

ENVIRONMENTAL AND SOCIAL ACTION PLAN

Lacteos Toni (#31439)

November 28, 2011

Item	Action	Completion Indicator	Timetable
	PS1: Social and Environmental Assessment and Management Systems		
	<u>New Dairy Processing Plant:</u> (i) Prior to the start of the construction phase, Toni will appoint the EHS staff that will be responsible to define applicable EHS requirements for construction contractors and monitor their performance. (ii) Toni will require the construction contractors to have an OHS Management Plan that will encompasses: Risk Prevention Plan; Internal Commission for Accident Prevention; PPE (Personal Protection Equipment) prescription, providing and use; Fall Prevention Program; Construction Workplace Conditions Program; Safety in handling; lifting of cargo and daily inspections program. -Toni will require from the construction contractors to have an Environmental Management Plan consistent with EIA's management programs requirements. - Toni will conduct monthly EHS inspections over the construction area to check contractors' Occupational Health and Safety performance and compliance with national regulations and IFC requirements	(i) Provide to IFC the name, TOR and qualifications of suggested EHS staff. (ii) Provide to IFC a copy of the OHS and the Environmental Management Plan Provide to IFC a copy of the reports.	LS + 90 days Before starting the construction or LS + 180 days During the construction and every month after the start of the construction phase

	PS2: Labor and Working Conditions		
2	<u>Working periods and overtime</u> Toni will enhance its HR policy, including a statement with non discrimination and equal opportunities, to stand against forced labor, child labor, sexual or other forms of harassment and respect of workers right to form and join workers organizations of their choice to express their grievances and protect their rights regarding working conditions and terms of employment. Toni will change its working period arrangements consistent with local labor legal requirements. Toni will ensure proper up front communication and negotiation with workers about all possible changes in working period arrangements.	Provide a copy of all related documents. Provide a report with the proposed approach including a description of applicable legal requirements, proposed working arrangement, an assessment of expected salaries reduction, sector benchmarking, a mitigation and implementation plan. Hire a qualified consultancy HR company to develop a communication and consultation plan. Provide a copy of the communication and consultation plan	LS + 360 days LS + 120 days LS+90 days LS+180 days
3	<u>Internal Grievance Mechanism</u> Toni will assign an HR staff to develop and manage an internal grievance mechanism for workers, including the proper channels of communication, conflict resolution mechanism, record tracking, confidentiality and un-disclosure of workers' identity, and feedback response	Provide a copy of the appointed staff job description, including the grievance mechanism development duties. Provide a report of the implementation of the grievance mechanism	LS + 90 days LS + 365 days

4	<u>OHS Occupational Health and Safety</u> Toni will deploy emergency prevention equipment in the ammonia storage and refrigerating system at the new Dairy processing plant, such as leak detectors (indoor areas), emergency tank, secondary contention, proper warning signs and emergency equipments. Toni will enhance its OHS monitoring program implementing a daily workplace inspection to ensure adherence to existing prevention measures and PPEs use Toni will conduct a statistical assessment of the accidents and injuries to identify applicable preventive/protective measures to reduce accidents rates. Toni will conduct a specific assessment to enhance fall protection measures at existing plant and applicable procedures/protection for safe working at heights. Toni will deploy emergency showers close to the storage acid and soda storage areas and will enhance secondary contention, segregation, warning signs and isolation, especially where the products are stored in a concentrated formulation.	Provide a copy, agreed to IFC, of the Ammonia Storage Design with a timeline for implementation. Provide a copy, agreed to IFC, of the daily workplace inspection program and implementation plan. Provide a copy, agreed to IFC, of the assessment, its conclusions and applicable corrective measures, including timetables for implementation. Provide a copy, agreed to IFC, of the assessment, its conclusions and applicable corrective measures, including timetables for implementation.. Provide a copy, agreed to IFC, to the proposed corrective actions and timetable for implementation.	LS + 90 days LS + 90 days LS + 90 days. LS + 90 days. LS + 90 days.
---	--	--	--

5	<u>Child Labor in the Supply Chain</u> Toni will map out its supply chain and monitor for the presence of harmful child labor. If found, Toni will apply commercial influence to modify behavior or pair up with NGOs working on this issue.	Develop a questionnaire and interview its suppliers during the milk collection. Conduct field sample visits at all regions and conduct an in depth assessment. Develop a report, based on the data collected during the interviews and field visits, identifying the existence, or not, of harmful child labor in the milk supply chain and the regions of concern. Develop a specific program involving most relevant stakeholders to reduce the use of harmful child labor in the milk production supply chain, if applicable.	LS+180 days LS+ 270 days LS+365 days LS+545 days
PS3: Pollution Prevention and Abatement			
6	<u>Energy and Water Use Efficiency</u> Toni will explore the opportunities to enhance energy efficiency and resource conservation in the new dairy processing plant operations, conducting an assessment and defining specific measures and goals to increase the energy and water use efficiency.	Provide a copy of the assessment and proposed measures.	LS + 120 days

7	<u>Emissions Control</u> In the new dairy plant site, Toni will deploy a new wastewater treatment plant consistent with local regulation requirements and WBG General EHS Guidelines. Toni will conduct an EHS due diligence at its milk collecting centers including OHS risks, wastewater discharges, environmental noise emissions, Hazardous material storage, among others, to ensure consistency with Ecuadorian level requirements.	Provide a copy of the new wastewater treatment project design with the expected water quality performance indicators. Provide a copy of a summary of due diligence result and applicable corrective measures	LS + 180 days LS + 120 days
PS4 Community Health and Safety and Security			
8	<u>Grievance Mechanism for surrounding communities.</u> Toni will develop an external grievance mechanism for affected communities to raise their questions, complaints and concerns. Toni will actively communicate to the nearby communities of the new plant location the channels to raise complaints.. Toni will develop and distribute an appropriate brochure specific for these stakeholders.	Provide a report with a description of the grievance mechanism, staffing, channels of communication, data recording and tracking, follow up monitoring and feedback Provide a copy of the brochure and a report of its distribution for the neighbors.	LS + 180 days LS + 270 days
PS 6 Biodiversity Conservation and Sustainable Natural Resource Management			
9	<u>Supply chain management</u> Toni will develop a screening process to identify possible impacts from supply chain activities in environmental sensitive areas and propose applicable mitigation measures.	Provide a copy of the screening procedure and an assessment of its existing operations identifying the regions in which Toni's suppliers may be involved with deforestation activities, possible mitigation measures and exclusion criteria.	LS + 270 days