

Lafarge Iraq, Environmental and Social Action Plan (ESAP)

	Environmental Issue/Plant Feature	Corrective Actions Required	Timetable Milestones/Events
	Management Systems		
1	Maintain and continuously improve the Environmental Management System (EMS) in line with the Lafarge Group corporate standards and to include the Karbala operation.	Prepare for the current management system to be expanded to include the Karbala Cement plant operation	Within two months of taking control of the Karbala plant analyze deficiencies in its current EMS and define an action plan (including training needs) for bringing the system to be fully functional within 12 months.
2	Maintain and continuously improve the Occupational Health and Safety (OH&S) Management System in line with Lafarge Group corporate standards and to include the Karbala operation.	Maintain and continuously improve the OH&SMS consistent with the OHSAS 18001 system and prepare it for inclusion of the Karbala cement plant operations.	Within two months of taking control of the Karbala plant analyze deficiencies in the OH&S Management System and define an action plan (including training needs) for bringing the system to the same standard as at the Bazian Cement plant within 12 months.
3	Operate a proactive system for addressing the social aspects of the operations in line with Lafarge Group corporate standards.	A qualified community liaison officer is engaged in optimizing the cooperation with the closest local villages around the Bazian and Tasluja operations. A similar system has to be developed for Karbala immediately when the plant is taken over. The expertise from the Bazian and Tasluja operations shall be used to ensure that local project-affected people can provide inputs with respect to solving specific problems caused by the current operation of the Karbala Cement plant.	Liaison meetings with local project-affected people in Karbala to start asap and no later than within four weeks of gaining control of the assets.
4	Operate a grievance mechanism to address external complaints/concerns.	Formalize the current Bazian and Tasluja grievance procedure and expand it to include the Karbala operation immediately after gaining control of the assets.	Present the procedures at the initial liaison meetings with local project affected people in Karbala no later than within four weeks of gaining control of the assets.
	Operational requirements		
5	Install, where missing on main stacks, continuously monitoring for particulate, nitrogen oxides, and sulphur dioxide to ensure optimal operation and continuous compliance with the	Install continuous monitoring for particulate, nitrogen oxides, and sulphur dioxide on the main stack of all plants.	Operational at commissioning of the revamped kiln lines in Karbala, and to be verified for all lines at project

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	emission requirements.		completion.
6	Assurance of appropriate emission standards from electrical generators used for permanent power supply	Emission check before the end of 2010	Test results, as well as a corrective action plan to be developed by March 2010 if noncompliance is found
7	Ensure all quarries have quarry management and reclamation plans for ensuring optimal utilization of the resources, and ensure progressive landscaping for mined out areas	All quarries need to have management and reclamation plans including broad total quarry utilization plans, a five-year oversight plan, a detailed utilization plan for the upcoming 12 months, and progressive landscaping as mined out areas become ready.	Ensure any new quarry for which the project company gains control have these plans developed within six months of gaining such control.
8	Ensure the water supplies for the individual plants does not deprive the surrounding stakeholders access to water	For all plants monitor on a regular basis the aquifer supplying the water to the plants, and prepare corrective plans if need be.	On a quarterly basis, and to be reported yearly in the monitoring report.
	Labor and working conditions		
9	Manage labor and working conditions in accordance with best practice.	Maintain human resources policies and procedures in line with Lafarge Group corporate practice and IFC PS2 for all operations.	To be expanded to cover Karbala operations and thereafter continuous.
10	Maintain a grievance mechanism to manage workers' complaints and concerns.	Implement and maintain a grievance mechanism at all operations and expand the system as more assets are controlled.	To be expanded to cover the Karbala operations and thereafter continuous.
11	Management of labor, living and working conditions for contractors, including construction workers in connection with the upcoming upgrades of the Karbala facilities.	• Include in contracts a code of conduct which will provide contractors with clear guidelines on labor and living and working conditions. Present to IFC for review. • Develop a system, or present a satisfactory current system for IFC review, to ensure contractors are in compliance with the code of conduct requirements.	• Within two months of loan agreement signing. • Within two months of loan agreement signing.
	Security Personnel		
12	Performance of security personnel.	• Coordinate with security company training program for security personnel. Document all training provided. • Develop a monitoring and reporting plan to ensure contractors are in compliance with all code of conduct requirements.	• Report on type of training provided in the Annual Monitoring Report. • December 2010

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	Community Engagement		
13	The Bazian and Tasluja operations have organized frequent communications and discussions with local stakeholders and this need to be expanded to the Karbala operations.	Prepare to ensure consistent and considered community engagement in Karbala Cement plant surroundings for the benefit of building strong relation with local stakeholders.	Immediately, and to be effective in Karbala no later than within four weeks of gaining control of the assets.