

Mozambique/Merec Group Expansion (#31153)
Environmental and Social Action Plan
February 2012

<i>Task Title and Description</i>	<i>Anticipated Completion Date</i>
1. <u>Environmental and Social Impact Assessment and Management Plan.</u> Commission a qualified Consultancy to undertake the EIA of the proposed Maputo Grain terminal and Flour Mill at Nacala mandated by MICOA for new industrial installations in accordance with the applicable IFC Performance Standards and WBG Environmental, Health and Safety (EHS) General and Sector-Specific Guidelines. a) Ensure that the Consultant TOR includes reference to applicable IFC's Performance Standards and WBG's EHS Guidelines requirements b) Provide a draft ESIA and Management Plan satisfactory to IFC. c) Provide an action plan, inclusive of budget and staffing plan, for the implementation of the ESIA Management Plan during construction and operations of the two facilities. d) Post a link to the MICOA approved ESIA and Management Plan, including conditions of MICOA's approval, on the Charania Group website.	a) Prior to commencement of work by the Consultant. b) Prior to first disbursement of financing - on/about May 1, 2012. c) Prior to first disbursement of financing - on/about May 1, 2012. d) Immediately subsequent to MICOA approval
2. <u>Upgrade Housekeeping and Occupational Health and Safety Standards of Machava and Socimol Operations.</u> Taking the operations of the Beira Flour Mill as a benchmark, undertake an internal audit of workplace health and safety conditions in the Machava and Socimol flour mills and develop a Corrective Action Plan for bringing those operations up to the standards of Beira. a) Internal audit and corrective action plan provided to IFC. b) Completion of corrective action plan.	a) Prior to first disbursement of financing - on/about May 1, 2012. b) Prior to second disbursement of financing – on/about September 30, 2103.
3. <u>Occupational Health and Safety Program.</u> Develop a Group-wide occupational health and safety program for milling, transport, warehousing and other operations to address: health and safety training; job hazard analyses; evaluation and development of mitigation of dust explosion hazard in all operating mills; orientation to chemical compounds and employee training using material safety data sheets (MSDS) or International Chemical Safety Cards	

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(ICSC) for chemicals used in facilities for fumigation and pest control; collection of accident and near miss statistics and analysis of these statistics to reduce the number of lost time accidents recorded. a) Submit schedule for internal review and needs assessment to IFC. b) Provide a draft program, including budget, staffing and timetable, for the implementation of an OHS program across all Merec operations. c) Engage a qualified independent party to audit the implementation of this Program against the reference documents cited as required. Reference Documents: World Bank Group Environmental, Health and Safety General Guidelines and Guidelines for Food and Beverage Processing; and US OSHA guidelines on <i>Combustible Dust in Industry: Preventing and Mitigating the Effects of Fire and Explosions</i>	a) Prior to first disbursement of financing - on/about May 1, 2012. b) Prior to second disbursement of financing – on/about September 30, 2012. c) A condition of technical completion of IFC's debt financing.
4. <u>Obtain Internationally Recognized Food Safety Certification for Pasta and Biscuit Manufacturing Operations.</u> Pasta manufacturing may be certified Hazard Analysis and Critical Control Point (HACCP) independently in accordance with the Codex Alimentarius or included in an ISO 22000 management system that combines quality and food safety.	A condition of technical completion of IFC's debt financing.