators are adequately qualified and trained, and that employee and contracted workers are aware of the positions, roles and responsibilities for all emergency response events;.</p> <p>f) Inform annually to IFC of OHS statistics using the original OHS audit as a baseline.</p>	<p>a) COD</p> <p>b) June 30, 2013</p> <p>c) July 15, 2013</p> <p>d) November 30, 2013</p> <p>e) November 30, 2013</p> <p>f) Report annually in the AMR</p>
9	<u>CRI Monitoring and management:</u> Formalize existing procedural activities and incorporate into a procedure for the ISO 9001 Management System that addresses required planning, design, operational improvements and sustaining investments for its current activities in CRI monitoring and management.	May 31, 2013
10	<u>Prepare Management System Procedure Addressing Employee and contracted worker Grievance Management:</u> Montelimar will provide to IFC a copy of the formal grievance redress mechanism for	February 28, 2013

	employees and contracted workers, and the dissemination process.	
11	<u>Formalize Management System Procedure for Contractors:</u> The management system procedure will be formalized as part of the EHS management system that will ensure and monitor that contractor and sugar cane suppliers are in compliance with a) workers legal benefits; b) wages paid on time, c) safety regulations, and d) ILO Conventions 138 on Minimum Age, and 182 on Worst Forms of Child Labour.	June 30, 2013
12	<u>Evaluate Available Ambient Lighting in Montelimar Mill:</u> Present workplace ambient lighting studies in Montelimar mill to ensure that adequate ambient lighting in daylight and evening hours is adequate for the work tasks performed. Prepare mitigation measures to achieve appropriate day time and night time illumination. Required lighting levels should comply with National Institute of Occupational Safety and Health (NIOSH) recommendations.	June 30, 2013
13	<u>Workers accommodations:</u> new and existing workers accommodations will be in compliance with PS2 requirements and IFC Guidance on Worker Accommodation. Accommodations in the camp will include dormitories, bathing facilities, kitchen and dining areas, transport to work sites, and provision of electrolyte/hydrating solutions for field workers potentially at risk of chronic renal insufficiency (CRI).	June 30, 2013
14	<u>Seasonal Manual Work Force:</u> If, in the future, the client has to decrease their direct or indirect employees significantly, they will inform IFC of their plans. If necessary, they will assess the impacts and propose mitigation measures that will address these issues, and complete a retrenchment plan as needed.	Throughout the life of the IFC investment
	PS-3 Resource Efficiency and Pollution Prevention	
15	<u>Conduct Boiler Stack Emissions Monitoring and collect stack emissions samples:</u> Provide a data report to IFC including the observed values, associated boilers and an assessment of the degree of compliance with WBG General EHS guidelines air emissions limits.	May 15, 2013
16	<u>Develop Action Plan to Reduce Stack Emissions to a Level Protective of Public Health:</u> If stack emissions parameters are beyond the allowable limits captured in WBG EHS Guidelines, present a proposed approach and implementation schedule to reduce the emissions and/or demonstrate that actual emissions are not detrimental to public health in the downwind area using wind rose and other meteorological measurements for modeling exercises.	June 30, 2013
17	<u>Construct Sanitary Landfill:</u>	a) July 15, 2013

	<p>a) Contract engineering design of landfill for collected municipal waste from operations. Design shall incorporate modern elements including gas venting, leachate collection and treatment, PVC geo-membrane liners to protect contamination of ground water, and surface facilities to prevent storm water run on and infiltration into the accumulated waste.</p> <p>b) Submit completed design to IFC and operations manual along with designer's certification that the design and location fully comply with Nicaraguan regulatory requirements and meet WBG's General EHS Guidelines.</p> <p>c) Construct landfill and provide a certification to IFC from the designer at the end of construction that the landfill was constructed in accordance with the approved design.</p>	<p>b) November 30, 2013</p> <p>c) November 30, 2014</p>
18	<p><u>Identify and Eliminate the use of WHO Class 1a and 1b and Class 2 chemical formulations in all operations.</u></p> <p>a) Identify and eliminate the use of WHO Class 1a and 1b and Class 2 chemical formulations. Provide adequate PPE based upon MSDS and/or ICSCs for the materials used. Modify pest management service contracts to ensure adequate PPE based upon MSDS and/or ICSCs, and training of employees.</p> <p>b) Provide documentary evidence of the training of employees handling pesticides specifically in the use of adequate Personal Protection Equipment (PPE), and fully integrate pest management procedures into the SEMS procedures manual. Continue monitoring the cholinesterase levels in workers applying pesticides with cholinesterase inhibiting characteristics, and report annually in the AMR.</p>	<p>a) December 31, 2013</p> <p>b) Report on integrated pest management program updates in the Annual Monitoring Report (AMR)</p>
19	<p><u>Redesign and construct new materials warehouse:</u> Design and construct a new materials storage warehouse to ensure appropriate ambient lighting, ventilation and safe storage of industrial materials, fertilizers and pesticides. All storage areas shall be clearly marked that access is limited to authorized personnel; external signage shall describe associated hazards and the storage facility will be equipped with appropriate safety and health equipment, fire control equipment, smoke detection and audible/visual alarms.</p>	<p>December 31, 2014</p>
PS4 Community Health, Safety, and Security		
20	<p><u>Provide a copy of the Code of Conduct/Security Plan for security personnel:</u> Develop a Code of Conduct and Security Plan incorporated into a management system procedure for security personnel and provide a copy to IFC for approval. Procedural directions will include how</p>	<p>July 31, 2013</p>

	security forces will be managed in accordance with IFC PS4 requirements as described in paragraph 12 and 13, and will include provisions that all security personnel must have a background check on file that shows they have no record of human rights abuse, and provisions on how to respond to threats guided by the principle of proportionality. It will include the Community Grievance Mechanism referred to in PS1.	
	PS5 Land Acquisition and Involuntary Resettlement	
21	<p><u>Ex-Post Review and Document Physical Displacements Related to Land Acquisitions:</u></p> <p>a) Complete a land acquisition policy and framework documented in a management system procedure for addressing future land acquisition as well as the affected people currently located on their lands and include in ESMS as outlined in PS1.</p> <p>b) Complete a Census (to establish a cut-off date) to fully document the individuals and their status, which are located on existing lands owned by the Company. Complete such a Census on all future land purchased by Montelimar as outlined in the above policy and framework.</p> <p>c) Complete a time bound Titling and Community Development Plan designating adequate resources to assess the impacts and carry out mitigation measures needed to complete the titling process for affected households, among other potential measures, to help improve livelihoods. This will include socio-economic surveys of a random sample of the 300 plus households that are located on Montelimar lands. In addition, the plan will address the communities located near the river that had been asked to move by the previous owners, and discuss the options that might be considered. The Plan will include an assessment of basic infrastructure such as access to potable water and sanitation, electricity and access roads and the results of discussions with the community of their needs and set priorities to improve the overall communities. In addition, the Company will provide support to people titling their land, for example, by filling out forms for those that are illiterate, and helping them navigate the expensive and complicated process to obtain the legal documents. The socio economic survey will identify the most vulnerable groups in the company's communities and the plan will consider what activities could be carried out with communities</p>	<p>a) Draft of the LA Policy and Framework to IFC prior to Board, final version as a COD</p> <p>b) COD</p> <p>c) October 30, 2013</p>

	<p>to improve their livelihoods, beyond the titling process.</p> <p>d) The Company will confirm through the legal process, there are no legacy land claims in the legal system that are active related to Montelimar or Montelimar assets.</p> <p>e) Monitor with the help of IFC and WB offices in Nicaragua, the progress of the titling process of the eligible households and groups in and around NAVINIC.</p>	<p>d) COD</p> <p>e) Throughout the loan period until complete and report annually in the AMR.</p>
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