

Environmental and Social Action Plan (ESAP)
(Albania: CEZ Shpërndarje)

As part of investment by IFC and EBRD, CEZ Shpërndarje will implement the following actions to bring the company's operation into compliance with IFC Performance Standards and EBRD Performance Requirements. Details should be referred to Technical and Environmental Due Diligence, CEZ Shpërndarje, Fichtner, January 2011 (Table 9-3: Environmental and Social Action Plan).

No.	Action	To be verified by:	Schedule
1	Establish HSE (Health, Safety and Environment) management system (a) Appoint adequate number of environmental specialists (chemist, environmental engineer) (minimum 2) and one head of the HSE unit (b) Develop environmental, health and safety policy and procedures (c) Establish procedures to carry out environmental assessment of activities. (d) Develop a land acquisition and compensation plan as part of a formalized corporate land acquisition process that shall be in line with Albanian laws and EBRD/IFC policy requirements. The plan will include Company policy and procedures for all land acquisition, reinstatement and compensation to land owners and any other land users who are physically or economically displaced. (e) Develop a formal 'chance find' procedure to apply to general construction activities.	- Organizational chart and CVs of the officers appointed to work with HSE unit - Copy of the HSE policy and list of HSE related procedures - Description of the HSE training programs - Policy and procedures for land acquisition, reinstatement and compensation to landowners - 'chance find' procedure	Prior to disbursement
2	Develop and implement HSE training programs for CEZ Shpërndarje employees and contractors	- Copy of the HSE training programs - Training matrix	Development: Prior to disbursement Implement: Based on the training programs.

No.	Action	To be verified by:	Schedule
3	Include in the contracts of the contractors with whom CEZ Shpërndarje has a substantial involvement a requirement to implement the IFC PSs and EBRD PRs.	- Copy of relevant covenants in contracts	Development: Prior to disbursement Implement: subsequently
4	Develop and implement HSE Monitoring Program.	- Copy of the monitoring program.	Prior to disbursement
5	Carry out the E&S appraisal of the investment program components in accordance with the EBRD PR1 and IFC PS1 once the details of the capital investment program are defined. Revise the ESAP to include the mitigation measures/corrective actions identified during the appraisal of the investment program and agree with the EBRD and IFC.	-E&S appraisal document including additional mitigation measures/corrective actions to be included in the ESAP	Completion before start of any construction works
6	Develop and implement the HR policy and procedures that will incorporate EBRD PR 2 requirements for human resources; worker organizations; wages, benefits and conditions of work; non-employee workers, workers organizations, retrenchment, non-discrimination, defined worker grievance process.	-HR policy and procedures	Prior to disbursement
7	Develop and implement a redundancy plan to manage reduction of staff targeted by the end of 2012 in line with IFC and EBRD requirements (non-discrimination principle, consultation with employees and trade unions, grievance mechanism, mitigation of adverse impacts).	- Redundancy plan - Implementation report of the redundancy plan	Prior to disbursement Report: As part of Annual Monitoring Report to be submitted to IFC
8	Identify work areas that need use of Personal Protective Equipment (PPEs) and facilities that need improvement (e.g. bath, washing rooms, dressing rooms) for occupational health and safety. Based on the assessment, provide those workers including contractors with PPEs and improve facilities in line with good international industry practice.	- Quarterly implementation report - Implementation completion report	Assessment: June 30, 2011 (quarterly implementation report) Provision of PPEs and completion of improvements: September 30, 2011 (implementation completion report)

No.	Action	To be verified by:	Schedule
9	Develop a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns. Inform the workers of the grievance mechanism and make it easily accessible to them.	- Description of the grievance mechanism established	Prior to disbursement
10	Develop and implement a policy on raw material sourcing including environmental, health and safety as well as labor issues.	- Policy on raw material sourcing	Prior to disbursement
11	Establish PCB screening procedures, develop and implement PCB management plan	- Copy of the PCB screening procedures and PCB management plan	Procedure: Prior to disbursement Management Plan: 3 months later Implementation: Based on PCB management plan.
12	Develop and implement a soil and groundwater monitoring program and register contaminated soil and groundwater. The scope shall be agreed between CEZ Shpërndarje and the Lenders. Develop and implement a contaminated land management plan – this should include identification and inventory of contaminated lands and control measures and remediation plan.	- Copy of the soil and groundwater measuring program	Development of monitoring program: June 30, 2011. Implementation: Based on the measuring program. Development of contaminated land management plan: June 30, 2012
13	Organize an asbestos register at all substations and implement asbestos management plan (if existence is confirmed)	- Copy of the asbestos register and asbestos management plan (if existing is confirmed)	Register: June 30, 2011 Management Plan: December 31, 2011
14	Develop GHG emissions tracking system (SF6, CO2 from vehicles, technical loss related indirect CO2 emissions)	- Copy of the tracking system	December 31, 2011
15	Develop emergency preparedness and response plans for major facilities (warehouses, substations)	- List of emergency preparedness and response plans	Prior to disbursement
16	Areas for storage of transformers, hazardous waste, chemical containers such as barrels, drums and cans storage areas should be properly maintained, covered, paved, protected from the weather and protected from any fire risk. Secondary containment should be in place to contain any leaks or spills.	- Completion report	June 30, 2012

No.	Action	To be verified by:	Schedule
17	Register security gaps for all facilities (e.g., open manholes, fire protection, fencing at sub-stations) and activities (e.g., safety cones, warning signs at construction sites) and develop and implement security improvement plan	- Copy of the security gap register and security improvement plan	Register: December 31, 2011. Implementation: Based on the security improvement plan.
18	Develop and implement public safety awareness program	- Copy of the program and outcomes (e.g. flyers, sample of public media usage, insertion of safety information in electricity bills).	Development: December 31, 2011 Implementation: Annually
19	Develop and implement a stakeholder engagement plan including a grievance mechanism for stakeholders	- Stakeholder engagement plan in place	Prior to disbursement.