

KHLIBPROM (25668)
ENVIRONMENTAL ACTION PLAN (EAP)

Task Description		Output	Required Completion/Submittal Date
Corporate level			
1.	<u>Establish Integrated Quality Management Unit (IQMU) for Environmental Affairs, Food Safety and Occupational Health and Safety (OHS) Management.</u> Assign qualified environmental, OHS and food safety manager/specialist(s) for Khliprom operations.	Provide copies of internal memoranda signed by Khliprom highest-level management announcing the establishment of management unit, purpose for and the objectives of the unit. Submit CVs for assigned staff.	March 30, 2007
2.	<u>Initiate Introduction Training in Quality Management for key managers of large operating facilities</u> Assign external experts to carry out introduction training for integrated quality management to raise awareness among key management staff of large operating facilities of Khliprom and intensify knowledge among assigned IQMU specialists on corporate level.	Provide copy of training's program and list of Khliprom's attendees.	April-May, 2007
3.	<u>Develop Integrated Quality Management Policy Statement.</u> Develop statement of vision and mission for quality, environmental affairs, OHS and food safety management.	Provide copy of approved policy statement for IFC endorsed by Khliprom highest-level management.	June 30, 2007
4.	<u>Develop and Implement an Integrated Quality Management System for Social and Environmental Affairs, Food Safety and Occupational Health and Safety Management.</u> Establish an integrated management system based upon internationally recognized management systems such as ISO 9001:2000, ISO 14001:2004, OHSAS 18001:1999 and ISO 22000:2005. Design the system to ensure compliance with Ukrainian regulations and IFC policies and performance standards requirements. This activity to be implemented according to a 4 stage process as follows: ➤ Stage 1 – Design of the management system. ➤ Stage 2 – Detailed development of procedures. ➤ Stage 3 – Initial audit of all activities and installations (against standards defined in the system and as per established procedures). ➤ Stage 4 – Implementation of the management system.	➤ Stage 1 – provide copy of the report describing the management system to IFC. ➤ Stage 2 – Provide copies of procedures for IFC. ➤ Stage 3 – Provide IFC with list of all corrective actions required by the initial audit and detailed schedule. ➤ Stage 4 – Submit progress report demonstrating complete implementation of all procedures.	➤ Stage 1: August 2007 ➤ Stage 2: August 2007 + 12 months ➤ Stage 3: August 2007 + 18 months ➤ Stage 4: August 2007 + 24 months
5.	<u>Prepare and submit proposed consolidated annual environmental monitoring report (AMR) format for IFC approval.</u> Devise and submit proposed annual monitoring report format to IFC. Report should be designed to facilitate IFC's understanding of the compliance status of all facilities, outstanding compliance issues and target resolution dates, and the results of benchmarking activities among the Company's operations. The report should be designed to have maximum utility for Khliprom's management and informational brevity for IFC.	Submit Proposed Format to IFC for Approval.	April 20, 2007

Operating facilities		
6.	<u>Develop and Implement an Environmental, Social and Occupational Health and Safety Management Plan for the existing and new production plants.</u> <i>(a) Mills under operation.</i> Development and implementation of Action Plan aimed at meeting compliance with Ukrainian and IFC's social, environmental and OHS standards for all Khibprom's flour mills is considered as the highest priority. This plan will be based on gap analysis and include clearly defined actions, responsible persons, timeline and budget estimates. Action Plan will be disclosed to the affected communities. <i>(b) Greenfield flour mill plant:</i> As part of environmental and social impact assessment of flour mill plant, Khibprom will provide an effective consultation with the affected communities on project risks and impacts. EHS Management Plan will include procedures that will guarantee all construction works are managed and conducted according to Khibprom's established environmental affairs, and occupational health and safety management standards, as well as Ukrainian and IFC standards and guidelines.	(a) Present action plan including timeline and financial estimations to IFC. April 20, 2007 (b) Provide Client's record of discussions with the affected communities April 20, 2007.