

**Pantaleon Sugar II (27345)
Environmental and Social Action Plan (ESAP)**

	Action	Deliverable	Deadline
Integrated Management System			
1.	<p>EH&S Impact Assessment for La Grecia mill and plantations (Honduras) and the distillery en Guatemala</p> <p>Pantaleon will conduct a process of Social and Environmental Assessment that will consider in an integrated manner all potential social and environmental (including labor, health, and safety) risks and impacts of the new mill and sugarcane plantations in Honduras. The Assessment will consider all relevant social and environmental risks and impacts of the project, including the issues identified in Performance Standards 1 through 8, and those who will be affected by such risks and impacts. The ESIA will include an action plan stating the corrective actions necessary to bring the mill and plantations into compliance. The action plan will also include responsible people and timeline for action completion.</p>	Documentary Evidence of: ESIA report	June 2009
2.	<p>Implement an Integrated Management System (ESMS) for Environment, Social, and Health and Safety matters at company and subsidiaries</p> <p>(i) For Honduran operations (La Grecia), Pantaleon will complete the consolidation all current systems into an integrated management system that is becoming operational at existing operations in Guatemala and Nicaragua. Pantaleon will present an implementation plan with action, responsible people and timeline for implementation.</p> <p>(ii) Implement an Integrated Management System at all operations. This ESMS incorporates the following elements: (i) staff responsible for EHSS issues; (ii) training on EHSS issues (e.g. effluent management, occupational health and safety at work; working conditions at plantations, solid waste management; etc); (iii) community engagement, including clear procedures on disclosure and consultation with affected communities; (iv) monitoring; and (v) reporting. The management system addresses identified environmental, health and safety, and social impacts and risks of all existing and future acquisitions and operations at the company and subsidiaries, as well as management programs, procedures, monitoring and reporting protocols, and provide training to employees.</p>	Documentary Evidence to IFC's satisfaction	<p>(i) Loan signature + 90 days</p> <p>(ii) February 2010</p> <p>(iii) June 2011</p>

	(iii) ISO14001 certification for operations in Guatemala and Nicaragua.		
3.	<p>Environmental and Human Resources Policy at company and subsidiaries For Its Operations in Honduras:</p> <p>(i) Update Company's Environmental Policy in order to include all requirements of IFC Performance Standard on S&E Management Systems (PS1).</p> <p>(ii) Update Company's Human Resources Policy in order to include all requirements of IFC Performance Standard on labor and working conditions (PS2). Include references to non-discrimination, freedom of association and collective bargaining, child labor and forced labor in the supply chain.</p>	Documentary Evidence	<p>(i) LS +90days</p> <p>(ii) LS +90days</p>
4.	<p>Grievance mechanism at company and subsidiaries</p> <p>Pantaleon has developed a formal system to deal with external queries, concerns, and grievances for its operations in Nicaragua and is completing the formal description of this process for its Guatemalan Operations. Pantaleon will also formalize such a procedure for its recently acquired Honduran operations.</p>	Provide IFC with a copy of the written procedure.	<p>For Guatemala: February 2009</p> <p>For Honduras: LS+180days</p>
5.	<p>Update procedure for selection of sugar cane suppliers and eucalyptus suppliers at company and subsidiaries</p> <p>For its Honduran operations, Pantaleon will include environmental criteria (government permits for land clearance and habitat alteration) for the selection of sugar cane suppliers and eucalyptus suppliers.</p>	Documentary evidence	LS+120days
Pollution prevention and Abatement			
6.	<p>GHG emissions at company and subsidiaries</p> <p>For Its Operations in Honduras:</p> <p>(i) Pantaleon will present to IFC a air emissions monitoring report</p> <p>(ii) Pantaleon will develop an annual stack monitoring program for the quantification of GHG emissions from all its facilities</p> <p>(iii) Any corrective actions will be implemented in an agreed scheduled.</p> <p>(iv) Reporting of groundwater monitoring data</p>	<p>(i) Copy of final report</p> <p>(ii) Documentary evidence</p> <p>(iii) Implementation schedule</p> <p>(iv) Monitoring Report</p>	<p>(i) LS + 60 days</p> <p>(ii) LS +180 days</p> <p>(iii) TBD, depending on findings.</p> <p>(iv) LS + 360 days</p>
7.	Land Application of Process Wastewater at company and subsidiaries		

	<p>For Its Operations in Honduras: Pantaleon will develop a groundwater monitoring plan to quantify the impact to groundwater from storage and irrigation of process wastewater from the sugar mills and ethanol plant. Review will be conducted by qualified external professional acceptable to IFC. TOR for study will be developed in consultation with IFC.</p> <ul style="list-style-type: none"> (i) Retain consultant to complete groundwater study (ii) Final report with recommendations and implementation schedule (iii) Implementation of recommendations. (iv) Reporting of groundwater monitoring data 	<ul style="list-style-type: none"> (i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (iv) Monitoring Report 	<ul style="list-style-type: none"> (i) LS + 60 days (ii) LS +180 days (iii) TBD, depending on findings. (iv) LS + 360 days
8.	<p>Miscellaneous Wastewater at company and subsidiaries</p> <p>For Its Operations in Honduras: Pantaleon will review its management of process, sanitary, miscellaneous wastewaters and stormwater from all its facilities (mills and ethanol plant) in a manner consistent with good international industry practices, and in compliance with applicable WB/IFC guidelines. Review will be conducted by qualified external professional acceptable to IFC. TOR for study will be developed in consultation with IFC.</p> <ul style="list-style-type: none"> (i) Retain consultant to complete wastewater study (ii) Final report with recommendations and implementation schedule (iii) Implementation of recommendations (iv) Reporting of sanitary, miscellaneous wastewaters and stormwater data 	<ul style="list-style-type: none"> (i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (i) Monitoring Report 	<ul style="list-style-type: none"> (i) LS + 60 days (ii) LS +180 days (iii) TBD, depending on findings. (iv) LS + 360 days
9.	<p>Miscellaneous Wastewater for its operation in Nicaragua</p> <p>Pantaleon will review its management of process, sanitary, miscellaneous wastewaters and stormwater from all its facilities (mills and ethanol plant) in a manner consistent with good international industry practices, and in compliance with applicable WB/IFC guidelines. Review will be conducted by qualified external professional acceptable to IFC. TOR for study will be developed in consultation with IFC.</p> <ul style="list-style-type: none"> (i) Retain consultant to complete wastewater study (ii) Final report with recommendations and implementation schedule (iii) Implementation of recommendations (iv) Reporting of sanitary, miscellaneous wastewaters and stormwater data 	<ul style="list-style-type: none"> (i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (iv) Monitoring Report 	<ul style="list-style-type: none"> (i) LS + 60 days (ii) LS +180 days (iii) TBD, depending on findings. (iv) LS + 360 days

10.	<p>Air Emissions at company and subsidiaries</p> <p>For Its Operations in Honduras: Pantaleon will review emissions at all its facilities (while using bagasse and Bunker C) against local regulations as well as applicable IFC/WB guidelines. Review will be conducted by qualified professional acceptable to IFC.</p> <ul style="list-style-type: none"> (i) Retain consultant to complete air emissions study. (ii) Final report with recommendations, implementation schedule and budget allocation (iii) Implementation of recommendations and independent verification. (iv) Reporting of air emissions data 	<ul style="list-style-type: none"> (i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (iv) Monitoring Report 	<ul style="list-style-type: none"> (i) LS +60 days (ii) LS +180 days (iii) TBD, depending on findings. (iv) LS + 360 days
Specific Issues			
11.	Implementation of Air Spraying Procedure for sugar cane plantations.	Documentary evidence	LS +180 days
12.	<p>Occupational Health & Safety at company and subsidiaries</p> <p>Pantaleon will monitor and report accident statistics at all their facilities and all plantations in Nicaragua and Guatemala. For the newly acquired operations in Honduras, this information will be provided in the AMR covering the 2009 calendar year.</p>	Monitoring Report	Annual Monitoring Report
13.	<p>Solid Waste</p> <p>Monte Rosa will review its management of solid waste at Monte Rosa in a manner consistent with good industry practice and in compliance with applicable WB/IFC guidelines.</p> <ul style="list-style-type: none"> (i) Final report with recommendations, implementation schedule and budget allocation (ii) Implementation of recommendations and independent verification (iii) Reporting of solid waste data 	<ul style="list-style-type: none"> (i) Copy of final report (ii) Documentary evidence (iii) Monitoring Report 	<ul style="list-style-type: none"> (i) March 2009 (ii) Implementation by June 2009 (iii) Included in annual AMR
14.	Monitoring of sustainable management of natural resources at company and	(i) Plan with	(i) September

	<p>subsidiaries Pantaleon will develop a plan for achieving certification of sustainable forest management for their eucalyptus plantation, in compliance with IFC's Performance Standard on Biodiversity Conservation and Sustainable Natural Resource Management (PS6).</p>	<p>(ii) timeline acceptable to IFC Annually report as part of the AMR</p>	<p>(ii) 2009 LS + 360 days</p>
15.	<p><u>Implementation Good Agricultural Practices</u></p> <p>(i) <u>Nominate an Integrated Farm Quality Assurance (Good Agricultural Practices - GAP) Management System Appropriate for Client Agriculture Operations.</u> Research internationally recognized integrated farm assurance programs for farming operations such as GlobalGAP, to achieve a certified management program for Good Agricultural Practices on all Client plantations.</p> <p>(ii) <u>Conduct Gap Analysis between Requirements of Nominated Program in #(i) above and Client Operations.</u> Conduct a gap analysis of existing Client operations considering the requirements of the nominated program. Define the specific activities that must be undertaken to achieve certification and timetable for completion of the required tasks.</p> <p>(iii) <u>Implement and Obtain Certification for Integrated Farm Quality Assurance (Good Agricultural Practices [GAP]) Management System.</u> Implement integrated farm assurance program for Client plantations and obtain certification.</p>	<p>(i) Submit name and characteristics of proposed system to IFC</p> <p>(ii) Send copy of gap analysis, specific action plan required to achieve certification, and proposed implementation schedule to IFC for review;</p> <p>(iii) Provide qualified certification body certificate of compliance with nominated program requirements.</p>	<p>(i) LS + 180 days (ii) LS + 270 days (iii) LS + 3 years</p>

COD - Condition of Disbursement; LS - Loan signature