

## Corrective Action Plan Xinao Chemicals

The BORROWER commits to the actions as specified below, within the specified deadlines, and declares that the resources specified below have been allocated.

<u>Issue</u>	<u>Proposed Actions</u> (Mitigation, Management, Monitoring, and Institute Methods)	<u>Target Completion Date</u>
EHS Management	Set up an EHS department, reporting to the general manager, and an EHS management system.	Prior to starting operation
Wastewater Treatment	Send the wastewater from the construction site to the municipal wastewater treatment plant (MWWTP).	Once the MWWTP is operational
Air Emissions and Ambient Air Quality	Develop and implement an effective dust control plan for the landfill to minimize impacts to the surrounding environment.	Prior to starting operation
	<ul style="list-style-type: none"> <li>• Track and report CO<sub>2</sub> generation during operations.</li> <li>• Conduct documented research into reducing the amount of CO<sub>2</sub> emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions will be measured and reported annually to IFC during operations.</li> <li>• The research into ways to reduce emissions will be done during the detailed design phase.</li> </ul>
Work Place and Ambient Noise Levels	Take additional applicable methods to further reduce the workplace noise levels to 85 dB(A).	During the detailed design
	Provide appropriate hearing protection equipment to the operators .	Prior to starting operations
Solid and Hazardous Waste Management	Include a leachate treatment system for the coal ash/slag landfill.	During the detailed design
	Identify and enter into a service contract with a licensed qualified hazardous waste handling company.	Prior to starting operation
Operational Hazards and Hazardous Materials	Conduct a hazard & operability (HAZOP) study and implement mitigation measures.	During the detailed design and to be completed prior to starting operation.
	Conduct regular compliance audits for operational hazards and safety.	During operation
Occupational Health/Safety	Conduct an industrial hygiene assessment to find out the potential occupational diseases and implement identified mitigation measures.	Prior to starting operation

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	Provide adequate personal protection equipment (PPE) for contractors and employees.	During construction and operation.
Fire Prevention and Emergency Response (ER)	Include an automatic monitoring/alarm system for hazardous materials and operations.	During the detailed design
	Consult with and involve the local fire brigade and nearby communities in emergency response planning and drills .	During the detailed design and completed prior to commencing operation.
Coal Mines and Related Safety	Acquire coal from mines with a minimum annual output of one million tons and with annual safety certificates from the Coal Mining Safety Bureau.	During operation
	If the coal is transported to the site by road, Xinao will only contract the transportation to large trucking companies with satisfactory maintenance and safety records.	During operation
Land Acquisition	Provide evidence of compensation disbursement (for residential houses or land) made in full to the 4 households who were or will be affected by the development of the initial stage of the project.	Required prior to IFC presenting this project to the Board for approval.
	Provide information on people affected by the ancillary works (water discharge pipeline, water supply pipeline) and provide evidence of compensation disbursement (for residential houses or land) made in full to these people.	
	Provide information on the mitigation measures that will be implemented (in addition to cash compensation) to ensure that long-term livelihoods will be at least restored for affected households that either already have or in the future will lose agricultural land. This information should include an identification of: 1) the mitigation measures or actions to be taken, 2) the responsible parties that will implement the mitigation measure or action, and 3) a timeframe by which the mitigation measure or action will be implemented.	
Social Coordinator	<p>Xinao will hire or designate a social coordinator that will interact with project stakeholders including the affected communities.</p> <p>The social coordinator should be able to demonstrate proficiency in: issues related to land acquisition and resettlement, providing information to the community in a readily accessible manner and should have an ability to work well with local government authorities. This person will also assist with the establishment and implementation of the grievance mechanism.</p> <p>The coordinator should have a direct reporting channel to the senior management team in Xinao.</p>	The appointment of a qualified person is required prior to IFC presenting this project to the Board for approval.

<u>Issue</u>	<u>Proposed Actions</u> (Mitigation, Management, Monitoring, and Institute Methods)	<u>Target Completion Date</u>
Establish a grievance mechanism	Establish a grievance mechanism to systematically and transparently address and record all complaints. At a minimum, this documentation should include the grievance, date the grievance was made, suggested actions, date to be completed by, date it actually was completed by and effectiveness.	Recommended by April – required prior to Board meeting
	Once the grievance system is established, the responsible staff should be trained on how to collect and record grievances and the community should be informed of how to use the system.	Prior to first disbursement
	In addition, Xinao will provide IFC a summary table of the complaints and actions taken.	The summary table will be provided prior to each scheduled disbursement and then after this it will be provided on an annual basis.
Proposed DME Manufacturing Plants	Inform IFC prior to the construction of each satellite plant and construct and operate each of these plants in compliance with applicable WBG/IFC’s safeguard policies and guidelines.	Prior to the construction of each plant
	Prepare an environmental and social impact assessment for each plant.	Prior to the construction of each plant