JY Organic - (IFC Project # 31181)

ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)

#	Action	Deliverable	Deadline
PS1: Social and Environmental Assessment and Management Systems			
1	As per regulatory requirements, the Company will ensure that the Environmental Impact Assessment (EIA) for the proposed Tonggu facility is completed and approved before the start of any construction activities, that the scope of the EIA covers the construction and operational phases, and that all EIA recommendations spelled out in the E&S Management Plan are duly fulfilled in accordance with the License's Terms and Conditions.	(i) EIA and EIA regulatory approval, with its scope covering construction and operation (ii) Evidence of fulfillment of EIA recommendations	(i) Before start of construction (ii) In the first Annual Monitoring Report (AMR) submitted to IFC
2	J Y Organic will develop appropriate Environmental and Social Key Performance Indicators (KPIs) and performance targets applicable to its Farm Production Department, to be endorsed by senior management and duly implemented.	Following accepted by IFC: (i) E&S KPIs and performance targets for the Farm Production Department, endorsed by JY Organic Senior Management (ii) Implementation progress report	(i) Before first disbursement (loan or equity; note: all "first disbursement" in this document refers to either loan or equity) (ii) First report: 1st disbursement + 45 days and before 2nd disbursement (note: all "2nd disbursement" in this document refers to either loan or equity); Subsequent reports: As part of Annual Monitoring Report (AMR) submitted to IFC
3	JY Organic will provide IFC on a semi-annual basis, a summary report together with relevant statistics, on its supply chain organic and food safety compliance. This will include information such as a summary of farm production location and acreage statistics, an analysis of key monitoring findings, updates on third party organic certification/accreditation inspection processes, and soil/water test results. Where the report calls for improvement in certain areas, the Company will develop corrective actions to be duly implemented.	Following accepted by IFC: (i) Report and data template (ii) Findings report with relevant statistics (iii) Report on implementation of corrective actions (if applicable)	(i) Before first disbursement (ii) First report: 1st disbursement + 45 days and before 2nd disbursement; then semi-annually (iii) Within 30 days of findings report issued

4	JY Organic is committed to expanding/refining the metrics which it uses to monitor the E&S performance of third party farms, to include other appropriate metrics as per performance standard requirements. Examples of such metrics are those related to labor and working conditions; occupational health and safety; waste management, emission, and discharge; management of hazardous materials; pesticide use and management; community health and safety, confirmation that no new farms have been developed in ecologically sensitive areas, and information on timely payment to smallholder farmers. Results of regular monitoring against these metrics will be summarized into semi-annual reports to be provided to IFC (this can be integrated into the semi-annual organic and food safety compliance reports under item 2 above). Where monitoring results indicate needed improvements, the Company will develop corrective action plans and duly implement them.	Following accepted by IFC: (i) Refined list of E&S metrics, reporting and data template (ii) Monitoring report (iii) Report on implementation of corrective actions (if applicable)	(i) Before first disbursement (ii) First report: 1st disbursement + 45 days and before 2nd disbursement; then semi-annually (iii) Within 60 days of monitoring report issued
PS2: Labor and Working Conditions			
5	A third party social audit in 2010 indicated the following findings among others: i) JY Organic employees at its Wanzai facility received coverage corresponding to three components of mandatory social insurance (retirement; illness or injury; unemployment), but no coverage under the other two (disability and occupational disease insurance; child-bearing insurance); ii) Some workers performed 40 hours of overtime in July 2010, exceeding the 36 hours per month limit allowed under the national labor law. The Company will provide evidence that the above compliance gaps have been addressed. It will also provide documented evidence that these requirements will be consistently observed for new workers at the Wanzai and proposed Tonggu facility, and at sales offices in other parts of China.	(i) List of all employees (Wanzai; Tonggu; sales offices) with full social insurance coverage; 2011 external audit confirms compliance (ii) Records of working hours of all workers (Wanzai; Tonggu; sales offices); 2011 external audit confirms compliance	(i) List: First disbursement + 30 days and before 2nd disbursement; External audit report: within 30 days of report issued (ii) Records: First disbursement + 30 days and before 2nd disbursement; External audit report: within 30 days of report issued
PS3: Pollution Prevention and Abatement			
6	The Company will regularly track air emission and waste water discharge levels and provide annual monitoring data to IFC.	Monitoring reports issued by local Environmental Protection Bureau confirms compliance.	As AMR file attachments
7	The Company will provide documented evidence of an installed and functional on-site Waste Water Treatment Plant (WWTP) at the Tonggu facility, as part of the upcoming Environmental Impact Assessment process.	Following accepted by IFC: (i) Letter of Undertaking (LoU) with budget commitment from Sponsor to confirm it will install a functional WWTP at Tonggu. (ii) Specifications of proposed	(i) Before commitment (ii) 3 months before start of construction, 1st disbursement + 45 days, and before 2nd disbursement

		WWTP and design details (iii)Installation completion report (iv)Reports of wastewater discharge monitoring results (at point of discharge, and at 100m downstream)	(iii) Within 30 days of facility construction completion (iv) As AMR file attachments
8	The Company will: (i) Install water sub-meters at the Wanzai and proposed Tonggu facilities; (ii) Commission a water efficiency audit at Wanzai and develop feasible water usage reduction options; and (iii) Ensure that the EIA and also facility design and construction process at the Tonggu facility fully adopts feasible options to reduce water and electricity usage levels to minimum required levels, based on cost-benefit analysis of options.	Following accepted by IFC: (i) LoU with budget commitment from Sponsor to confirm that that the Tonggu EIA and facility design and construction process fully adopts feasible water and energy efficiency options, and that water sub-meters will be in place at Tonggu (ii) Functional sub-meters installed (iii)Terms of Reference (ToR) for water efficiency audit (iv)Water audit report with recommended actions (v) Progress report on water audit actions implementation (vi)EIA, facility design and construction progress reports describe (together with cost-benefit analysis of) all options explored and adopted to reduce water and electricity usage	(i) Before commitment (ii) Wanzai: 1st disbursement + 30 days and before 2nd disbursement Tonggu: Before completion of facility construction and before start of operation. (iii) Before first disbursement (iv) First disbursement + 30 days and before 2nd disbursement (v) Before 2nd disbursement (vi) Before 2nd disbursement and 60 days before start of construction
PS4: Community Health, Safety and Security			
9	The Company will provide to IFC a copy of the relevant fire service certificate and records of inspection findings provided by the local fire authorities for the Tonggu facility, and also ensure that this is available on site for review.	Certificate and records of inspection findings available.	Tonggu – before start of facility operation

10	The Company will commission a qualified third party organization to evaluate the design and construction of the new laboratory at Wanzai to verify that its setup, staffing and operational procedures are consistent with national standards and a recognized international standard. Follow up annual external audits will also be required to confirm that operational practices are in compliance. Should the Company decide to also offer commercial testing services to other companies, before proceeding, it will obtain all necessary permits, and an audit by a qualified third party will be needed to verify that the laboratory is properly set up and managed for this purpose.	Following acceptable to IFC: (i-a) ToR of laboratory design and construction evaluation (i-b) Evaluation report verifies compliance (ii) External audits verify compliance (iii) Required permits in place; Satisfactory audit findings	(i-a) Before 1st disbursement (i-b) First disbursement + 45 days and before 2nd disbursement (ii) Annually as AMR file attachments (iii) 30 days before offering of commercial testing services to external parties
PS5: Land Acquisition and Involuntary Resettlement			
11	For the 110mu to-be-acquired plot in Tonggu, and future land plots to be acquired for its operations, the Company will provide IFC with relevant details as per a reporting format agreed with IFC, and will ensure that the acquisition process fulfills PS5 requirements.	Following acceptable to IFC: (i) Land acquisition and livelihood baseline information and report; local Government land acquisition directive document; records of consultation with affected persons (ii) Land acquisition status monitoring report	(i) For each land transaction, before signing the legal document to acquire the land. (ii) For each land transaction, within 90 days after the signing of the land acquisition legal document.