ECOM 30789

Environmental & Social Action Plan (ESAP)

(June 9, 2011)

	Performance Standard 1: Social and Environmental Assessment and Management Systems		
#	**Action Item**	**Indicator of Completion**	**Required Completion Date**
1	**<u>Develop and implement an integrated corporate management system (SEMS) for social and environmental affairs, quality, and occupational health and safety management consistent with IFC Performance Standard 1.</u>** The corporate management system will address identified environmental, labor, and occupational health and safety issues associated with the Company operations at the corporate level, and social impacts and risks of all existing and future operations. The SEMS will have a supply chain component.	a) Submit the management system manual b) Corporate management system operational	a) Due October 30, 2011 b) Due July 31, 2012
2	**<u>Supply Chain - Risk Monitoring</u>** **<u>2.1 Database</u>** In an integrated fashion, the supply chain component of the SEMS will collect information and categorize suppliers according to identified social and environmental impacts and risks and knowledge of suppliers' practices. The supplier's data base will be a tool to monitor the dynamics of certified suppliers, and will be expanded to incorporate broader country supply chain data and allow aggregation. ECOM will proactively seek opportunities to <u>collect information over time</u> on "non-certified purchasing" where some informal information is available.	a) Provide documentary evidence of the development of the Supplier Database: Provide summary information of initial data gathering b) Report Supplier Classification per Origin and Initiatives and report Projects to proactively move suppliers to a higher classification to IFC in the AMR	a) Due October 30, 2011 b) Report in Annual Monitoring Report (AMR)

3	**<u>Supply Chain - Training in environmental and social policies and accurate information collection:</u>** ECOM will implement a training program for their field staff to: **-** Ensure knowledge of the ECOM Policy; **-** Build in-house capacity to collect accurate E&S information on suppliers at origin; **-** Reliably input data into the supply chain component of the SEMS to allow senior management to assess the nature, scale, and importance of environmental and social issues in any given location. Where commercially viable and based on opportunity to influence the implementation of best practices, the training shall include training for suppliers with whom the Company has purchase contracts to inform them that ECOM expects them to comply with country legislation related to social and environmental issues, and relevant IFC PS requirements.	a) Provide IFC with an overview of the top level workplan and materials for the implementation of the training program on Environmental and Social data collection for employees b) Provide IFC with evidence for the implementation of the training program on Environmental and Social practices for suppliers as appropriate (e.g. Ecom intranet or website)	a) Due October 30, 2011 b) Report in the AMR
4	**<u>Supply Chain - Senior Management Monitoring and Guidance:</u>** The Company will implement a process for periodic reporting and monitoring of Supply Chain environmental and social information to senior management, to allow monitoring of progress (i.e. increased volumes of operations in higher suppliers categories), a proactive response and periodical realignment of ECOM's sustainability project priorities and mitigation of potential ECOM exposure to commodity business risks in the short and long term.	a) Report in the AMR decisions taken by Senior Management to proactively improve Supply chain E&S performance per commodity b) Provide IFC with recommendations with a time-bound implementation plan for any changes to SEMS	a) Annually in the AMR b) Annually in the AMR

	ECOM will proactively seek opportunities to foster E&S best practices in its supply chain over time and develop mitigation measures, in order to upgrade suppliers to a higher category. ECOM's senior management will identify any needed changes in the Company's SEMS for the management of suppliers to reduce risks in the supply chain.		
5	**Strategic Plan for Certified Cocoa:** Working at the forefront, but within market demand, ECOM will extend the certification concepts of coffee to cocoa, working with internationally recognized certification schemes in collaboration with Ecom's clients and other partners. Ecom will present to IFC a mutually agreed multiyear high level plan, which will include operational targets, specific activities, key milestones and schedule, to increase the procurement of third party certified cocoa each year at each origin where projects are planned. The plan will include details of the activities to increase productivity and promote compliance with PS2 and PS6. The plan will indicate suitable partnerships with activities addressing productivity intensification and monitoring of child labour, and being implemented by other stakeholders (such as the World Cocoa Foundation, NGOs, foundations, cocoa industry players, government agencies, etc.) at countries of origins. A joint Ecom/IFC annual review will take place to assess Ecom's yearly performance and realign plans for procurement of third party certified cocoa for the following year. The Company will report to IFC in the Annual Monitoring Report all activities performed to promote sourcing of certified cocoa.	Submit to IFC a mutually agreed multiyear high level plan with targets, to increase the procurement of third party certified cocoa each year, and throughout the life of the project. The plan will include details of the activities to increase productivity, and promote compliance with PS2 and PS6.	Condition of first disbursement
		b) Report in the AMR all activities performed by ECOM to promote certified cocoa	b) Report annually in the AMR
		c) Review with IFC Ecom's yearly performance, and realign plans for procurement of third party certified cocoa for the next year	c) Annually in May each year

6	**<u>Strategic Plan for Best Practices Cotton:</u>** Working at the forefront, but within market demand. ECOM will promote best management practices in cotton production and will present a plan and tentative schedule to IFC for development of a pilot project in Tajikistan and support of umbrella groups (as the Better Cotton Initiative). The plan and operational targets will be mutually agreed with IFC. The plan will implement a training program for farmers to increase productivity, promote compliance with PS2 and advance BCI cotton. The end-goal is to enable participating farmers to meet the BCI requirements. The plan will include a module to sensitize farmers to the labor issues associated with worst forms of child labor (ILO 182), minimum age (ILO 138) and forced labor (ILO 29). A joint Ecom/IFC annual review will take place to assess Ecom's yearly performance and plans for promoting BCI cotton.	a) Submit to IFC a mutually agreed multiyear plan for a farmer training program in Tajikistan to increase productivity, promote compliance with PS2, advance BCI cotton, and increase the amount of cotton procured as BCI cotton each year and throughout the life of the IC investment.	a) Condition of first disbursement
		b) Report in the AMR activities performed by ECOM to promote BCI cotton, including the number of farmers participating in training programs and the amount of cotton procured per origin and country during the reporting year, and specifically the volumes of BCI cotton. Include a report on procurement in Central Asia, and all activities performed by ECOM to promote BCI cotton during the reporting period to gradually increase compliance of IFC PS 2.	b) Report annually in the AMR
		c) Review with IFC Ecom's yearly performance, and realign plans for BCI cotton	c) Annually each year -month to be determined
	Performance Standard 2: Labor and Working Conditions		
7	**<u>Occupational Health & Safety (OHS) Plan</u>:** ECOM will conduct a gap analysis of its OHS policies and procedures at all their facilities against applicable WBG EHS General Guidelines and present an Action Plan detailing activities and budget. ECOM will conduct implementation of corrective actions to address gaps identified in the review.	a) Present to IFC the gap analysis and schedule for implementation to be agreed by IFC b) Implement corrective measures defined during the OHS gap analysis. Provide IFC with a certification from the Ecom task	a) Due December 31, 2011 b) Submit adequate evidence to IFC in the AMR of the year to be agreed upon, that all action items in the OHS gap analysis have been implemented

		manager that all observed deficiencies have been corrected	
	Performance Standard 3: Pollution Prevention and Abatement		
8	**<u>Wastewater Treatment:</u>** ECOM will review wastewater treatment at the Company owned and operated wet milling facilities globally and compare against local regulatory standards and applicable WBG EHS Guidelines. Address gaps and develop a plan to comply with country regulatory limits and IFC EHS guidelines for pH, BOD, COD, Total Suspended Solids, Total Nitrogen and Total Phosphorus. This plan will include specific actions and timeline.	a) Provide to IFC documentary evidence and analytical laboratory results of effluent wastewaters in all wet mills ensuring compliance with host country regulatory and applicable WBG EHS guideline limits	a) Due December 31, 2011
		b) Conduct continuing periodic assessment of effluent quality	b) Report annually in AMR