

Environmental and Social Action Plan for Nature Flooring (25748)

Item	Description	Completion Date
1	Documentary evidence of Environmental Protection Bureau approval and Land Use certificates for all operational Nature owned and OEM facilities	Prior to equity investment
2	Social and environment (health and safety) baseline assessment for all Nature owned and OEM facilities, to include: • Occupational exposure monitoring (dust, chemical, heat, noise) • Point source emissions to atmosphere (boiler stacks, LEV exhausts) • Wastewater quality at point of off-site discharge (e.g. to municipal drain or surface water) • Storage and disposal of chemicals and solid wastes • Labor and working conditions • Fire safety • Emergency preparedness and response • Community engagement including process of land acquisition for manufacturing sites Terms of reference and choice of consultant(s) to be cleared by IFC prior to contracting. (Due to the broad scope, more than one TOR and consulting contract may be required). Regulatory requirements, IFC Performance Standards and relevant IFC guidelines to be the benchmarks for the assessment.	Contract with consultant to be approved prior to equity investment
3	Development of a social and environment management plan, to be approved by IFC, which incorporates the recommendations of the baseline assessment and detailing actions, responsibilities, budgetary requirements (staffing, CAPEX, operational expenditure) and ongoing monitoring and reporting processes to ensure compliance with benchmarks (see 1 above).	Within two months of submission of assessment report.
4	Social and environment assessment of the Jiangxi (ShangRao) plantation. Terms of reference and choice of consultant to be cleared by IFC prior to contracting. Regulatory requirements, IFC Performance Standards, relevant IFC guidelines and FSC certification requirements to be the benchmarks for the assessment.	As a condition of disbursement

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5	Social and environment assessments of proposed new facilities to be constructed using IFC financing: ShangRao MDF, ShangRao laminate and Nature Zhangjiagang. Terms of reference and choice of consultant to be approved by IFC prior to contracting. Regulatory requirements, IFC Performance Standards and relevant IFC guidelines to be the benchmarks for the assessment.	As a condition of disbursement
6	Updating of social and environment management plan to incorporate recommendations of any new assessment undertaken and detailing actions, responsibilities, budgetary requirements (staffing, CAPEX, operational expenditure) and ongoing monitoring and reporting processes to ensure compliance with benchmarks	Within two months of submission of any new assessment report
7	Development of a Land Acquisition and Compensation Framework Plan ("LACP"), which describes procedures for land acquisition, consultation, setting compensation/payment levels, record keeping (e.g. of compensation payments, proof of receipt), grievance mechanisms and all other applicable requirements of the Government of China and PS5 on Land Acquisition and Involuntary Resettlement. Draft LACP to be approved by IFC.	Prior to negotiations on Jiangxi plantations: condition of equity investment, condition of disbursement depending on timing
8	Disclosure of a summary of CFTN results each time a progress review is undertaken (minimum frequency: annual). The summary to be made available on the Nature, CFTN and IFC websites. The summary will also identify the actions Nature is implementing in response to the findings of each progress review.	Within one month of receipt of CFTN report
9	For facilities covered by current CFTN targets, elimination of unknown wood supply by the end of 2009 and 100% legal by end of 2011.	As stated in description
10	For OEMs not covered by current CFTN targets: baseline assessment by end of 2008, 0% unknown by end of 2012, 100% legal by end of 2014.	As stated in description
11	Creation of a dedicated wood procurement group, which takes responsibility for direct procurement, CFTN target compliance and related action plan items and provision of procurement and chain-of-custody criteria, training and monitoring oversight to OEMs.	End of 2008