

**Annual Environmental and Social Monitoring Report (AMR)**

**Reporting Period: (01/01/2012) – (31/12/2012)**

**Date of Submission: (Feb 28, 2013)**

**Jordan: Electricity Distribution Company P.S.C.**

*Note: Annual Environmental and Social Monitoring Report (AMR) is to be submitted to International Finance Corporation as part complying with the reporting requirements of the Loan Agreement (IFC Investment Number #26760). If Electricity Distribution Company P.S.C. (the Company) prepares a similar report annually containing the relevant information listed below, such a report can be used to replace or to supplement the AMR.*

**Section I. Summary**

**General Information**

**Company Name:** Electricity Distribution Company P.S.C.

**Project Country:** Hashemite Kingdom of Jordan

**Project ID:** IFC Investment Number #26760

**Project:** IFC to provide the loan to finance the Company's acquisition of 55.4% of the common shares of IDECO and capital expenditure to be incurred in the 2009 calendar year.

**Company authorized representative to be contacted by Lenders on the AMR:**

I certify that the data contained in this AMR completely and accurately represents operations during this reporting period.

**Name: Mohammad Tailakh**

**Title: Head of Safety & Environment (HSE) Section/ Management Representative for integrated quality, safety, and environment management system (IQHSEMS).**

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**Fax (00962 6 5341213)**

**e-mail: mtailakh@edco.jo**

Signature:

Date: March 19, 2012

**Summary of Compliance Evaluation**

*(Note: Please add any useful supporting information as appropriate.)*

*Did the Company undertake its operations in compliance with applicable requirements of the IFC Performance Standards on Social and Environmental Sustainability (April 30, 2006)?*

*Yes*

*Did the Company undertake its operations in compliance with the applicable environmental, health and safety and social requirements? If no, please summarize the non-compliance status and corrective actions being taken.*

*Yes*

## Major Environmental and Social Achievements / Challenge and Issues of the Company

- Please summarize notable environmental and social achievements of the Company during the reporting year (e.g. awards received, high performance recognized, improved community relationship).
  1. **EDCO has obtained an integrated management system certificates including ISO 9001, ISO 14001 and OHSAS 18001 to monitor, measure, and analyze the performance of all the company's processes, programs and employees with regards to environmental, health & safety, and social issues.**
  2. **EDCO still carries out a recycling program with Jordan Environment Society to recycle the non-hazardous materials such as papers.**
  3. **EDCO made voluntary contributions and donation in various fields such as charities, societies, and institutions with an overall value of (US \$ 19408.5) – attachment No.(1)**
  4. **EDCO continued its strategy which aims to strengthen the company's responsibility towards the community through arranging campaigns, visits, and workshops for school and university students, Civil Defense, in addition to spread awareness about energy efficiency and safety-attachment No.(2)**
  
- Please summarize major environmental and social challenges and issues that the Company faced with during the reporting year (e.g. major incidents, spills, fire, explosion or unplanned releases, ecological damage / destruction, failure of emissions or effluent treatment, legal/administrative notice of violation, penalties, fines, complaints, litigation, protest, negative media attention, chance cultural finds, labor unrest or disputes, local community concerns, corrective actions, rehabilitation / improvement programs).

**EDCO faced a number of social challenges and issues during this reporting year:**

1. **There was one public fatalities caused by electrocution.**
2. **EDCO had (46) lawsuits.**

**Corrective action: Patrols have been scheduled and conducted to survey EDCO MV and LV circuits to find out such crossings and remove the hazardous networks.**

## Section II. Compliance with Social and Environmental Laws

- *Please list (or attach the list of) the updated environmental, health and safety and social laws, regulations, standards, permits, etc. in the Hashemite Kingdom of Jordan that are applicable to the operation of the Company:*

The following are the updated List of environmental, health and safety and social laws, regulations, and standards in the Hashemite Kingdom of Jordan:

No	Year of Issue	Name of Law, Regulation, and standard
1.	2008	Distribution and Retail Supply License
2.	2004	Directives of Electricity Regulatory Commission
3.	1996	The Jordanian Labor Law
4.	2006	Environmental Protection law
5.	2005	Management, Transportation and Handling of Harmful and Hazardous Substances Regulations
6.	2005	Management of Solid Waste Regulations
7.	2005	Natural Reserves and National Parks Regulations
8.	2005	Regulations for the Protection of Air
9.	2005	Regulations for the Protection of Water

10.	2005	Regulations for Protecting the Environment from Pollution in Emergency Situations
11.	2005	Environmental Impact Assessment Regulations
12.	1988	Protective - Industrial Safety Helmet (JS 136)
13.	2008	Personal Eye Protection Specifications (JS 268)
14.	1985	Storage - General precautionary requirements for storage of hazardous materials( JS 431)
15.	1987	Heat - Heat levels allowed to be exposed to in working environments (JS 525)
16.	1998	Motor vehicles - Emissions - Diesel engines (JS 1054)
17.	2006	Environment-Pollutants-Maximum allowable limits of air pollutants emitted from the stationary sources (JS 1189)
18.	1985	Electric current - Effects of electric current - Part one: Effects of electric current passing through human body (JS 413)
19.	1989	Protective - Clothing for limited protection against dangerous liquid chemicals - Resistance to penetration - Test methods (JS 607)
20.	1990	Extinguishing materials – Fire protection - Fire extinguishing media - Carbon dioxide (JS 742)
21.	2006	Water-Reclaimed domestic wastewater (JS 893)
22.	1996	Safety requirements - Safety of machinery - Safety distances (JS 1048)
23.	2003	Bio safety regulations
24.	2005	Soil protection regulations

Was the Company in compliance with the above listed (or attached) laws, regulations, standards, permits, etc. applicable to the operation of the Company during the reporting year?

*No.*

If non-compliance status was observed during the reporting year, please summarize the status and corrective actions being taken:

### Section III. Compliance with the IFC Performance Standards on Social and Environmental Sustainability

#### Performance Standard 1 – Social and Environmental Assessment and Management System

Was the Company in compliance with PS 1 including, but not limited to, the requirements for the following areas as described in PS 1?

#### **The Company's Evaluation of PS 1 Compliance**

*(Please add supporting information as appropriate).*

Themes	Excellent	Satisfactory	Partly unsatisfactory	Unsatisfactory	Not Applicable
Social and Environmental Management System	<b>Three certificates have been awarded to EDCO regarding the management and quality</b>				

	<b>integrated systems (ISO 9001, ISO 14001, and OHSAS 18001). See attachment (3)</b>				
<i>Social and Environmental Assessment</i>	<b>Such tests were carried out for stack emissions for boilers in the company and the results were found satisfactory. See attachment (4)</b>				
<i>Management Program (including Action Plan)</i>	<b>There is an action plan that covers all environmental and safety issues and activities in EDCO for the year 2012. See attachment (5)</b>				
<i>Organization</i>					
<b>Training</b>	<b>In 2012 EDCO conducted training courses that covered some of the training needs related to environmental, health &amp; safety, and social issues (As in training list below)</b>				
<i>Community Engagement (including Disclosure, Consultation, Grievance Mechanism)</i>	<b>EDCO has a complaint system for the customers in its areas (each area has a box to receive customers' complaints) Edco has (Grievance</b>	<b>As a requirement of the quality integrated system EDCO conducted a questionnaire on a sample of its customers to be analyzed for</b>			

	<i>Mechanism</i> ) <i>published on its website</i> <a href="http://www.edco.jo">www.edco.jo</a> See attachment (15).	customers' satisfaction in all its operating districts.			
<i>Monitoring</i>		<b>EDCO is monitoring all its operations and controlling its records through periodically auditing of integrated quality management system (ISO 9001, ISO 14001 and OHSAS 18001).</b>			
<i>Reporting</i>	<b>Management representative is responsible for reporting to the top management on the performance of the OHSE management system</b>				

*Note: Excellent (Material compliance and the Company raised industry standard), Satisfactory (Material compliance), Partly unsatisfactory (Not in material compliance but corrective action has been identified and the Company has incorporated into the updated Action Plan), Unsatisfactory (Material non-compliance without realistic corrective action).*

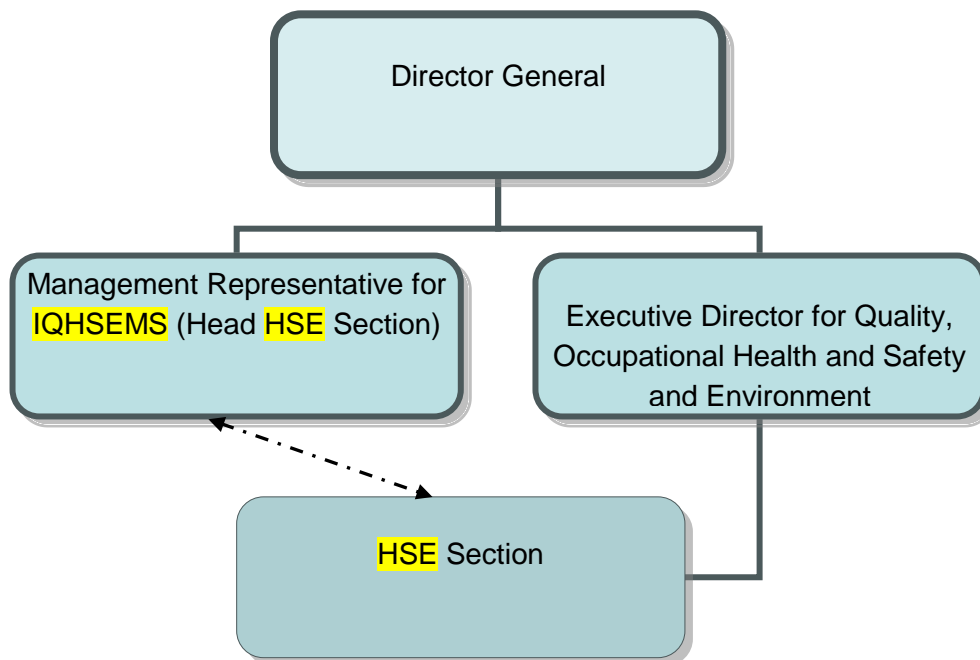
□ *Please provide the relevant information as below. Other PS-1 related information has been covered in Section III above.*

- *Updated status of the Company's Environmental Management System preparation (e.g. ISO 14001).*

**EDCO has established an integrated quality management system in 2010, in 2011 EDCO obtained three certificates (ISO 9001, ISO 14001 and OHSAS 18001) to support this system. This integrated quality management system enables the company to monitor, measure, and analyze performance of all EDCO processes, programs and employees that are related to environmental (such as defining and measuring environmental aspects and set controls to reduce or eliminate its effects) See attachment (6), health & safety (such as risk assessment) See**

attachment (7) and social issues.

- Updated organizational chart for the Company's Environmental Management System.



- Summary list of environmental, health and safety and social training programs provided to employee.

Course Name	Firm Name
OSHA General Industry	The Reliance Way
ISO 9001:2008 Internal Auditing	SGS
Occupation Health & Safety Management System 18001 Auditor / Lead Auditor	SGS
ISO 9001:2008 Lead Auditor (IRCA)	SGS
Second Quality Conference For measuring quality	Jordanian Academy for Quality Management
ISO 50001 "The workshop of international standard for energy management	Jordan Institution for Standards and Metrology
Workshops for PCBs disposal	Ministry of Environment

- Updated summary procedure of the reporting of social and environmental performance information to senior management.

EDCO has established an integrated quality management system , management representative who is responsible for reporting to the top management of the performance of the environmental and social management system to be reviewed, these reports include recommendations for improvement at planned intervals.

Top management at EDCO conducted a review of the organization's environmental management system, at planned intervals, to ensure its suitability, adequacy and

effectiveness. Reviews shall include assessing opportunities for improvement and the need for changes to the environmental management system, including the environmental policy and environmental objectives and targets.

Input to the management reviews shall include:

- a) Results of internal audits and evaluations of compliance with legal requirements and with other Requirements to which the organization subscribes.
- b) Communication(s) from external interested parties, including complaints.
- c) The environmental performance of the organization.
- d) The extent to which objectives and targets have been met.
- e) Status of corrective and preventive actions.
- f) Follow-up actions from previous management reviews.
- g) Changing circumstances, including developments in legal and other requirements related to its environmental aspects, and
- h) Recommendations for improvement.

The outputs from the management reviews shall include any decisions and actions related to possible changes to environmental policy, objectives, targets and other elements of the environmental management system, consistent with the commitment to continual improvement

- Please provide resources allocated by the Company during the reporting year for environmental and social management using the tables below.

**Social and Environmental Management Investment by the Company during the Reporting Year (US\$ million equivalent)**

	Investment made (Actual) (US\$ million)	Operating cost incurred (Actual) (US\$ million)
Total Investment / Cost	1.101161921	0.1132494507
Investment / Cost relevant to environmental / social management (pollution prevention and control, environmental and social enhancement measures, environmental and social mitigation measures, compensation, training, etc.)	Safety equipments, tools and Personal safety equipments = 0.07235283099	Training = 0.01169
	Replacement of dangerous networks = 1.028809090	Right of way reimbursement = 0.082151
		voluntary contributions and donation in various fields such as charities, societies, and institutions with an overall value = 0.0194084507

**1) Disposal of the electrical equipment containing PCBs Project (See attachment no (7)).**

- EDCO participated in the National Plan (NIP) for Stockholm Convention on persistent organic pollutant under the project implemented with the Global Environment Facility (GEF) and funded by the United Nations Environment Program (UNEP). One of the Project's targets that concern EDCO is the disposal of electrical equipment containing PCBs such as transformers, capacitors and other equipment. EDCO's commitment towards this project was (US \$ 7000.000) co-financing for the support of this plan that will have a

duration of 3 years

- EDCO has sampled and tested the oil of 160 scrap electrical equipments (such as transformers switchgears and auto-reclosers) of which 27 contained the PCB. This test was conducted throughout all EDCO sites. Tests were carried out under the guidance of the ministry of environment (MOE); the contaminated equipments are isolated and waiting to be removed by (MOE).
- An experimental plan which is supervised by the ministry of environment has been conducted at the beginning of 2012 to take a samples of oils from 150 operating transformers in the Jordan valley district in order to identify the obstacles and problems that may arise from taking the oil samples.
- The first stage of project (for sex months)  
Company has been formed and trained team in each site of company to read data from the transformer's label name and to take samples of oil from all operating transformers and then to test these samples to verify if its contain PCBs this plan will start at March 2013 year . The plan will cover all operating transformers in all EDCO sites.

2) Asbestos removal project ( see attachment no.(11))

Company contacted with a local contractor to remove asbestos from **4 sites** (2 sites in Jordan valley district, one in al-karak district, and another in al-tafile district.

The tender cost (**US \$9658.5**) and then company paid (**US \$ 947**) additional cost , total cost (**US 10605.5**)

The contractor removed asbestos under supervision of governmental committee formed from the representatives from the Ministry of Labor, Ministry of Health and Ministry of Environment.

3) *According to EDCO's strategy to improve the working environment in the cement pole manufacturing plant:*

- Installing air fans to improve the ventilation in the metal poles workshop (**US \$ 529.35**)
- In order to maintain occupational health company providing milk for workers at a cost of (**US \$ 5080**) per year in metal work and welding workshops

**Number of Employees Engaged in Environmental and Social Management**

(Note: Please report with relevant breakdown such as permanent, probationary and contractual employees as appropriate.)

	Male	Female	Total
Total employees of the Company	<b>1132</b>	<b>77</b>	<b>1209</b>
Employees engaged in environmental / social management	<b>10</b>	<b>0</b>	<b>10</b>

**Performance Standard 2: Labor and Working Condition**

- Was the Company in compliance with PS 2 including, but not limited to, the requirements for the following areas as described in PS 2?

**The Company's Evaluation of PS 2 Compliance**

(Please add supporting information as appropriate).

Themes	Excellent	Satisfactory	Partly unsatisfactory	Unsatisfactory	Not Applicable



Human Resource Policy and Management		✓			
Workers' Organization		✓			
Non-Discrimination and Equal Opportunity		✓			
Retrenchment					✓
Occupational Health and Safety		✓			
Non-Employee Workers			✓		

Note: Excellent (Material compliance and the Company raised industry standard), Satisfactory (Material compliance), Partly unsatisfactory (Not in material compliance but corrective action has been identified and the Company has incorporated into the updated Action Plan), Unsatisfactory (Material non-compliance without realistic corrective action).

□ Please provide the relevant information as below:

- Updated list of human resources policies / collective bargaining agreements.

In accordance with the administrative organization of the company, Human Resources (HR) Department is one of the departments that follow the administrative activity in the company.

This department consists of three sections (Personnel Section, Administrative Development Section and Training Section), with the following tasks :

1. Preparing and implementing the work plans and the annual work programs of the workforce.
2. Updating and developing all the work procedures and policies (instructions & regulations), complying with the Jordanian labour Law.
3. To cover all employees by health, social and life insurance.
4. Establishing, maintaining and improving the worker- management relationship.
5. Promoting fair treatment, non-discrimination and equal opportunity between workers.
6. Protecting the workforce by not employing children and forced labour.
7. Promoting safe and healthy work conditions, and the health of workers.
8. Increase the efficiency of employees by training and coaching.
9. Improving Job Description Cards.

- Number of complaints, if any, that the Company handled through grievance mechanism, and summary of those complaints particularly with respect to issues of labor union membership, non-discrimination, involuntary retrenchment, and occupational health and safety.

**NO complaints**

- Number of formal complaints, if any, that the Company received through national regulatory agency/courts, and summary of those complaints.

EDCO faced (46) Lawsuits from 1/1/2011 till 31/12/ 2011 as follows:

Subject of Lawsuit	# of Lawsuits
Electrical shock	6
Labor	6
Right off way complaints/electrical poles	34

- Updated percentage of employees represented by independent trade union organization or covered by collective bargaining agreements.

85% of the company's employees are represented by independent trade union organization.

- Summary results of a labor audit if conducted during the reporting year

**There was one labor audit conducted on EDCO during 2012 by Ministry of Labor**

**representatives.**

- Summary results of any involuntary retrenchment and retrenchment plan if undertaken.

**There isn't any involuntary retrenchment, nevertheless, there is a retrenchment plan that simulates the employees by offering a six months' salary in advance when retiring.**

- Retired and terminated (laid-off) workers for the reporting year by gender:

**Retired and Terminated Workers**

	Total number of employees at the beginning of the Reporting Year (A)	Employees retired (B)	Employees terminated (laid-off) (C)	Employees recruited (D)	Total number of employees at the ending of the Reporting Year (E) = A-B-C+D
Male	<b>1150</b>	<b>34</b>	<b>23</b>	<b>39</b>	<b>1132</b>
Female	<b>75</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>77</b>
Total	<b>1225</b>	<b>34</b>	<b>24</b>	<b>42</b>	<b>1209</b>

Note: (B) is for retirement due to mandatory retirement age or voluntary departure, whereas (C) is involuntary separation. Reporting Year is the same as the one for the AMR.

- Please provide occupational health and safety performance of the Company using the table below.

**Occupational Health and Safety Performance of the Company**

No.	Occupational Health and Safety Incidents	Number of Incidents	Occupational Health and Safety Incident Details
1	<u>Fatalities</u>	<b>1</b>	1. Date(s) of fatality: <b>3/2/2012</b>  2. Cause of fatality: <b>Road accident</b>  3. Corrective or preventive measures to prevent reoccurrence: -Binding the workers to follow the safety instructions in working and to use the PPE -We have increased the number of safety officers. Courses and lectures to improve safety awareness to all the workers.
2	<u>Total Lost Time Accidents (including vehicular)</u>	<b>61</b>	1. Date(s) of lost time accidents: * 2. Cause(s) of lost time accident(s): * 3. Corrective or preventive measures to prevent reoccurrence: * <b>* attached table (See attachment (8))</b>
3	<u>Total Number of Lost Workdays</u> resulting from incidents.		1. Total lost workdays this reporting year: <b>7134 for accidents (6000 lost workdays for each fatality)</b> Total lost workdays last reporting year: <b>7172 for accidents</b> *( Data for incidents are not available)

4	<u>Total Man-hours Worked</u> (total hours worked by all employees) during the reporting period <u>and</u> <u>Incidence</u> calculation.	1. Total man-hours worked this reporting year: = <b>2603125</b> 2. Total man-hours worked last reporting year: = <b>2756250</b> Incidence = total lost workdays/total man-hours worked 3. Incidence this reporting year: 4. <b>0.0027406</b> 5. Incidence last reporting year: <b>0.0026021</b> 6. Incidence next to last reporting year: <b>0.009825</b>
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**Performance Standard 3: Pollution Prevention and Abatement**

- Was the Company in compliance with PS 3 including, but not limited to, the requirements for the following areas as described in PS 3?

**The Company's Evaluation of PS 3 Compliance**

(Please add supporting information as appropriate).

Themes	Excellent	Satisfactory	Partly unsatisfactory	Unsatisfactory	Not Applicable
<i>Pollution Prevention, Resource conservation and Energy Efficiency</i>	Tests were carried out by SGS for stack emissions in all EDCO's boilers. The results were found to be within allowable ranges. <b>See attachment (4)</b>				
<i>Wastes</i>	EDCO continued a recycling program in cooperation with Jordan Environment Society to recycle the wasted papers. <b>See attachment (10)</b> Non-hazardous Solid waste such as parts of cables, conductors, metals and wooden pallets, etc are regularly sold through tenders for Sale of scrap Materials. for hazardous waste the contractor				

	<p>requested to issue a license from the Ministry of Environment which shows how to get rid of hazardous waste. <i>See hazardous waste schedule below. and attachment no(12)</i></p>				
<i>Hazardous Materials</i>	<p>1. Hazardous material is controlled by strictly auditing of hazardous material records which are monthly audited by warehouses section and safety and environment section. <i>See attachment no.(13)</i></p>				
<i>Emergency Preparedness and Response</i>	<p>HSE section has provided a preparedness and response emergency plan for each area under the supervision of Civil Defense. On site practice of the emergency evacuation was implemented in each area with the help of the Civil Defense. EDCO building construction is well qualified for emergency cases and equipped with fire extinguishers which are examined each six months periodically.</p>				
<i>Technical Performance Levels (Compliance with host country regulation and relevant requirements of IFC EHS</i>		EDCO complies with the international regulations and requirements.			

<i>Guidelines (*)</i>					
<i>Ambient Considerations</i>		EDCO takes Ambient into its consideration			
<i>Greenhouse Gas Emissions</i>		EDCO complies with Jordanian commitment to minimize and prevent any greenhouse gas emissions and had carried out stack emission tests on its boilers in all locations.			
<i>Pesticide Use and Management</i>					✓

*Note: Excellent (Material compliance and the Company raised industry standard), Satisfactory (Material compliance), Partly unsatisfactory (Not in material compliance but corrective action has been identified and the Company has incorporated into the updated Action Plan), Unsatisfactory (Material non-compliance without realistic corrective action).*

*(\*) IFC / World Bank Group, Environmental, Health, and Safety General Guidelines, April 30, 2007  
IFC / World Bank Group, Environmental, Health, and Safety Guidelines for Transmission and Distribution, April 30, 2007*

□ *Please provide the relevant information as below:*

- *Major resource conservation and energy efficiency measures that the Company incorporated into operation during the reporting year.*

**EDCO has taken necessary steps to ensure safe energy efficiency practices throughout its operations. These measures include the following:**

- **Reducing the energy consumed by the offices and its facilities in all locations that resulted in reducing 7% of yearly consumption.**
- **Awareness campaigns and seminars to the public which included (41) high schools and 5 charity organizations and (2) civil defence centre. See attachment (2)**

- Summary quantities of both hazardous and non-hazardous waste generation, recovery and reuse, treatment / destruction / disposal, and summarize how the Company is working towards improvement.

**Summary of Waste Management by the Company**

Type of Wastes		Generation (Quantity/ year)	Recovery and Reuse (Quantity / year)	Treatment / Destruction / Disposal (Quantity / year)	Recyclin g Rate (%)
Non-hazardous wastes		A	B	C = A - B	D = B / A (%)
	Item				
	Item				
Hazardous wastes	Mercury bulbs	11	0	11	0
	Burned neon bulbs	172	0	172	0
	Neon transformers	0	0	0	0
	Neon capacitors	2	0	2	0
	Packages of inks	116	0	116	0
	Batteries	32	0	32	0
	Transformers oil (litter)	11	0	11	0
	Vehicle oils (litters)	2	0	2	0
	Packages of dyes and paints	63	0	63	0
	Electrical equipments contain PCB	25	0	25	0
	Packages of SF6	0	0	0	0
	Air Conditions	1	0	1	0
	Refrigerators	1	0	1	0
	Used rubber tiers	192	0	192	0
	No PCB equipment	22	0	22	0
Asbestos	3	0	3	0	

**Performance Standard 4: Community Health, Safety and Security**

- Was the Company in compliance with PS 4 including, but not limited to, the requirements for the following areas as described in PS 4?

**The Company's Evaluation of PS 4 Compliance**  
(Please add supporting information as appropriate).

<i>Themes</i>	<i>Excellent</i>	<i>Satisfactory</i>	<i>Partly unsatisfactory</i>	<i>Unsatisfactory</i>	<i>Not Applicable</i>
<i>Community Health and Safety</i>		<b>EDCO has taken community health and safety into consideration during and after performing activities. Safety signs are located on EDCO's networks. Clearance for substations and lines which could affect the community safety has been taken into consideration.</b>			
<i>Emergency Preparedness and Response</i>		<b>EDCO had prepared Emergency Preparedness and Response plan for the year 2012/2013</b>			
<i>Security Personnel Requirements</i>		<b>EDCO contracts with an official security company; this company has appointed 57 individuals to work with EDCO. EDCO awarded a tender to a consultant who will be responsible for conducting a security systems study to assess its security needs in all locations. The security systems will include sensors, cameras, control measures and monitoring systems.</b>			

*Note: Excellent (Material compliance and the Company raised industry standard), Satisfactory (Material compliance or on schedule in the agreed ESAP), Partly unsatisfactory (Not in material compliance but*

corrective action has been identified and the Company has incorporated into the revised ESAP), Unsatisfactory (Material non-compliance without realistic corrective action).

- Please provide the relevant information as below:
  - Number and nature of incidents / fatalities involving general public if any.

There was (1) public fatalities caused by Electrocutation

#### Performance Standard 5: Land Acquisition and Involuntary Resettlement

- If the Company's activities involved areas related to PS5, please provide compliance evaluation of PS5.  
Right of way reimbursement equals to JD 58326.994 (US \$ 82150.696) during 2012

#### Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

- If the Company's activities involved areas related to PS6, please provide compliance evaluation of PS6.  
Only tree trimming operations with the approval from the Ministry of Agriculture and forest department. See attachment (16)

#### Performance Standard 7: Indigenous Peoples

- If the Company's activities involved areas related to PS7, please provide compliance evaluation of PS7  
EDCOs' activities do not affect indigenous people.

#### Performance Standard 8: Cultural Heritage

- If the Company's activities involved areas related to PS8, please provide compliance evaluation of PS8.  
EDCO serves such places but does not affect the cultural heritage when performing its activities.

### Section IV. Implementation Status of the Environmental and Social Action Plan (Schedule 8, April 1, 200....)

- Please provide the summary of the implementation status.

No	Action	Verified by:	Schedule	Actual Status
PS1-1	Establish dedicated environmental management structure including appointment of Environmental Engineer	<ul style="list-style-type: none"> <li>• Organizational structure of Borrower and EDCO, including the names of their Environmental Heads</li> </ul>	Prior to IFC loan disbursement	<b>EDCO has appointed an environmental engineer.</b>



PS1-2	Receive advice on EHS areas from the international consultant who is being hired by Sponsor to provide technical and regulatory support including on compliance with World Bank Group EHS Guidelines <sup>1</sup> and international best practice.	<ul style="list-style-type: none"> <li>• Terms of Reference (TOR) or / Scope of Work (SOW) for the international consultant being hired by Sponsor; and</li> <li>• CVs of the consultant hired.</li> </ul>	Within 1 year of first Disbursement	<b>EDCO had already submitted the TOR and CV's of the consultants in the previous years.</b>
PS1-3	Commission and publish annual environmental and safety reports at Sponsor's website	<ul style="list-style-type: none"> <li>• The links of the websites.</li> </ul>	From 2009 and onward	<b>EDCO has published the AMR report of years 2009, 2010, and 2011 and will publish the report of year 2012, on its website <a href="http://www.edco.jo">www.edco.jo</a> after submission.</b>
PS2-1	Review safety clearances in substations and line clearances where MV and LV circuits cross and correct non-safe situations (occupational safety)	<ul style="list-style-type: none"> <li>• Review report</li> <li>• Corrective actions</li> </ul>	Review report within 1 year of first Disbursement. Corrective action within 2 years of first Disbursement.	<b>EDCO is complying with ERC instructions for clearances. Extensive patrols have been scheduled and conducted to survey EDCO's networks to find out such crossings. Work orders relating to the circuit crossings and correcting none safe situations have been implemented. Continuous monitoring system has been arranged and managed to record different cases and their corrective actions. Records have been kept and updated regularly to enhance continuous monitoring.</b>
PS2-2	Install warning signs of Halon release at indoor substations	<ul style="list-style-type: none"> <li>• Summary report of installment completion</li> </ul>	Within 1 year of first Disbursement	<b>EDCO does not use Halon gas at indoor substations. So no warning signs are needed. EDCO uses only CO2, powder and foam extinguisher in its indoor substations.</b>

<sup>1</sup> (i) Environmental, Health, and Safety General Guidelines, IFC and World Bank Group, April 30, 2007 and (ii) Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution, IFC and World Bank Group, April 30, 2007

PS3-1	Establish PCB Screening Procedure	<ul style="list-style-type: none"> <li>• PCB Screening Procedure</li> </ul>	Within 3 year of first Disbursement	<p><b>EDCO participated in the National Plan (NIP) for Stockholm Convention on persistent organic pollutant under the project implemented with the Global Environment Facility (GEF) and funded by the United Nations Environment Program (UNEP). One of the Project's targets that concern EDCO is the disposal of electrical equipment which contain PCBs such as transformers, capacitors and other equipment. EDCO's commitment towards this project was (US \$ 7000.000) co-financing for the support of this plan that will have a duration of 3 years</b></p> <p><b>Regarding a PCB screening procedure, EDCO modified its procurement regulations, and added 2 items number (13 and 14) as not to buy/procure any material that is not in compliance with the Jordanian environmental law.<sup>2</sup></b></p>
PS3-2	Establish Halon extinguisher phase-out strategy	<ul style="list-style-type: none"> <li>• Halon extinguisher phase-out strategy</li> </ul>	Within 1 year of first Disbursement	<p><b>EDCO does not have Halon extinguisher in its offices and substations.</b></p>
PS3-3	Audit existing procurement policies related to EHS aspects (such as banning / phasing out of hazardous materials) and update them in accordance with international best practices.	<ul style="list-style-type: none"> <li>• Audit report</li> <li>• Updated procurement policies</li> </ul>	Within 1 year of first Disbursement	<p><b>EDCO modified its warehouse management in relation to contractors who want to buy scrap which include hazardous material; they must have a valid license from the Ministry of Environment to deal with hazardous materials.</b></p> <p><b>As a requirement from ERC directives, purchased materials throughout the company should</b></p>

				<p>comply with safety and environment requirements and legislations. This was also applied to all procurement policies.</p> <p>Directives and training offered to store employees and other employees involved by enhancing their awareness of handling environmentally hazardous materials to assure compliance with ISO 14001 and IFC EHS performance standards.</p>
PS3-4	Establish Waste Management Plan (both hazardous and non-hazardous)	<ul style="list-style-type: none"> <li>Waste Management Plans</li> </ul>	Within 1 year of first Disbursement	<p><b>For hazardous materials: A management plan for hazardous materials is under process with establishing an integrated management system ISO 14001 such that our sites submit monthly records for hazardous materials and waste to HSE section/management representative for analyzing and setting control methods. See attachment (13)</b></p> <p>Management system includes controls for disposing biochemical wastes generated by medical clinics in the company.</p> <p><b>For non-hazardous materials EDCO continued a recycling program with Jordan Environment Society to recycle papers.</b></p> <p><b>EDCO has prepared a documented procedure for the disposal of hazardous materials in an environmental friendly method, such as removal of asbestos also in addition to working instruction related to oil and SF6 gas filling and handling. See attachment (14)</b></p>
PS3-5	Update and maintain	<ul style="list-style-type: none"> <li>Summary of updated</li> </ul>	To be included in Annual	<b>EDCO emergency plan includes:</b>

	Emergency Preparedness and Response Plan	Emergency Preparedness and Response Plan	Monitoring Reports to IFC	<ol style="list-style-type: none"> <li>1. <b>Maintenance work on EDCO's electrical system in case of bad weather conditions and natural disasters to ensure that electricity supply won't be interrupted to customers and to eliminate or minimize the hazards that the network may cause to the public.</b></li> <li>2. <b>A plan for Evacuation from EDCO's main buildings in case of fires and natural disasters has been prepared.</b></li> <li>3. <b>each area has its own emergency preparedness and response plan which was implemented under the supervision of Civil Defense. Also a practice of Emergency evacuation was conducted for each area with the help of the Civil Defense.</b></li> <li>4. <b>EDCO building construction is well qualified for emergency cases and equipped with multiple types of fire extinguishers depending on the situation.</b></li> </ol>
PS4-1	Review of compliance status with ERC safety clearance requirement between electrical lines and land / buildings (general public safety)	<ul style="list-style-type: none"> <li>• Review report</li> </ul>	Within 1 year of first Disbursement	<p><b>EDCO is complying with the ERC instructions for clearances.</b></p> <p><b>Extensive patrols have been scheduled and conducted to survey EDCO's networks to find out such crossings.</b></p> <p><b>Continuous monitoring system has been arranged and managed to record different cases and their corrective actions. Records have been kept and updated to enhance continuous monitoring</b></p>

<sup>2</sup> The Articles in EDCO supplies and work manual:

Article (13) It is prohibited to purchase any material subject to an international ban or phasing out because of the high toxicity of the organisms, or the possibility of bioaccumulation, or the

potential for depletion of the ozone layer, for example, and not limited to; asbestos, PCBs. Alternatives that are less dangerous or that are authorized must be considered.

Article  
(14)

In the case of the company's use of authorized materials that have an impact on the environment, the company shall commit to the purchase of and provision for the handling and necessary prevention means in accordance with the requirements of the laws in force.