Tianrui Cement Environmental and Social Action Plan (ESAP)

Environmental or Social Action	Implementation Period
Environmental issues	
Tianrui to establish a centralized capacity (consisting of at least two people at its headquarters) for environmental and social monitoring and reporting of all Tianrui's operations (an "Environmental and Social Management System").	Within 3 months after the date of this Loan Agreement, such staff will be appointed; within 1 year after the date of this Loan Agreement, the unit shall be fully operational and capable of monitoring Tianrui's subsidiaries.
Tianrui will also ensure that all its operating companies and subsidiaries become ISO 14,001 certified with the first operation to become certified at the end of 2007, and the remaining existing operations to be certified within three years. Any new facilities are to be certified within two years of commissioning. The Annual Monitoring Report to be provided to IFC on environmental and social matters (template to be provided by IFC) will be prepared by this unit.	
For all new quarries, Tianrui to provide to IFC reclamation/rehabilitation plans in accordance with the latest Chinese regulation then in place.	As Tianrui acquires new quarries; these plans are part of the Chinese authorities' approval process. For existing quarries Tianrui will prepare such rehabilitation plans no later than December 31, 2008.
Tianrui will install systems to continuously monitor its NOx, SO2 and dust emissions, in compliance with current Chinese regulations.	Equipment installed in 25% of Tianrui's plants by December 31, 2007; in 50% of Tianrui's plants by December 31, 2008; in 75% of Tianrui's plants by December 31, 2009; and in 100% of Tianrui's plants by December 31, 2010.
All of Tianrui's new clinker production lines are to be designed in accordance with Chinese regulations with regard to emissions, with the exception that the new lines must meet the World Bank guideline regarding NOx emissions of a maximum of 600 mg NOx/Ncm	On an ad hoc basis, as Tianrui constructs new clinker lines
Social issues	
Tianrui to prepare and submit an audit of the past land acquisition, compensation disbursement, and resettlement. Tianrui will also submit a remedial actions plan as mutually agreed with IFC if deficiencies are identified by the audit. An independent audit of any remedial action undertaken will be required if deemed necessary by IFC.	The audit must be conducted according to the ToR, to the satisfactory of IFC. The audit report is due by February 2007, and any potential remedial action plan is due by March 2007.
Provide evidence, satisfactory to IFC, of its compliance with the Chinese law on minimum wage, payment for overtime working. Following official published localized minimum wage. Modify its hiring policies and procedures, as need be, to ensure language and criteria used in hiring and promotion process does not contain any discriminatory elements (e.g. age, illness, etc), and enhances equal opportunity.	Within 3 months after the date of this Loan Agreement.
Tianrui to provide details on the social impacts of any potential future expansion projects and monitor the payment of land compensation, physical resettlement, and rehabilitation of affected people to ensure	Submit relevant information to IFC's satisfaction, when acquiring new assets that involve physical

compliance with IFC performance standards 5 on land acquisition and Involuntary Resettlement.	resettlement, land compensation and rehabilitation.
Ensure that onsite contractors implement terms of employment that comply with national law and IFC Performance Standards; prevent unacceptable forms of labor (e.g. child labor and forced labor); and promote a safe and healthy work environment.	Within 3 months after the date of this Loan Agreement.
Hire or assign a qualified community relationship manager to develop a strategy, which should to be the basis for local community engagement and public consultation and disclosure plans to be implemented at plant level. This manager will also be responsible for ensuring implementation of a formal consultation process with affected communities for future land acquisition. The manager will look into opportunities to ensure road safety for those villagers and individuals engaged heavily in transporting products and raw materials.	Within 5 months after the date of this Loan Agreement but prior to first disbursement. Prior to first disbursement