

Jain Irrigation Systems Ltd

Environmental And Social Action Plan

Date: August 10, 2007

#	Action	Completion date
1.	The plastics division implement a certified OHS management system in accordance with OHSAS 18001 standards	June 2008
2.	Implement across all of JISL's operating facilities, EHS management system (EHSMS) certified to ISO 14001 and OHSAS 18001 standards, with IFC's Performance Standards and EHS guidelines duly embedded in the EHSMS	June 2009
3.	JISL will evaluate the possibility of obtaining an appropriate and internationally recognized Fair Trade certification	June 2008
4.	JISL will, at each of its plant/facilities and also at corporate level, employ fulltime and appropriately qualified EHS professionals to oversee implementation of and adherence to the EHSMS	June 2008
5.	JISL will upgrade the incident monitoring and investigation process to include contractors'/contract labor as well	June 2008
6.	JISL will implement the joint works council process across all of its facilities.	June 2008
7.	JISL will engage a third party to: (a) review the existing HR policies, procedures and practices against PS2 provisions; and (b) develop an action plan, for development and implementation of policies and procedures where required, that are consistent with PS2 provisions	March 2008
8.	Develop and implement an occupational health and safety program as detailed in the ESRS under PS2	June 2008
9.	Put in place a plant level safety committee comprised of both management and worker representatives at all of its manufacturing facilities	June 2008
10.	The Company will implement a company wide safety training program and EHS induction training for all new employees, labor (including contract labor), entering a company facility	March 2008
11.	JISL will undertake a benchmark workplace air quality monitoring program at its plastic plant, to demonstrate compliance with IFC's EHS guidelines	October 2007
12.	JISL will implement company wide procedures and measures to ensure that: facility emissions and discharges; ambient air quality and noise levels; management of hazardous materials, hazardous wastes and other wastes; specific water and energy consumption; use of refrigerant gases; and monitoring as also reporting program, are in accordance with IFC norms	June 2008
13.	JISL will implement procedures to ensure that pesticides under WHO hazard class Ia, Ib and II are not used in its contract farming operations or on its premises	March 2008
14.	JISL will, develop and implement an Integrated Pest Management (IPM) and Integrated vector Management (IVM) program in its contract farming operations (as also on its own premises)	Develop Program by June 2008 Implement Program by June 2009

#	Action	Completion date
15.	JISL will implement a program to build farmer awareness on and to encourage farmers, to adopt IPM, IVM and safe pesticide handling techniques.	June 2008
16.	JISL will develop and disseminate to contract farmers a Pesticide Handling/ Management Guideline consistent with IFC Performance Standard 3 requirements	June 2008
17.	JISL will implement procedures, in accordance with international good practices, to mitigate risk of occupational exposure to these fumigants	October 2008
18.	JISL will develop and implement a Security Personnel procedure, consistent with IFC Performance Standard 4 requirements	June 2008
19.	Prepare and implement an onsite and offsite disaster management plan and link it to the district emergency response plan	June 2008
20.	JISL will develop, implement and communicate to the contract farmers, a formalized grievance redress process, for receiving and responding to contract farmers grievances	June 2008

JAIN IRRIGATION SYSTEMS LIMITED
SUMMARY REPORT
PROJECT ENVIRONMENT AND SOCIAL RISK MANAGEMENT
August 13, 2007

Project Description

Jain Irrigation Systems Ltd. (“JISL” or the “Company”) is India’s largest provider of micro-irrigation systems (“MIS”). In addition to MIS, the Company is also a leading producer of plastic sheets, pipes and fittings, and processed fruits and vegetables. JISL is one of India’s largest integrated agribusiness players with operations spanning the agricultural value chain. While the Company’s headquarters are located in Jalgaon in the western Indian state of Maharashtra, JISL operates over 10 production facilities for MIS, plastic pipes, plastic sheets, dehydrated vegetables and processed fruits in the Indian states of Maharashtra, Andhra Pradesh, Tamil Nadu and Gujarat. The Company has also invested in companies overseas, such as the United States and Israel. The Company is planning an investment program to: (a) expand its micro-irrigation and food processing facilities; and (b) undertake domestic and overseas acquisitions.

Description of key Environmental and Social Issues and Mitigation

An Environmental and Social Assessment was undertaken with reference to IFC’s Performance Standards, in the context of a proposed IFC investment in the project. This document draws upon the Environment and Social Review Summary prepared by IFC as part of its appraisal process.

JISL has plans in place to address environmental and social impacts and to ensure that the proposed project will, upon implementation of the specific agreed measures, comply with applicable environmental, health and safety and social requirements, including: host country environmental, health, safety and labor laws; and the IFC Social and Environmental Performance Standards. The information about how these potential impacts will be addressed by JISL is summarized in the paragraphs that follow.

1. Social and Environmental Assessment and Management System

JISL’s management is committed to proactively addressing environmental, social, occupational health and safety (“EHS”) aspects associated with its operations. The Sponsor and the Company have received several international and national awards for entrepreneurship, innovation and environmentally responsible initiatives. JISL has articulated quality, health and safety, environmental, and social accountability policies. The Company’s: (a) dehydrated products unit has management systems certified to ISO 9000:2000, ISO 22000:2005 (HACCP and Food Safety standards), British Retailer Consortium standards, Codex Alimentarius, Kosher standards and is US-FDA registered; (b) fruit pulp & concentrate products division has management systems certified to ISO 22000:2005 standards, SGF International Standards, Codex Alimentarius, Kosher standards and is US-FDA as also JAS registered; (c) the plastics division has management systems certified to ISO 9000, ISO 14001 standards and is in the process of obtaining a certification in accordance with OHSAS 18001 standards; (d) owned agricultural sites are EUREP GAP certified; and (e) its tissue culture lab is ISO 9001 certified, and central laboratory operations are certified to GLP standards and have applied for NABL certification. While the above said management systems focus on quality and food safety, barring at the plastics plant where the Company has implemented an environment management system (EMS) as well, JISL also has processes in place to manage environment, occupational health and safety aspects associated with its operations. The Company will further strengthen the processes for management of EHS aspects and will implement, across all of its operating facilities, EHS management system (EHSMS) certified to ISO 14001 and OHSAS 18001 standards, with IFC’s Performance Standards and EHS guidelines duly embedded in the EHSMS, as per the time schedule detailed in the Environmental and Social Action Plan (“ESAP”) appended to this document. Further, the Company will evaluate the possibility of obtaining an appropriate and internationally recognized Fair Trade certification.

JISL undertakes limited environment and social assessment (ESA), adequate for the nature of its operations and has management program in place to mitigate the identified impacts. However, while implementing the EHSMS, the Company will undertake a comprehensive ESA, identify the significant EHS impacts and risks associated with its operations, and implement management programs to minimize/mitigate the identified impacts. JISL will ensure that the management programs incorporate relevant provisions of IFC's Performance Standards and WBG/IFC EHS guidelines.

The Company has a procedure for external communication. The Company will as part of the EHSMS and in accordance with IFC Performance Standards, implement procedures for engaging with community on EHS aspects. The Company will also develop, implement and communicate to the contract farmers, a formalized grievance redress process, for receiving and responding to contract farmers grievances. The Company's contract farming program includes provision of technical and financial support to farmers. Further, JISL, to promote efficient agronomic techniques in the farming sector, has undertaken several initiatives including: development and provision of high yield seeds; method and result demonstration for farmers; technical assistance on introduction of drip irrigation and watershed development; periodic meetings with farmers to discuss techniques to improve yield per hectare and impart training. The Company also has an active corporate social responsibility program in place, which includes: adoption of a village and provision of infrastructure like solar street lighting, primary health center, community hall, drinking water supply, watershed development; rainwater harvesting, scholarship to ecumenically backward children; financial support for medical purposes, recognition and reward to innovative farmers; and setting up of a Gandhi chair in the North Maharashtra University.

The Company has employed, in-house fulltime qualified professionals, for oversight of EHS aspects. In its other facilities, the management representative for the quality and food safety management system also oversees EHS aspects. The Company will, at each of its plant/facilities and also at corporate level, employ fulltime and appropriately qualified EHS professionals to oversee implementation of and adherence to the EHSMS. The Company will, as part of the EHSMS, require its contractors to also adhere to JISL's EHS procedures and will implement a training program for contractor's labor. The Company has procedures for recording, investigation and reporting of EHS incidents. The Company will upgrade the incident monitoring and investigation process to include contractors'/contract labor as well. The Company has procedures in place for periodic monitoring and internal reporting of EHS performance on a monthly cycle.

2. *Labor and Working Conditions*

JISL has a HR manual and manages labor working conditions under the state government's Model Standing Orders. The Model Standing Orders are generally consistent with PS 2 provisions and are displayed in the local language at plant premises. The Company has HR professionals deputed at each of its plants, who are responsible for communication of JISL's HR policies to employees and labor. Working conditions are communicated to employees and labor through their appointment letters, and in the orientation program. JISL has started putting in place a joint works council, comprised of both management and worker representatives, to receive and redress worker concerns. The Company will implement the joint works council process across all of its facilities. The Company will review IFC's Performance Standard 2 (PS2) and will, as per the time schedule indicated in the ESAP, articulate policies and procedures, to make its HR practices consistent with IFC's PS2 provisions. Towards this, the Company will engage a third party to: (a) review the existing HR policies, procedures and practices against PS2 provisions; and (b) develop an action plan, for development and implementation of policies and procedures where required, that are consistent with PS2 provisions.

The Company will, going forward, manage occupational health and safety through its OHSAS 18001 certified management system. In the interim, the Company will upgrade the status of occupational health and safety on its manufacturing premises particularly: fire safety system, emergency response, safety signage and exits; ventilation; guarding of moving parts; health hazard identification and control; and occupational health evaluation and monitoring. The Company has put in place safety committees comprised of both worker and management representatives, which meet on a quarterly cycle to develop and implement corrective action plans. JISL will put in place safety committees at

each of its manufacturing facilities. While JISL provides personal protective equipment (PPE) to all employees, its usage by workers including contract labor, needs to be improved. The Company will implement a company wide safety training program and EHS induction training for all new employees, labor (including contract labor), entering a company facility. JISL ensures that doctors/para-medical staff and ambulance are available at all of its facilities. While JISL undertakes annual workplace air quality monitoring, the Company will, as per the timeframe indicated in the ESAP, undertake a benchmark workplace air quality monitoring program at its plastic processing plant, to demonstrate compliance with IFC's EHS guidelines.

3. *Pollution Prevention and Abatement*

JISL will, going forward, manage environmental impacts of its operations as per the ISO 14001 certified EMS. The main business of the Company, MIS, promotes water conservation and pollution prevention. Further, the Company also assembles and markets solar heating and lighting systems. The Company has implemented various energy efficiency and resource conservation measures on its own premises including use of: solar heating and lighting systems; generation and use of biogas from domestic sewage and process effluents; use of treated effluent in irrigation on premises; bio-diesel production pilot and vermi-composting of non hazardous solid wastes with high organic content. At JISL's facilities in Jalgaon: there is an effluent treatment plant comprised of sequenced anaerobic and aerobic treatment and the treated wastewater meets host country requirements; domestic sewage is treated through septic tank and the overflow is led into the ETP; furnace oil based boilers have bag filters and the emissions to air meet host country requirements; there are diesel generator sets for backup power; hazardous ETP sludge and other hazardous wastes are disposed through authorized entities in a secure land fill or for regeneration or recycling; management of scrap and other non hazardous wastes needs to be upgraded though these are presently being segregated and sold to recyclers; and the refrigerant gases in refrigeration systems and chillers are in accordance with host country regulations on ozone depleting gases. Going forward, JISL will implement company wide procedures and measures to ensure that: facility emissions and discharges; ambient air quality and noise levels; management of hazardous materials, hazardous wastes and other wastes; specific water and energy consumption; use of refrigerant gases; and monitoring as also reporting program, are in accordance with both host country and IFC norms.

JISL undertakes contract onion farming on 4200 acres of land through 1700 contract farmers. The Company has processes in place to ensure pragmatic use of pesticides. Further, as part of its EHSMS, the Company will implement procedures to ensure that pesticides under WHO hazard class Ia, Ib and II are not used in its contract farming operations or on its premises. JISL will, develop and implement an Integrated Pest Management (IPM) and Integrated vector Management (IVM) program in its contract farming operations (as also on its own premises), to reduce reliance on synthetic pesticides. Further, the Company will also, implement a program to build farmer awareness on and to encourage farmers, to adopt IPM and IVM techniques. The Company uses Aluminum Phosphide and Methyl Bromide for export containers fumigation purposes only. While the Company has outsourced fumigation to agencies authorized by host country regulators, the Company will implement procedures to ensure that such agencies carryout fumigation in accordance with international good practices, to mitigate risk of occupational exposure to these fumigants

4. *Community Health, Safety and Security*

The Company uses equipment and infrastructure that meet good industry practices. The Company will, as part of the EHSMS, put in place procedures to: assess potential community impacts of its projects and operations; mitigate identified risks and impacts including risk of uncontrolled release of hazardous materials from its operations or in hazardous material transport. Further, the Company will prepare and implement an onsite and offsite Disaster and Emergency Management Plan, and link it to the district emergency response plan.

The Company employs security, which is unarmed. The Company implements procedures for ensuring that: past records of security personnel employed are screened; and security personnel have clear objectives and permissible actions laid out. Further, the company will, as per the timeframe indicated in the ESAP, implement procedures so that security personnel are trained in avoidance of human rights

violations and the use of fire arms; security incidents are recorded, investigated and corrective action implemented; bona fide complaints against security personnel are investigated and appropriate disciplinary actions are implemented; and there is a grievance mechanism for aggrieved members of community or employees, in the event of a violation of the code for security personnel. The Company will evaluate adoption of the UK Voluntary Principles on the Use of Security Forces.

Further Information

For more information contact:

Mr. Manoj Lodha
President Finance & Banking
Jain Irrigation Systems Ltd.
Jain House, 41/43, Police Court Lane, Fort
Mumbai – 400 001 India
Tel : +91 22 22610011
Fax: +91 22 22621177