ENVIRONMENTAL AND SOCIAL ACTION PLAN

Task	*Indicator of Completion*	*Required Completion Date*
1. **Schedule for HACCP Certification.** Provide IFC with a schedule to accomplish HACCP certification at production plants currently in production; schedule should include, at a minimum, HACCP development plan, implementation schedule, estimated date for certification audit, registrars to be used, etc.	▪ Receipt of the schedule to achieve certification for all existing production plants for review and comment	▪ 3 months after disbursement
2. **Obtain HACCP Certification.** Implement HACCP at production plants according to implementation schedule.	▪ Receipt of a copy of HACCP certificates for each production plant	▪ According to implementation schedule
3. **Level and location of E, OH&S and S/C management** The company must review the organizational structure of its management of environmental, occupational, health and safety and social/community affairs to ensure appropriate levels of management and staff maintain expected standards throughout the organization. This should be done in conjunction with number 21 below.	▪ Receipt of organizational chart depicting suitable levels of E, OH&S and S/C management and staff at all operating facilities	▪ 9 months after loan signature
4. **E, OH&S and S/C Reporting** E, OH&S and S/C performance must be summarized and reported on a suitable periodic basis to senior management to drive continual improvement throughout the organization.	▪ Receipt of summary report	▪ Within 6 months after loan signature
5. **Design a Community Grievance Mechanism.** Design and develop a grievance mechanism (GM) to facilitate receipt and response to external/community grievances/complaints from all communities in which the company has facilities. The GM procedure to be implemented must describe the process to log complaints/issues, determine how to respond to the complaint/issue, the people/positions within the company who will be responsible for addressing specific complaints/issues, the timetable to fully develop the GM, the expected	▪ Receipt of the procedure to develop the GM for IFC to review and comment upon.	▪ 3 months after loan signature

Task	*Indicator of Completion*	*Required Completion Date*
outcome, metrics and associated performance measures of the GM.		
6. <u>Develop a Community Grievance Mechanism</u> Implement the agreed upon procedure to put the GM in place	▪ Receipt of a letter from responsible company official detailing completion of GM implementation to the point where it is capable of receiving complaints/issues	▪ 6 months after loan signature
7. **<u>Operate the Community Grievance Mechanism.</u>** Operate the GM according to the agreed GM development procedure	▪ Receipt of a summary of community complaints/issues received, managed and addressed through a developed GM over a 6 month period after the implementation of the GM	▪ 12 months after loan signature
8. <u>Internal OH&S Assessment of Cayambe mill and associated pasta production facility</u> Complete an OH&S assessment of the entire Cayambe plant (e.g. mill, pasta production, hydro-electric generating plant) against the more stringent of either OH&S standards contained in the IFC General EH&S Guidelines or national regulatory requirements; assessment must detail what is needed to be done to bring the facility into compliance with relevant requirements.	▪ Receipt of the final assessment report	▪ Condition of disbursement
9. <u>Cayambe OH&S Improvement Plan</u> Based on the OH&S assessment as described above, develop a plan, with budgets and timeline, responsible parties, statements of work (if using external parties to complete engineering work, etc.) to carry out the upgrades to the Cayambe facilities to meet required OH&S standards and practices.	▪ Receipt of a copy of the improvement plan to upgrade OH&S facilities and practices at Cayambe.	▪ 3 months after first disbursement
10. <u>Implement OH&S Improvements at Cayambe mill and associated pasta production facility as identified in above assessment</u> Complete the update/upgrade to facilities at the Cayambe plant according to the OH&S improvement plan.	▪ Provide evidence of updated facilities, e.g. before and after photographic evidence, operating practices, monitoring and measurement and/or other performance metrics	▪ No later than 12 months from the start of work on the implementation plan

Task	*Indicator of Completion*	*Required Completion Date*
	that demonstrate that the facility is operating to the required OH&S standard(s).	
11. **<u>Fire Department Emergency Preparedness Audit of Cayambe</u>** Complete process of assessment with relevant fire department.	▪ Receipt of a copy of the audit report and corrective action plan.	▪ Within one month of receipt of the audit report from the Fire Department
12. **<u>Operational permit for Cayambe</u>** Provide IFC with a copy of the operational permit for Cayambe thereby indicating completion of the required correctional activities identified in the fire department audit.	▪ Receipt of a copy of the Cayambe operational permit.	▪ Upon receipt from the fire department
13. **<u>OH&S Training Initiative/"Work Permit" Scheme</u>** Complete training of supervisors working in areas with workplace hazards	▪ Receipt of completed training records	▪ 6 months after loan signature
14. **<u>OH&S Training Initiative/"Work Permit" Scheme</u>** Expand scheme to include workers in areas with workplace hazards	▪ Receipt of completed training records	▪ 9 months after loan signature
15. **<u>Exposure to Noise in production plants</u>** Compare limits contained within national regulation and those of Section 2.3, Physical Hazards, within the current version of IFC's General EH&S Guidelines and report upon whether worker exposure to noise at all plants is adequately managed and complies with the more stringent of the above two standards in order to protect worker hearing.	▪ Receipt of noise exposure report	▪ Condition of disbursement
16. **<u>Exposure to Noise in production plants</u>** If the above report determines workers are exposed to unacceptable levels of noise, propose active management steps to be implemented to reduce exposure (including supervisor oversight to ensure active use of issued PPE) to ensure protection of worker hearing.	▪ Receipt of description of management actions implemented to ensure protection of worker hearing.	▪ 3 months after first disbursement
17. **<u>Particulate Matter (PM) Levels in Production Plants.</u>** Complete an assessment of the inhalable particulate matter in production plants to ensure that	▪ Receipt of assessment report, including details on monitoring and measurement, undertaken by a	▪ Condition of disbursement

Task	*Indicator of Completion*	*Required Completion Date*
workers are not exposed to excessive levels of particulate matter, i.e. that exposure meets the more stringent of either national regulation or that contained within Section 2.4, Chemical Hazards, of the current version of IFC's General EH&S General Guidelines.	competent company authority or third party, showing compliance against relevant PM exposure levels within production plants.	
18. <u>PM Levels in Production Plants</u> If the above report determines non-compliant exposure, propose active management steps to be implemented to reduce exposure to ensure protection of worker occupational health.	▪ Receipt of description of management actions implemented to ensure protection of worker occupational health with regard to exposure to PM.	▪ 3 months after first disbursement
19. <u>Assessment of M&A targets</u> Company will review the environmental and social conditions of M&A targets to ensure they will meet the requirements of the PS; if not they must develop a plan and implement the plan to ensure the acquisitions will meet the requirements of the PS.	▪ Receipt of assessment of PS-based due diligence ▪ If required, receipt of plan and implementation schedule to ensure acquisitions will comply with the requirements of the PS	▪ Upon completion of due diligence activities centered on acquisition of M&S targets
20. <u>Re-location of company operations</u> Should the company decide to re-locate any operation, the re-location must be assessed for compliance with the performance standards; if the assessment determines that the new location will not meet the requirements of the PS without additional effort (studies and characterization of impacts to determine avoidance, minimization, mitigation or compensation of impacts) the company will carry out required actions accordingly to meet the requirements of the PS.	▪ Receipt of assessment of PS-based due diligence ▪ If required, receipt of plan and implementation schedule to ensure new location will comply with the requirements of the PS	▪ Upon completion of due diligence activities centered on decision to re-locate operations
21. <u>Update company EMS</u> The EMS should include all sections of an expected management system (at a minimum the policies, procedures and practices to manage impacts, compliance register, action plan to address deficiencies, metrics to track performance, organizational capacity, training needs, reporting, management review, etc.) and include all company facilities that	▪ Receipt of copy of updated EMS	▪ Within 9 months of loan signature

Task	*Indicator of Completion*	*Required Completion Date*
have actual or potential environmental aspects/impacts.		
22. **Retrenchment** Develop and implement a formal retrenchment policy to include all company operations as per the requirements in PS2.	▪ Receipt of retrenchment policy	▪ Condition of disbursement
23. **Ongoing legal issue regarding retrenchment** The company must provide a summary of legal proceedings involving prior retrenchment disagreements including number of cases, expected outcomes and timelines to resolve all outstanding cases.	▪ Summary report detailing number of outstanding cases, resolution of cases, expected outcomes, expected financial liabilities etc.	▪ Condition of disbursement
24. **Worker Grievance Mechanism (GM)** Develop a worker GM to meet the requirements of PS2.	▪ Receipt of proposed work GM	▪ Condition of disbursement
25. **Worker Grievance Mechanism** Implement the worker GM.	▪ Evidence of receipt and management, including outcomes, of worker grievances	▪ 6 months after first disbursement
26. **Boiler operations.** Company will confirm that boilers at all production plants are either too small to be considered under General EH&S Guidelines or if they are subject to the Guidelines then associated air emissions are in compliance with Guidelines limits (records for boilers at Quito have been reviewed; those boilers are too small to have emissions be considered under General EH&S Guidelines)	▪ Receipt of information on boiler capacity (power output) and/or boiler usage (hours, % of time used in a year, etc.) to allow a determination to be made by IFC that boilers are required to comply with EH&S Guideline limits	▪ Condition of disbursement
27. **Truck driving training program.** Implement driver training programs for truck drivers hauling wheat and flour from Manta to other mills and production plants.	▪ Provide IFC with documented evidence of training programs by submitting adequate evidence to IFC of program planning, procedures, required equipment, budgeting, and staff to carry out the program. ▪ Maintain training records of those receiving driver training and submit with AMR	▪ 6 months after loan signature. ▪ AMR (ongoing)

Task	*Indicator of Completion*	*Required Completion Date*
28. <u>Review Security Contract.</u> Company must confirm that contracted security services apply the principle of proportionality and that security personnel have clear instructions on the objectives of their work and permissible actions. Instructions should be based on applicable law and professional standards and adhere to best international practices as included in the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and/or the Voluntary Principles on Security and Human Rights	▪ Provide IFC with documented evidence that security contracts and arrangements are required to adhere to the stated principles and international best practices (e.g. copy of security contracts)	▪ 6 months after loan signing