

**BEFORE
THE OFFICE OF CHILD LABOR,
FORCED LABOR AND HUMAN TRAFFICKING
BUREAU OF INTERNATIONAL LABOR AFFAIRS
UNITED STATES DEPARTMENT OF LABOR**

**STATEMENT OF
THE INTERNATIONAL SUGAR POLICY
COORDINATING COMMISSION
OF THE
DOMINICAN REPUBLIC**

**ON
CHILD LABOR, FORCED LABOR, AND FORCED OR INDENTURED
CHILD LABOR IN THE PRODUCTION GOODS IN FOREIGN
COUNTRIES AND EFFORTS BY CERTAIN COUNTRIES TO ELIMINATE
THE WORST FORMS OF CHILD LABOR**

AND

**BUSINESS PRACTICES TO REDUCE THE LIKELIHOOD OF FORCED
OR CHILD LABOR IN THE PRODUCTION OF GOODS**

JUNE 14, 2010

**Robert W. Johnson II
Washington Counsel**

**Balch & Bingham LLP
801 Pennsylvania Ave., N.W.
Suite 325
Washington, D.C. 20004-3625
Tel: (202) 347-6000, Fax: (888) 856-9542
Email rjohnson@balch.com**

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INTRODUCTION

The International Sugar Policy Coordinating Commission of the Dominican Republic (Dominican Sugar Commission)¹ welcomes the opportunity to submit this statement to the Office of Child Labor, Forced Labor and Human Trafficking (OCFT) within the Bureau of International Labor Affairs (ILAB) of the U.S. Department of Labor (DOL) in connection with OCFT's requests for information set out in two Federal Register Notices.

The first Notice, dated February 24, 2010 (75 F.R. 8402 et seq.), was, in fact, two related requests for information to be used by DOL in preparation of its reporting under Congressional mandates and Presidential directive. The first request sought information on the use of forced labor, child labor, and/or forced or indentured child labor in the production of goods internationally, as well as information on government, industry, or third-party actions and initiatives to address these problems. DOL will use the information as appropriate to maintain the list of goods that ILAB has reason to believe are produced by child labor or forced labor in violation of international standards under the Trafficking Victims Protection Reauthorization Act (TVPRA) of 2005, Section 105(b), and the List of Products Produced by Forced or Indentured Child Labor under Executive Order 13126 of 1999. The second request sought additional information on exploitive child labor, which DOL will use to produce an annual report on certain trade beneficiary countries' implementation of international commitments to eliminate the worst forms of child labor. This will be the ninth such report by DOL under the Trade and Development Act of 2000 (TDA).

The second Federal Register Notice, dated April 15, 2010 (75 F.R. 19659 et seq.), was a request for information by DOL on

¹ The International Sugar Policy Coordinating Commission of the Dominican Republic is an umbrella organization comprised of the sugar producers in the Dominican Republic. Its purpose is to communicate the views and analyses of its members on international issues that may affect the Dominican sugar industry, including Dominican sugar exports to the United States and other markets.

current practices of firms, business associations, and other private sector groups to reduce the likelihood of child labor and forced labor in the production of goods. This information will aid DOL in fulfilling its mandate under the Trafficking Victims Protection Reauthorization Act of 2005 to work with persons who are involved in the production of goods made with forced labor or child labor to create a standard set of practices that will reduce the likelihood that such persons will produce goods using such labor.

This statement is intended to serve as a joint response to the requests for information in both Federal Register Notices. We respectfully request that this statement be given all due consideration even though the nominal deadlines set out in the relevant Federal Register Notices for submission of information have passed.²

This statement will provide information regarding the current operations of the sugar producers in the Dominican Republic and their efforts to adopt "best practices" to modernize their operations; to continue and enhance their status as good citizens with respect to "corporate social responsibility"; and to provide a wide range of benefits to their employees and the growers of the sugarcane used in their operations, and their families.

Furthermore, this statement will explain the significance of the major development in the country's sugar industry which took place last year when all of the country's sugar producers/exporters joined The Better Sugar Cane Initiative Ltd. (BSI). The BSI is a London-based non-governmental organization with the goal of ensuring sugarcane is produced sustainably, according to specified, measurable, observable and verifiable standards, including social and environmental standards. As explained in more detail infra, the Dominican sugar producers have committed themselves to achieving the BSI's standards, and having their operations inspected by outside independent monitors to measure their compliance with the BSI standards. This should be recognized by the Department of Labor for the extraordinary step forward that it is.

BACKGROUND

1. **REGULATORY FRAMEWORK.** This statement is being submitted in connection with the ILAB's publication of an initial list on September 10, 2009, of goods believed to be produced by child labor or forced labor in violation of international standards

² The Dominican Sugar Commission's representative was granted an extension to submit this information due to severe medical problems which persisted throughout April, May and the first two weeks of June.

under the Trafficking Victims Protection Reauthorization Acts (TVPRA) of 2005 and 2008.³ The TVPRA of 2005 requires the ILAB to "develop and make available to the public a list of goods from countries that [ILAB] has reason to believe are produced by forced labor or child labor in violation of international standards." The TVPRA of 2008 established January 15, 2010, as the deadline for ILAB to publish an initial list. That list claimed that Dominican sugarcane was produced by child labor and forced labor.

The Dominican Sugar Commission strongly disagrees with that assertion, and trusts that this statement, and other materials submitted to the ILAB and other organs of the U.S. Government, will convince the Labor Department that there is no rational basis for believing Dominican sugarcane is produced by child labor or forced labor. Furthermore, the Dominican Sugar Commission believes that Dominican sugarcane should be removed from DOL's "List of Goods Produced by Child or Forced Labor".

The Government of the Dominican Republic (GODR), through its Embassy in Washington made a detailed submission on April 8, 2010, which analyzed the methodology used by ILAB in preparing the list; and provided information on the legal framework for the prevention of child labor and forced labor in the country; and described current working conditions, and the GODR's efforts and the private sector's efforts to prevent child labor and forced labor, and social programs and initiatives to combat child labor and forced labor. This statement will not repeat the information provided by the GODR in its April 8, 2010, submission, but will provided specific information on the sugar industry to refute the

³ Codified as sections 7101 and 7103 of the Trafficking Victims Protection Act (TVPA). The TVPRA directed the Secretary of Labor, acting through the Bureau of International Labor Affairs (ILAB), to "carry out additional activities to monitor and combat forced labor and child labor in foreign countries." 22 U.S.C. 7103(b)(1). The law specified these activities as (22 U.S.C. 7103(b)(2)):

(A) Monitor the use of forced labor and child labor in violation of international standards;

(B) Provide information regarding trafficking in persons for the purpose of forced labor to the Office to Monitor and Combat Trafficking of the Department of State for inclusion in [the] trafficking in persons report required by Section 110(b) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7107(b));

(C) Develop and make available to the public a list of goods from countries that the Bureau of International Labor Affairs has reason to believe are produced by forced labor or child labor in violation of international standards;

(D) Work with persons who are involved in the production of goods on the list described in subparagraph (C) to create a standard set of practices that will reduce the likelihood that such persons will produce goods using the labor described in such subparagraph; and

(E) Consult with other departments and agencies of the United States Government to reduce forced and child labor internationally and ensure that products made by forced labor and child labor in violation of international standards are not imported into the United States.

allegations that Dominican sugarcane is produced by child labor and/or forced labor.

2. PREVIOUS CLAIMS OF CHILD LABOR AND FORCED LABOR. It is extremely important to remember that a number of assertions have been made in the past about child labor and forced labor in the Dominican sugar industry, **all of which have been thoroughly analyzed by previous Administrations and dismissed after lengthy and rigorous investigations of the accusations.** ILAB officials in the current Administration may have been unaware of these previous investigations - and the U.S. Government's dismissals of accusations of child labor and forced labor - when they included Dominican sugarcane on the September 10, 2010, list. It will be instructive to take a look at some of the previous investigations to see how the accusations that led to the initiation of the investigations were found to be over-dramatized, misleading and essentially without merit, or to the extent the allegations had any merit, remedial steps were taken to correct any problems.

A. "Americas Watch" GSP Case. In 1989 the U.S. Trade Representative (USTR) initiated a review of worker rights in the Dominican Republic (Case 011-CP-89) following the acceptance of a May 31, 1989, petition filed by Americas Watch which alleged mistreatment of Haitian cane-cutters. The case was continued in 1990 (Case No. 018-CP-90) to give adequate time to investigate the allegations concerning the Haitian "braceros", and allegations made by the AFL-CIO in its own petition regarding mistreatment of workers in the country's free zones and elsewhere. Also investigated were allegations raised in the petitions concerning child labor and forced labor.

In April 1991, after an extensive two year investigation, USTR made a decision in favor of the Dominican Republic on the basis that the Bush Administration determined the Dominican Government "[has] taken or [is] taking steps to afford internationally recognized worker rights", that is, substantial steps had been taken to protect workers and prevent any violations of applicable labor laws and regulations. That determination was made on the basis of a report, issued in April 1991 by the GSP Subcommittee of the Office of the U.S. Trade Representative (USTR). The GSP Subcommittee report covered a range of labor rights concerns in the Dominican Republic, including a detailed section on "Allegations of Worker Rights Violations of Haitian Sugar Cane Cutters", based in part on reports by the U.S. Embassy in Santo Domingo which analyzed labor practices on Dominican sugarcane plantations.

In August, the USTR rejected a new petition from Americas Watch requesting continued review of worker rights during the 1991-1992 season. Over the next few years, more complaints were filed by Americas Watch and affiliated organizations, but the U.S.

Government refused to initiate any investigations based on such complaints.

B. "Primetime Live" Broadcast. On May 30, 1991, the ABC program, "Primetime Live", made allegations of child slavery and other abuses of Haitian "braceros" (cane cutters) in the Dominican Republic. The program contained a segment showing a child cutting cane in a burning field with an armed guard forcing him to do so. The Government of the Dominican Republic strenuously denied the allegations, and subsequent investigation uncovered the fact that the episode was a fake - that the "Primetime Live" producer staged the entire scene, paying actors to take direction and act out a scripted performance. The actors were located during the course of the investigation and admitted their roles in this sensationalized and shameful attempt to attract television ratings.

Following this, the House Subcommittees on Western Hemisphere Affairs and on Human Rights and International Organizations held a hearing on the treatment of Haitian cane cutters in the Dominican Republic. At the June 11, 1991, hearing, Joseph Becelia, the director of the State Department's Office of Caribbean Affairs, defended the GODR's efforts to improve conditions for Haitian cane cutters, and the State Department submitted a follow-up report to Chairman Torricelli which stated that "Based upon our continuing review of the Bracero issue, we believe that the GODR does not have a policy of exploiting Haitian youths in slave-like conditions." [Emphasis added].

C. AFL-CIO Unionization GSP Case. In June 1993, the AFL-CIO filed a petition with USTR seeking to have the Dominican Republic's GSP eligibility status revoked because of the country's alleged deficiencies regarding unionization in the country's free zones and other alleged abuses of workers, including allegations of child labor (Case No. 004-CP-93). Again, a favorable determination was made by the U.S. Government after a lengthy investigation. See the December 20, 1994 Federal Register Notice announcing the termination of the investigation based on the remarkable efforts made by the Dominican Government to protect worker rights in the free zones, and the action taken by the AFL-CIO to withdraw its petition in October 1994.

D. DR-CAFTA Reviews. On August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic. The DR-CAFTA agreement enhances protections for worker rights in the signatory countries by making labor obligations a part of the core text of the trade agreement. It includes unprecedented provisions that commit DR-CAFTA countries to provide workers with improved access to procedures that protect their rights. Moreover, it goes beyond

the Chile and Singapore Free Trade Agreements (FTAs) through a 3-part cooperative approach to improve working conditions by: (1) ensuring effective enforcement of existing labor laws; (2) working with the International Labor Organization (ILO) to improve existing labor laws and enforcement; and (3) building local capacity to improve workers rights.

With respect to child labor and forced labor in the Dominican Republic, it should be noted the DR-CAFTA specifically addresses laws and their enforcement regarding internationally recognized labor rights, including "a prohibition on the use of any form of forced or compulsory labor" and "a minimum age for the employment of children and the prohibition and elimination of the worst forms of child labor". Further, the United States has provided monies to the ILO to fund a "transparent public report" every six months on ILO findings of progress by DR-CAFTA governments in their efforts to improve labor law enforcement and working conditions.

While further details on the operation of the DR-CAFTA and its review and consultation mechanisms are beyond the scope of this statement, the point is that the DR-CAFTA has worked significantly to improve the framework and enforcement mechanisms to prevent child labor and forced labor in the Dominican Republic and the Central American member countries.

E. "Price of Sugar" Film. Another attempt was made in 2007 to accuse the Dominican sugar industry of child labor and forced labor practices. This took the form of a supposed "documentary film" entitled "The Price of Sugar" produced by an American, Bill Haney, and narrated by Paul Newman. The film focused on the activities of a priest named Father Christopher Hartley to eliminate abuses of workers in the sugarcane operations of one Dominican producer, Grupo Vicini. The film has gathered a measure of attention due to the promotional efforts of Father Hartley and Mr. Haney. However, it seems the producers of the film copied the methodology of the 1991 "Primetime Live" television program, and staged a number of scenes, and mis-identified persons and places as being a part of the Vicinis' operations, when they were not. The Vicinis have sued Mr. Haney for defamation and the case is pending in the U.S. District Court in Boston.⁴

Apart from the damage to the Vicinis' reputation, the film has had another pernicious effect - apparently some people have believed it to be an accurate depiction of conditions in the Dominican sugar industry, including, it seems, some Government officials in the U.S. Embassy in Santo Domingo. This film and other materials supplied by Father Hartley and his followers appear to have affected their objectivity and colored their

⁴ (Civil Action No. 1:07-cv-11623-DPW).

reporting on sugar issues. The Dominican Sugar Commission submits that "The Price of Sugar" contains many serious distortions about living and working conditions in the Dominican industry, and in no way reflects actual circumstances.

F. "The Sugar Babies" Film. A similarly inflammatory - and allegedly "documentary" - film was produced about conditions on Central Romana Corporation's sugar operations in the Dominican Republic. This film, "The Sugar Babies: The Plight of the Children of Agricultural Workers in the Sugar Industry of the Dominican Republic" was released in 2007 as well, and also featured Father Hartley in his usual role. Produced by Amy Serrano, the film did not garner as much attention as "The Price of Sugar", but like "The Price of Sugar", it attracted criticism for its inaccuracies.

Accurate information on the sugar operations of Grupo Vicini, Central Romana Corporation, and the other private Dominican sugar producer, Consorcio Azucarero Central, is set out in following sections of this statement.

THE DOMINICAN SUGAR INDUSTRY

1. HISTORICAL CONTEXT. Historically, the sugar industry was the engine of the Dominican economy; sugar was more important to the Dominican economy than to any other country.⁵ Until the early 1980s the Dominican Republic maintained a fairly stable level of sugar production, with about 1 million short tons, representing 80% of total production, available for export. In 1976 production reached a peak volume of roughly 1.25 million short tons, and exports to the United States totaled 900,389 MT. The country's sugar exports to the United States averaged 730,291 MT during the 1975-1981 period, entitling the Dominican Republic to the largest share of the allocated Tariff Rate Quota (TRQ). At the request and encouragement of the United States, the country has since diversified its agricultural economy away from its dependence on sugar. Despite ongoing diversification efforts, in the late 1980s the Dominican Republic was one of the world's largest producers of sugarcane.

The role of sugar changed markedly in the 1980s as external conditions (including actions by the United States - reductions in the U.S. sugar quota and assistance for diversification in

⁵ Columbus introduced sugarcane to Hispaniola, but sugar plantations did not flourish in the Dominican Republic until the 1870s. Investment by United States sugar companies, such as the United States South Porto Rico Company and the Cuban-Dominican Sugar Company, rapidly transformed the Dominican economy. These companies had established themselves by the 1890s, and between 1896 and 1905 sugar output tripled.

Dominican agriculture) forced the national economy to diversify.⁶ Sugar prices had reached unprecedented highs in 1975 (when sugar export revenues peaked at \$577 million) and again in 1979. The international recession of the early 1980s, however, pushed prices to their lowest levels in forty years. Lower world prices hurt the Dominican economy, but the reduction of sales to the United States market, as a result of quota reductions that began in 1981, was even more costly because of the preferential price the United States paid under the quota system. The international market continued to be depressed in the late 1980s. The market had been glutted by over-production, caused principally by European beet growers; major soft-drink manufacturers had also switched to high-fructose corn sweeteners and away from cane sugar. This resulted in a substantial decrease in Dominican sugar production. It made no economic sense for the Dominican sugar industry to continue exports to the depressed world market when profitable exports to the United States, needed to offset losses on world market sales, were severely restricted by the reductions in the U.S. TRQ throughout the 1980s and 1990s.

2. DOMINICAN EXPORTS TO THE U.S. The Dominican Republic is the largest exporter of raw sugar to the United States, holding 17.6 percent of the allocated Tariff Rate Quota. Historically, the sugar industry had been the nation's largest employer and the main source of the country's export earnings.⁷ From 1978-1987, sugar exports provided roughly 30 percent of the Dominican Republic's foreign exchange, which is needed to finance the purchase of the many essential imports that cannot be produced in the Dominican Republic. (The great bulk of manufactured items the Dominican Republic imports are of U.S.-origin). For example, the Dominican Republic's sugar exports to the United States averaged 805,000 tons per year during the 1975-1981 period, and under the Caribbean Basin Initiative it was contemplated that the Dominican Republic could export 859,794 tons (780,000 MT) per

⁶ In November 1981, U. S. Ambassador Robert L. Yost announced the possibility that by 1990 the United States could end its sugar importations, due to increases in production of high fructose corn syrup and its potential displacement of sugar. For this reason, he urged nations such as Dominican Republic to diversify their agricultural economies away from their dependence on sugar. To help in this effort, the United States provided special funding, which was later used to stimulate the production of non-traditional crops. While the Caribbean Basin Initiative offered the Dominican Republic increased duty-free access to the U.S. sugar market (780,000 MT), this promised access was severely limited by the application of the sugar quota program. Economic development took place in other sectors, such as free zones, tourism, and alternative agriculture. This diversification was financed in part by direct foreign investment and also by USAID, which made significant contributions to a number of projects.

⁷ The elimination of United States sugar quotas for Cuba after the Cuban Revolution of 1959 further enhanced the economic role of sugar, as the Dominican Republic assumed Cuba's former status as the main supplier under the quota system.

year duty-free. Because of the operation of the U.S. sugar quota program, the Dominican Republic's sugar quota has steadily eroded. The country's quota for FY 2010 was initially set at 185,335 MT, the so-called "guaranteed minimum" under WTO rules. However, the U.S. increased this by 32,033 MT in April 2010 due to shortages in the U.S. domestic production, and a further slightly smaller increase is expected shortly. Over the past twenty five years the Dominican Republic has failed to realize some US\$6 billion in potential sales to the United States due to the shrinkage in its U.S. sugar quota.

3. RECENT DEVELOPMENTS IN THE DOMINICAN SUGAR INDUSTRY.

There have been several recent developments that have affected the Dominican Republic's sugar production, and thus its ability to supply domestic needs and have sugar available for shipment to the world market, and to the United States. Among the most important are the damage caused by Hurricane Georges in 1998, and the restructuring and privatization of the sugar industry beginning in 1999. In September 1998, Hurricane Georges hit the Dominican Republic with winds over 120 mph and more than 20 inches of rain. Significant amounts of sugarcane were destroyed in the fields and several mills suffered severe damage. In 1999 the Dominican Government completed the process of privatizing its government-owned sugar operations, Consejo Estatal del Azúcar (CEA), and private producers began operating the CEA-owned mills in 2000. However, this process suffered setbacks as some of the new producers experienced financial difficulties and technical problems in re-opening the old mills or starting up new production facilities. As a result, the Dominican Republic has had to import raw and refined sugar for domestic production several times in the past few years.

A number of mills have ceased production in recent years encouraged by U.S. policy. [Angelina, Rio Haina, Ozama, Santa Fe, Catarey, Esperanza, Amistad, Quisqueya, Consuelo, Boca Chica, Monte Llano, and CAEI]. Central Romana, Cristóbal Colón, and Barahona currently produce sugar which is exported under the TRQ. The Porvenir mill did not produce for several years but was expected to produce about 20,000 MT for domestic consumption this crop. It is unclear if this level will be met, but, in any case, all of Porvenir's production is intended for the internal Dominican market. Production improved in the past few years, reaching a level over 530,000 MT in 2003-2004; total production this year is estimated at 514,000 MT, according to INAZUCAR, the Dominican Sugar Institute.

A very significant development in the country's sugar industry is the movement to mechanical harvesting. Until recent advances, harvesting had to be done manually due to the uneven and rocky terrain on which sugarcane is grown in the Dominican Republic. The industry employed from 75,000 to 80,000 laborers

in the years between 1970 and 1999, when mechanical harvesting began to be introduced. Now it is estimated that only 30% of the country's cane is harvested by hand; 70% is harvested mechanically. The country's producers now have the machinery and equipment to harvest essentially all the cane mechanically, but still employ cane cutters to provide jobs and income to the rural communities.

**DOMINICAN SUGAR PRODUCERS' OPERATIONS,
CORPORATE SOCIAL RESPONSIBILITY, AND
ACTIVITIES TO PREVENT CHILD LABOR AND FORCED LABOR**

1. **SUGAR PRODUCTION IN GENERAL.** Most sugar mills and cane fields are concentrated in the southeast coastal plains. There are three private groups which produce sugar for export: Central Romana Corporation, Grupo Vicini, and Consorcio Azucarero Central. Central Romana and Grupo Vicini grow sugarcane on their own lands and also purchase cane from independent growers known as "colonos". Consorcio Azucarero Central leases land from the State Sugar Council (Consejo Estatal del Azúcar - CEA), and operates a mill in the southwestern part of the country at Barahona. Consorcio Azucarero Central does not purchase any sugar from colonos; it grows all the sugarcane it mills on the land it leases from CEA. (The Dominican Government created CEA in 1966 to manage the lands and facilities formerly held by the Trujillo family). CEA still owns large amounts of land, but the CEA lands are largely in disrepair, following attempts at privatization. Only 1 of CEA's ingenios⁸, Porvenir, is operating, and only to produce sugar for domestic consumption.

The other important grower group is the "colonos", or independent cane farmers, both large and small, who contract with an ingenio to sell their production. It is estimated that combined the colonos have roughly 60,000 acres of land. In the mid-1980s there were approximately 4,500 colonos. There are significantly fewer now. Many of the colonos are members of the association, Federación Dominicana de Colonos Azucareros - FEDOCA, which represents their interests in a range of issues.

2. **CENTRAL ROMANA CORPORATION.** Central Romana Corporation, Ltd., (CRC) is an agro-industrial and tourism company whose main focus is sugar production. Central Romana was founded in 1912, and its first sugarcane harvest was in 1917. The company is

⁸ An "ingenio" is a sugar mill with associated sugarcane lands. Workers' settlements ("bateyes") are often located near the mill and surrounding fields; they usually include stores, schools, and a number of other facilities.

based in the city of La Romana, in the Eastern region of the Dominican Republic. With approximately 25,000 total employees, the company is the Dominican Republic's largest private sector employer. While Central Romana purchases about 35% of the sugarcane it crushes from colonos, it harvests much of this cane itself, rather than having the colonos cut it themselves.

Basic Data

Mills:	One
Mill's Capacity per year:	4 million MT of ground sugarcane
Sugar Production per year:	400,000 MT of sugar
Rural Workers during Crop:	Between 7,000 and 9,000
Sugarcane from Colonos:	Approximately 35%
Bateyes:	87
Total Batey Population:	30,000 of which 7,000 are employees
Housing:	369 multiple housing units for singles, and 5,372 single homes for families, provided by the company for free.
Schools:	57 schools for children who live in the bateyes. 8,000 children attend the schools.
Medical Facilities:	1 main hospital, 2 ambulatory primary healthcare centers, and 3 mobile healthcare units, which service the bateyes. Includes an oral healthcare mobile unit.
Unionization:	Central Romana's Worker's Union, (Sindicato Unido de Trabajadores del Central Romana Corporation), is the largest union in the country, with 15,000 members.

Labor Policies

- Child labor. Central Romana has a policy of zero tolerance toward child labor - anyone who violates this policy will face termination plus all other applicable sanctions. Central Romana's contracts with its unionized workers contain provisions explicitly prohibiting child labor. In addition, every year Central Romana issues written instructions to the colonos who supply sugar to the company that they cannot use child labor in their own growing or harvesting activities. Moreover, Central Romana closely supervises its colonos' activities. It administers their planting, growing, and harvesting, and is in a position to

detect (and stop) any child labor as its lands surround those of the colonos. The company's primary schools at the bateyes have a 90%+ attendance record plus playgrounds for after school activities, which help keep children in the classroom and entertained. The minimum working age in the Dominican Republic by law is 16 years old. Central Romana tries to avoid employing workers that are under 18 years of age to comply with international labor laws.

- Workers' rights. Regardless of a laborer's migratory condition, all Central Romana sugarcane workers and their families have the right to be treated with respect, to receive free schooling, free medicine and medical care, and to be paid in cash for their services. In addition, they are free to go in and out of the bateyes as they wish, and to find other jobs, if desired. Central Romana does not, under any circumstance, "import" any sugarcane workers from any country, including Haiti.
- Central Romana Corp. has 47 harvesters and 300 tractors which is more than enough equipment needed to cut its sugarcane mechanically, at a lower cost than with manual labor. However, thousands of cane cutters return every year looking for employment that they cannot find in their own country, so the company's policy is to try and employ them.
- Worker's Union: Workers are well-organized at Central Romana. As an example, the Sindicato Unido de Trabajadores del Central Romana Corporation is the largest in the country, with 15,000 employees. In the last labor contract, of February 2007, all 15,000 affiliated workers received a base salary increase of 30%. **Especially noteworthy is that the ILO selected one of the collective bargaining agreements made between Central Romana and its union, as a "best practice".**

Workers' Living Conditions

Housing

Central Romana Corporation has consistently worked to improve the living and working conditions of its employees. The company has built 369 multiple houses for singles and 5,372 single family homes in its 87 bateyes, where company field workers and their families live at no cost to them. In addition, sugarcane field workers receive:

- Potable water
- Besides the homes in the sugar cane fields, Central Romana has built and given 1,000 houses to its employees in the urban

area. Another 5,000 workers live - at no cost to them - in company-owned housing, and another 6,000 employees are now home owners thanks to the company's housing assistance program.

- Hundreds of workers have received land, where they have built their own houses.
- Workers at the bateyes purchase their food from private mini-markets called "colmados" owned by third parties (these don't belong to Central Romana).
- Central Romana subsidizes 80% of the price of meat for its workers. Workers pay \$5 pesos per kilo (two pounds) for ground meat compared to \$50 or \$60 charged in regular super markets. Other products like vegetables, cheese, and processed meats are available for the workers at subsidized costs much lower than the regular market.
- Hundreds of children and adults play volley ball, basketball, softball and baseball at the company's sports facilities.

Healthcare Services

Employees' health care is another major concern for Central Romana. The company has built and managed a central hospital, two ambulatory healthcare clinics, three mobile healthcare units and one oral healthcare mobile unit. The company also has developed major projects that focus on disease prevention. All employees and their families have access to medical services - including medicine - for free.

Central Romana invested more than US\$ 1.8 million in 2008, to provide health care services for its employees, including:

- 140,398 free physician visits were conducted during 2008.
- The Central Hospital employs 47 doctors and 68 nurses, and has 82 beds, surgery rooms, labs, X-ray facilities, maternity services and others.
- A total of 82,143 patients were seen at the Central Hospital in 2008.
 - 45,960 patients were seen and assessed at the Central Hospital's outpatient center in 2008.
 - 36,183 patients were seen in the emergency room at the Central Hospital in 2008.
- 20,000 patients were seen and assessed at the outpatient clinics in 2008.
- 37,809 patients were seen by the mobile medical units in 2008.
- 120 children per week were treated at the oral healthcare unit in 2008 (approximately 6,500 per year).
- More than US\$ 23 million has been invested to expand the Central Hospital. This expansion is expected to double the number of people who can be treated, including four new

surgery rooms with state-of-the-art equipment, MRI capability as well as sonograms and Doppler studies. A heliport will facilitate better handling of major emergency cases. The new wing was slated to open by the end of 2010.

Corporate Social Responsibility

Corporate responsibility is an integral part of Central Romana's values. Below are some highlights:

- Central Romana Corporation financially supports El Patronato Benéfico Oriental and Fundación MIR, two important charity organizations in the Dominican Republic.
- Central Romana donates DR\$ 14 million pesos (almost US\$ 500,000) every year to both institutions.
- El Patronato Benéfico Oriental provides housing, food, education, medical assistance and medicines for 1,300 children, ranging in age from newborn to 18 years old.
- Fundación MIR helps women and children who have been infected with the HIV virus.
- 13,000 people have access to medical and spiritual assistance.
- Through its efforts, Fundación MIR has been able to assist with reducing the risk of HIV transmission from mother to child by 88%.

3. GRUPO VICINI/CAEI. Grupo Vicini is a privately-held business headquartered in the Dominican Republic which is involved in many different fields: tourism and real estate, industry and energy, finances and insurance, food, beverages, and retail, as well as communications. VICINI ABR (Alimentos, Bebidas y Retail - Food, Beverage and Retail) is actively involved in the foodstuffs market. In addition, Grupo Vicini produces sugar, mangoes, pineapples, and cattle which make a large contribution to the Dominican Republic's GDP. Grupo Vicini's sugar is produced by its Consorcio Azucarero de Empresas Industriales (CAEI) entity.

Basic Data

Mills: 1 (Cristóbal Colón)

Mill's Capacity per day:	5,500 MT of ground sugarcane/600 MT of sugar
Mill's Capacity per year:	875,000 MT of ground sugarcane
Sugar Production per year:	90,000 MT of sugar
Industrial Workforce:	240
Rural Workers during Crop:	1,100
Sugarcane from Colonos:	Approximately 40%
Harvest Method:	40% mechanical; 60% manual
Bateyes:	59
Total Batey Population:	6,300 of which 1,100 are workers
Schools:	26 schools, with 3,107 students
Medical Facilities:	16 centers for primary health care
Workers Health Security:	All workers, their companions, and children are covered
Unionization:	Sindicato de Trabajadores de la Industria Azucarera (workers and employees) del Ingenio Cristóbal Colón with 716 members. Sindicato de Obreros y Trabajadores del Ingenio Angelina has 95 members. Sindicato Autónomo de Trabajadores del Ingenio CAEI has 83 members. There is a Collective Agreement with all 3 Unions guaranteeing compensation and working conditions exceeding legally-required levels.

CAEI owns and operates the Cristóbal Colón mill which has the current capacity to produce 90,000 MT of raw sugar per crop year. Last year total production amounted to 69,451 MT. About 40 percent of CAEI's sugarcane is mechanically harvested. CAEI's plans with respect to modernization of its mill and harvesting are to have its entire cane crop fully mechanized within the next several years. In the mill equipment is being modernized in conjunction with equipment suppliers to enable the mill to generate energy in the near future. In the farms, CAMECO harvesters and support equipment such as tractors and wagons are replacing manual harvesting.

Workers' Living Conditions

Housing

CAEI's workers - 900 cane cutters and 200 technical support workers - presently live in 59 bateyes which are being centralized into 2 modern living areas. Nuevo Cayacoa is the first of the housing facilities that has been built at cost of

over US\$ 14 million. The purpose of the new developments is to improve and modernize housing in the cane fields and surrounding areas. Nuevo Cayacoa has over 100 houses equipped with all the necessities for modern living, including a large school. This school, named Atabeira, has more than 700 students (elementary through high school) and is administered by Fe & Alegria, a Catholic institution. Also within the community there is a large Medical Center to attend to the healthcare needs of the workers and their families. A large community center and a commercial block are also part of the Nuevo Cayacoa Housing Facility. CAEI and Fundación INICIA have been working in a program to retrain workers who are going to be displaced by the mechanization process. CAEI's near term goal is to be a fully mechanized modernized industry which will allow it to compete in times of free trade and globalization. It is also exploring the possibility of producing ethanol in the country.

Further information on Nuevo Cayacoa is set out in Exhibit A.

Labor Policies

CAEI has very strict rules against child labor certified by several external audits including some American based multinational clients and the Better Sugarcane Initiative, Ltd. (BSI). The labor standards and practices of CAEI are consistent with Dominican law and the ILO, and have been certified by independent audits from national and international organizations.

Healthcare Services

CAEI maintains 16 centers for primary care for workers, employees, and their families. The Medical Center at Nuevo Cayacoa will provide first rate primary care free to all residents in the new complex.

Code of Conduct

Grupo Vicini and all of the associated companies including CAEI have a mandatory Code of Conduct that incorporates universally accepted principles to include labor standards, and ethical behavior and has workers as the principle focus of the corporation. This Code of Conduct requires strict adherence to all laws in force, but also is designed to ensure implementation of the highest ethical standards and principles of corporate social responsibility. The Code of Conduct explains, at page 6, that Grupo Vicini's business principles are based on:

- The principles of the United Nations Universal Declaration of Human Rights;
- The standards established under the United Nations Global Compact;

- Key conventions of the International Labour Organization; and
- The principles of the United Nations Convention on the Rights of the Child

A copy of Grupo Vicini's Code of Conduct is set out in Exhibit B.

Corporate Social Responsibility

For over a century and a half, Grupo Vicini has not only done business in the Dominican Republic, but has done it with a great sense of responsibility and concern for its people. During the past year, Grupo Vicini centralized its social responsibilities under one umbrella, its own foundation "Fundacion Inicia" and through this entity it supports other foundations such as Fundacion Virgen del Perpetuo Socorro and Fundación Corazón a Corazón. Fundacion Inicia was created in 2008 with the objectives and goals of providing equal opportunities to all Dominicans and to contribute to the development of education, health, work, planning and training. Fundación Virgen del Perpetuo Socorro focuses on health issues reaching a large segment of the population. It was created with the main objective of helping low-income cancer patients. Fundación Corazón a Corazón is devoted to helping children who have cardiovascular problems, to provide them with an opportunity of a healthy, productive life.

To help assist the victims of last year's earthquake in Haiti, Grupo Vicini contributed \$5 million USD to several institutions including Save The Children, The Red Cross, World Food Program, direct donations for Haitians homeless and refugees and to the Republic of Haiti.

4. CONSORCIO AZUCARERO CENTRAL. Consorcio Azucarero Central, CxA, (CAC) is an agro-industrial concern dedicated solely to the production of raw sugar from sugarcane. The company has a 30 year lease on the Barahona Sugar Mill (Ingenio Barahona) from the Dominican Government, which began in 2000. The sugar mill is located in the province of Barahona while its sugarcane fields are spread over the provinces of Barahona, Independencia, and Bahoruco, all situated in south-western area of the country. The rehabilitation of the sugar mill is still ongoing and production has been increased from 11,000 MT in 2000 to 70,000 MT in 2010 (est.). At present the company has more than 2,500 employees.

Basic Data

Mills:	One
Mill's Capacity per year:	700,000 MT of ground sugarcane

Sugar Production per year: 70,000 MT of sugar
 Number of Employees: 2,522
 Harvest Method: 70% mechanical; 30% manual
 (approx. 375 cutters)
 Number of Sugar Growers: None. CAC cultivates, grows and
 harvests all its sugarcane.
 There are no "colonos".
 Bateyes: 17 (which are independent
 communities.
 Total Batey Population: 27,909 of which 20% of active
 adults are employees.
 Unionization: Barahona Sugar Mill Workers Union
 and Barahona Sugar Mill Cane
 Cutters Union.

Bateyes:

Around and within the Barahona Sugar Mill plantation there are 17 bateyes with a total of 5,629 families, a population of 27,909 and approximately 5,187 houses. These bateyes are independent communities with municipal authorities that receive funds through the Government's national budget. At the time of the Privatization Process (2000), control of the Barahona Sugar Mill factory, plantation and other installations was transferred to Consorcio Azucarero Central (CAC), as the Lease Operator, but the bateyes were not.

Nevertheless, CAC helps the population of the bateyes in many ways thru the use of the company's heavy equipment to help maintain roads, irrigation canals, and other public assets. Also, CAC helps and promotes sports, health and environmental concerns in the bateyes through its foundation.

Medical Services:

The company has a medical clinic in Batey 6 and one at the factory, where they offer first aid care, prevention and referrals. During harvest, these clinics operate 24 hours a day. In downtime (maintenance period), they operate during office hours. In addition, employees of the company receive medical care through CAC's Health Care Providers medical centers in the provinces. The company also has an ambulance service that serves its staff and is available to all the surrounding communities.

Every year CAC organizes and carries out several preventive healthcare operations. These are coordinated together with the Ministry of Health and other private organizations. They include immunizations, dental check-ups, blood pressure measurements, and general health check-ups, etc.

Labor Policies:

The company adheres to its internal Employment Rules, which contains rules and policies governing the operation of the company. These Employment Rules have been authorized by the Dominican Labor Ministry. Child labor is categorically not permitted in CAC. Employees who break these rules are subject to dismissal as stated in CAC's rule book. There is a section in the company's Human Resources Department which monitors and ensures that child labor is not used in CAC's cane fields.

In December 2009, the International Labor Organization (ILO/OIT in Spanish) recognized CAC as one of the two companies in the country for their model program to eradicate all forms of child labor. This recognition took place pursuant to the ILO's International Programme on the Elimination of Child Labour (IPEC).⁹

An article describing this recognition appeared in Tuesday, December 8, 2009, edition of the Dominican newspaper, El Nuevo Diario, a copy of which appears in Exhibit C. The selection of CAC as a model business for its elimination of child labor was also reported by the Business and Human Rights Resource Centre, an independent entity with a website containing news and reports about "companies' human rights impacts worldwide - positive and negative." The link to the report on CAC's selection is:

<http://www.business-humanrights.org/Links/Repository/632435>.

Unionization:

Currently, CAC has two unions: The Barahona Sugar Mill Workers Union and the Barahona Sugar Mill Cane Cutters Union. The company maintains written collective agreements with these unions governing the protection and provision of employee benefits.

⁹ According to its website, <http://www.ilo.org/ipec/programme>, the ILO's International Programme on the Elimination of Child Labour (IPEC) was created in 1992 with the overall goal of the progressive elimination of child labour, which was to be achieved through strengthening the capacity of countries to deal with the problem and promoting a worldwide movement to combat child labour. IPEC currently has operations in 88 countries, with an annual expenditure on technical cooperation projects that reached over US\$61 million in 2008. It is the largest programme of its kind globally and the biggest single operational programme of the ILO.

The number and range of IPEC's partners have expanded over the years and now include employers' and workers' organizations, other international and government agencies, private businesses, community-based organizations, NGOs, the media, parliamentarians, the judiciary, universities, religious groups and, of course, children and their families.

Harvest Operations:

CAC's cane harvest is conducted 70% by mechanical harvesters and 30% manually. CAC employs only 375 cane cutters. The company has 11 harvesters that could handle 100% of the harvesting, but in order to offer work to these cutters, who mainly live in the area, CAC's maintains the manual operation at 30% of total.

The list of workers at CAC has not changed over the last two seasons, making the employee turnover in the cane harvesting department essentially zero.

Starting at the beginning of harvest, the cane cutters are given medical check-ups coordinated by the company, to ensure their proper health. Also, meetings are held with each working group to discuss work-related topics, and make sure there are no misunderstandings about compensation, working conditions, and similar subjects that may be of concern to the workers. In addition, the company provides free lunches, water and, as with every other employee, provides free transportation in buses to and from the cane fields.

Corporate Social Responsibility:

The company maintains a policy of social responsibility for the communities that surround it. In the past year, RD\$ 22,000,000.00 (US\$610,000.00) was invested in social work by the company, together with the Central Barahona Foundation. These funds were spent as follows:

- RD\$ 7,293,976.00 in grants to church groups, sports trusts, farmers, various community activities, assistance to victims of the disaster in Haiti.
- "Implementation Work" project in 17 bateyes to benefit 2,000 families per month.
- "Implementation of Recovery of Agricultural Land" that included 600 farmers.
- Sessions on environmental sanitation and home improvements to 1,500 families.
- Fish Farm Project, directed by Bombita Women's Association.
- Agro-forestry Research Center, providing technical support for communities in biodiesel production, in conjunction with the Dominican Institute for Sustainable Development (Instituto Dominicano de Desarrollo Integral - IDDI)¹⁰, CODESPA¹¹, and the

¹⁰ Created in 1984, the Instituto Dominicano de Desarrollo Integral, Inc. (IDDI) is a non-profit organization that has as its objective contributing to

Organic Banana Producers Cooperative.

- Construction of an industrial kitchen to provide affordable food to the communities, in conjunction with IDDI and CODESPA.
- Construction of a wholesale supply warehouse (CAMI) supplying low cost foodstuffs and supplies to grocery stores and retailers in the plantation area, in conjunction with IDDI and CODESPA.

Living Conditions of Workers:

CAC's workers for the most part own their own homes. The company provides housing to a limited number of employees, and it rents more than 40 houses in the area.

Education:

The company, in order to help raise the academic level in the area of Barahona, has built, through its Central Barahona Foundation, a school that provides modern teaching instruction methods to children of employees. It also helps to train teachers in the sugarcane plantation.

Central Barahona Foundation, in alliance with the Barahona Sugar Mill Cane Cutters Union, maintains six schools for children, ages three to five years, located in as many communities. Each school has 30 children. The Foundation pays the teacher's salaries, and pays for school breakfasts, educational materials, and school supplies.

THE BETTER SUGARCANE INITIATIVE, LTD.

One of the most significant developments in the Dominican sugar industry with respect to the prevention of child labor, forced labor, and efforts to eliminate the worst forms of child labor is that **all of the Dominican sugar producers/exporters joined The Better Sugarcane Initiative, Ltd. (BSI) in 2009.** This is important because it demonstrates the commitment of the Dominican sugar producers to take steps in their own business

overcoming the effects of poverty in both rural and urban areas.

¹¹ Codespa Foundation is a non-profit, non-governmental organization (NGO) helping poor people and communities in the developing countries of Asia, Africa and the Americas. Founded in 1985 and based in Spain, the organization is presided over by Prince Felipe of Spain. From the beginning of its history Codespa Foundation promoted development programs in the countries with close cultural and historical links with Spain (Latin America, the Caribbean). Later it expanded its aid operations to other parts of the world.

operations to reduce the likelihood of forced or child labor in the production of sugar, but also their willingness to have their business practices scrutinized, assessed, and measured by an outside independent entity dedicated to improving the social and environmental conditions in the sugar industry. Moreover, the Dominican sugar industry's practices will now be measured against detailed standards to validate improvements for the key economic, environmental and social impacts of sugarcane production.

1. THE BETTER SUGARCANE INITIATIVE, LTD. EXPLAINED.¹² The BSI, an initiative of the World Wildlife Fund, is a group of sugarcane retailers, investors, traders, producers and NGOs who seek to create international standards that define sustainable sugarcane cultivation. The members collaborating in the BSI are committed to sustainable sugar by establishing principles and criteria that are applied in the sugar growing regions of the world through regionally specific strategies and tools.

2. BSI'S MISSION. BSI states that its mission is "to ensure that current and new sugarcane production is produced sustainably." The BSI aims to reduce the impact of sugarcane production on the environment in measurable ways that will also enable sugar production in a manner that contributes to social and economic benefits for sugar farmers and all others concerned with the sugar supply chain.

The importance of this initiative is the wide cultivation of sugarcane and its possible impacts both positive and negative. Sugarcane is grown in 103 countries and accounts for 60-70% of sugar production, a figure which is expected to increase as world demand for ethanol increases. Managing social and environmental risks is important for sugarcane growers, processors and food companies due to regulatory pressures as well as shareholder and consumer expectations for sustainably-produced goods. To date many industries have been unable to extend their social and environmental corporate profile to the way in which sugarcane is cultivated and processed. While many national or local producer groups have high social and environmental production guidelines, there is not a global set of sustainable-sugar practices, principles and criteria by which industries, companies and investors alike can define their sugar interests.

3. BSI'S OBJECTIVES AND GOALS. BSI has four main objectives:

(1) To define globally applicable performance-based principles, criteria, indicators and standards for sugarcane

¹² Information from BSI website: <http://www.bettersugarcane.org>.

production that take into account local conditions and circumstances, and that are based on a credible and transparent process that is focused on the key sustainability drivers in sugarcane production;

(2) To promote measurable improvements in the key economic, environmental and social impacts of sugarcane production and primary processing;

(3) To develop a certification system that enables producers, buyers and others involved in sugar and ethanol businesses to obtain products derived from sugarcane that have been produced according to agreed, credible, transparent and measurable criteria; and

(4) To support the transition of the BSI to an internationally accepted global platform for sugarcane and its derived products, which is financially self sustaining and which provides a forum for continuous improvement in production efficiency and sustainability.

The goal of BSI is, through the encouragement of better management practices (BMPs), to reduce farm and other sugar processing impacts. The BSI recognizes that BMPs can only be a means to an end however and not the end itself. Incremental improvement through the establishment of dynamic and ever improving benchmarks and baselines is the overall objective.

4. GOVERNANCE/MEMBERS. As stated above, the BSI's membership is comprised of sugarcane retailers, investors, traders, producers and NGOs who are committed to sustainable sugar production by establishing principles and criteria that are applied in the sugarcane growing regions of the world. A list of the current members can be found at the following link:

http://www.bettersugarcane.org/bsi_members.html

The BSI is funded by members, among who are consumer companies (e.g. Tate & Lyle, Coca Cola, Cadbury Schweppes), commodity traders (e.g. ED & F Man, Cargill), NGOs (e.g. WWF, Solidaridad/Fairtrade), national and local producers (e.g. UNICA, EID Parry, Central Romana, CAEI, and CAC), and oil companies (e.g. Shell, BP), all of whom are governed by BSI's Code of Conduct.

5. BSI'S CODE OF CONDUCT. The BSI's Code of Conduct sets high standards for its members, all of whom agree to act in good faith to achieving the applicable standards and supporting the

Code. The essence of what BSI members obligate themselves to do in the Code of Conduct is set out below:

"By joining the BSI, members agree to develop: A set of Principles, Criteria, Indicators and Standards (PCIS) for responsible sugarcane production and a verification mechanism for compliance with these PCIS.

PRINCIPLE 1. Obey the Law

PRINCIPLE 2. Respect Human Rights and Labour Standards

PRINCIPLE 3. Manage input, production and processing efficiencies to enhance sustainability

PRINCIPLE 4. Commit to continuous improvement in key areas of their business

PRINCIPLE 5. Actively manage biodiversity and ecosystem services."

The BSI Code of Conduct is set out in Exhibit D and can also be found at the following link:

<http://www.bettersugarcane.org/governance.html#codeconduct>

5. BSI'S STANDARDS. To measure progress, the BSI has undertaken to develop measureable standards in key environmental and social impacts of sugarcane production and primary processing while recognizing the need for economic viability. The BSI understood that its process of developing standards and indicators had to be entirely transparent and inclusive. This was vital if the standards developed were to have international credibility. To achieve this, the BSI decided to follow the procedures recommended by the International Social and Environmental Accreditation and Labeling Alliance (ISEAL) (www.isealalliance.org) to ensure that the standards developed have the widest possible acceptance. The intellectual underpinnings of the standards development process by the BSI are described in a paper entitled "The Development of Sustainability Standards in the Sugar Industry".¹³ The BSI is now completing work on its Version 2 of the BSI Standard.

Public comment ran from November 12, 2009, through January 12, 2010. A copy of Version 2 that was published for public

¹³ Paper presented to the European Society of Sugar Technologists, May 2009, by Dr Peter Rein, Professor Emeritus, Louisiana State University, Consultant to BSI. The link to this paper is:

www.bettersugarcane.org/thought_leadership.html.

comment is set out in Exhibit E. The link to this document can be found at:

[http://www.bettersugarcane.com/assets/BSI%20Public%20Consultation%20Standard%20Version%202\(12\)a.pdf](http://www.bettersugarcane.com/assets/BSI%20Public%20Consultation%20Standard%20Version%202(12)a.pdf)

Version 2 is framed as a set of principles, criteria, indicators, and detailed notes and references as to how the metrics and measurements work. Especially noteworthy are the notes regarding how often and in what detail inspections, auditing, and samplings are carried out. **Agreeing to have their business practices validated according to the BSI's detailed standards represents a major step in corporate social responsibility by the Dominican sugar industry.**

CONCLUSION

The Dominican Sugar Commission appreciates the opportunity to submit this statement. The Dominican sugar industry has made significant progress in the past several years in improving the working and living conditions for workers and their families, and especially to the point, has made tremendous progress in eliminating child labor and forced labor.

Not only have all the private Dominican sugar producers improved and refined their business practices, and mounted major efforts to the benefit of workers and their families, every sugar exporter has formally undertaken to abide by the BSI's rigorous standards regarding, among other "best practices", labor and employment practices (particularly ILO core labor conventions) to provide a safe and healthy working environment, and to eliminate child labor and forced labor in the industry. By joining the BSI, the Dominican sugar exporters have opened up their sugar operations to scrutiny, inspection, monitoring, assessment, verification, and validation of their performance in meeting strict standards. This demonstrates their good faith efforts and commitment to eliminate child labor and forced labor.

The Dominican sugar industry looks forward to working with the ILAB in this effort. We will be pleased to provide any further information that might be useful in this matter.



Robert W. Johnson II
Balch & Bingham LLP
Washington Counsel
International Sugar Policy
Coordinating Commission
of the Dominican Republic

EXHIBIT A

September 21, 2009

Vicini Group and CAEI Inaugurate Community Project in Nuevo Cayacoa

Los Llanos, San Pedro de Macorís. With an investment of more than RD\$160 million pesos was inaugurated the first phase of the Nuevo Cayacoa Community Project. Created by the Vicini Group as part of the company's commitment to the social responsible programs for the employees of the Consorcio Azucarero de Empresas Industriales (CAEI), the development consists in building a new community complete with housing, school, clinic, sport courts, a shopping center, green areas and other facilities.

Nuevo Cayacoa project consolidates the residents of the sugar cane cutter villages, referred to as bateys, of Dos Hermanos, Las Mercedes, Moruno and Cayacoa into a comfortable community with modern conveniences. Nuevo Cayacoa features electricity, potable water, drainage system, streets, sidewalks, landscaping among other services that will allow residents to enjoy all the necessary services to live in harmony with current times.

The housing units of the project were built using an advance prefab panel system made of steel, cement and fond which offer a strong resistance and security against hurricane and earthquakes. Each home has 63 m² of construction and the interior has been designed to guarantee a comfortable and functional coexistence by family members.

The inaugural event was hosted by Mr. Felipe A. Vicini, executive president of the Vicini Group. He stated that the Nuevo Cayacoa community is a real test and reiteration of the company's resolution for the social well-being of its workers and families. "With Nuevo Cayacoa we wanted to create a community that will serve as a reference of how we can improve and modernize the dwellings in the sugar cane fields and surrounding areas." Mr. Vicini explained that "We are not only concerned with improving the physical aspect for its residents, but more importantly we also want to offer them the

VICINI

opportunity to grow as human beings and to be able to develop their aspirations and maximize their potential.”

Representing the communities during the event were Mrs. Nieves Rondón and Mr. Jacques Dolzuc who stated that they feel satisfied with the project and that its new residents foresee new opportunities with plans for personal growth and advancement.

Part of this initial phase at Nuevo Cayacoa includes the Atabeira School with a capacity of 600 students from preschool through high school. The school includes chemistry and physics labs, computer lab, library, basketball court and more. Meanwhile, the Health Center will offer residents first rated free primary care and religious services will be held at the new church of Nuestra Señora de la Medalla Milagrosa.

The community will also feature an Events Hall that will host social, cultural, artistic and recreational activities for the residents. And finally, a Shopping Center offers rental shops for those seeking to offer their services and products to meet the necessities of the village.

During the opening event government officials, members of the diplomatic corps stationed in the country, municipal authorities and civil, military and religious representatives were present including executives and employees from Grupo Vicini and CAEI. Towards the end of the inauguration all present were treated to the performances of local music groups including Contador, Cayacoa and Guloyas from San Pedro de Macoris.

Contact:

Campos De Moya Fernández

Vicepresident Communication and Institutional Relations

Grupo Vicini

Phone (809) 541-5400

Campos.demoya@grupovicini.com

VICINI



Torre Progreso
Av. Winston Churchill No. 5, Santo Domingo, DN
República Dominicana
Telf.: 809-541-5400
www.grupovicini.com



VICINI and CAEI donate a modern building to the Catholic Church within it's Nuevo Cayacoa Community Project.

On Thursday December 10th, 2009 VICINI and its related company CAEI participated in the consecration of the building that from that moment officially became the Church of Nuestra Señora de la Medalla Milagrosa, and part of the Diocese of San Pedro de Macoris. This structure was built by VICINI and CAEI as part of the facilities within the company's community Project Nuevo Cayacoa and donated it to the Catholic Church. Nuevo Cayacoa is a new landmark in terms of housing, culture, sports, education and spiritual well-being of the workers, created by VICINI to benefit employees of the Group's sugar company, CAEI.

The ceremony was a traditional catholic act, witnessed by members of the communities of Nuevo Cayacoa and Los Llanos, local authorities, NGO's, the media, catholic authorities and executives of VICINI and CAEI that served as hosts for the rest of the group on this very special occasion for the Company and the workers.

The Consecration was presided by the bishop of San Pedro de Macorís Diocese, Monsignor Francisco Ozoria Acosta. The parish priest of San José de Los Llanos, Father Victor Rodríguez co-celebrated the Mass, where the

community presented symbolic offerings. During the celebration Father Victor invited the entire catholic community of the zone to participate actively in the activities of the new church.

Nuevo Cayacoa

The Community Nuevo Cayacoa Project was built by VICINI with an investment of 160 million Dominican pesos (Approximately 4.5 million USD). This project includes housing for the workers and their families, a large educational center, a commercial complex, health center, and a town hall for community's activities and meetings. All of these infrastructure includes electricity services, water, drainage, streets, sidewalks and green areas.

EXHIBIT B

VICINI

CODE OF ETHICS AND BUSINESS CONDUCT

DOMINICAN REPUBLIC
2009

MESSAGE FROM VICINI GROUP

Ethical business conduct is essential to the VICINI Group (“VICINI”). From its inception in 1860, VICINI has endeavored to create a sound, productive and ethical work environment in the Dominican Republic.

At present, VICINI continues to be an Entrepreneurial Group leader providing growth opportunities for all; committed to ethical conduct in the performance of all business activities before all our professionals, employees, shareholders, partners, suppliers and the communities we serve.

Throughout its history, VICINI has maintained impeccable levels of conduct. Ethical relationships are our main priority, with specific emphasis on enthusiasm, efficiency, innovation, and honesty. In summary, our goal is to maintain and ensure a sound social environment for all; also ensuring compliance with all laws and regulations in force in the Dominican Republic.

We are all required to read and abide by this Code of Ethics and Business Conduct (hereinafter “The Code”), not only to guarantee that the operations we carry out adhere strictly to all laws in force, but also to ensure implementation of the highest ethical standards and principles of Corporate Social Responsibility. All VICINI professionals and employees must abide by the Code; we also expect our suppliers and our companies’ suppliers, with whom we have alliances and participation, to observe and read the Code. This is an essential instrument which we must share in order to clarify VICINI’s principles and values.



VICINI

The Code is of the utmost importance to VICINI and it must be adopted with seriousness. No violation of the code will be tolerated and if it occurs, it will result in disciplinary action. Those violating the norms of this Code will be subject to disciplinary measures, including the possibility of dismissal. In addition, violations to the Code may include violations to the law, which may result in civil or criminal penalties for you, your supervisors and/or the Company. We ask you to read the Code thoroughly; and in the event you have a question, please consult your superior and/or supervisor or the Committee of Ethical Practices and Business Conduct, as described in this Code.

We wish to reiterate that ethical conduct is an essential part of VICINI. Our business principles reflect and reinforce our commitment to ethical business practices.

Welcome to the Vicini Group.



TABLE OF CONTENT

- The Purpose and Implementation of the Code of Conduct
- Compliance with the Laws
- General Business Principles
- Relations with Personnel
- Our Commitment to Our Audience
- Fair Competition and Business Practices
- Ecological Standards
- Community Activities
- Governmental Relations
- Conflicts of Interest
- Confidentiality
- Corporate Opportunities
- Bribes, Corruption, Illicit Commissions and Fraud
- The Committee of Ethical Practices and Business Conduct
- Reporting
- Scope
- Conclusion



THE PURPOSE AND IMPLEMENTATION OF THE CODE OF CONDUCT

The purpose of the Code is to ensure that the Vicini Group continues to abide by the highest ethical principles in all its endeavors. It represents our statement of principles and values for the performance of business in an ethical and legal manner.

The Code is applicable to the Vicini Group, its subsidiaries, divisions and affiliates (collectively called “VICINI”). Each employee is responsible for reading, understanding and abiding by the Code. The employee is also responsible for obtaining any clarification and guidance that may be required concerning any issues included in the Code.

We also expect our suppliers, services providers and business partners to abide by the Code. They also can obtain assistance from VICINI on how to interpret the Code.

Any violation of the Code by an employee may result in disciplinary action and even termination of employment. Any violation of the Code on the part of a supplier, or similar, may result in termination of the relationship.

Furthermore, the Committee of Ethical Practices must authorize any amendment or exemption from the Code in writing and Business Conduct as stated below.



COMPLIANCE WITH THE LAWS

We are committed to the strict compliance of the Code and all laws, regulations, and standards applicable to our business activities. Abiding by the law is the basis on which VICINI builds its ethical rules. All employees and officers must respect and abide the laws, rules and regulations of the Dominican Republic. Although employees and officers are not expected to know all details of each one of the laws, rules and regulations, it is important to know enough to determine when is the time to seek advice from supervisors, managers or some other staff.

GENERAL BUSINESS PRINCIPLES

VICINI is based on:

The principles of the United Nations Universal Declaration of Human Rights
The standards established under the United Nations Global Compact
Key conventions of the International Labour Organization
The principles of the United Nations Convention on the Rights of the Child.



RELATIONS WITH PERSONNEL

Recognizing that our greatest asset is our people, VICINI works to maintain a positive work environment. VICINI is committed to the selection and promotion of its professionals and employees based on their suitability for the work without discrimination due to race, color, ethnicity, nationality, gender, sexual orientation, age, religion, marital status and/or disability. We do not tolerate physical, mental or sexual harassment. We demand, also, compliance of all applicable labor laws. VICINI is committed to providing a safe and healthy work environment.

OUR COMMITMENT TO OUR AUDIENCE

VICINI demands the same level of compliance of the laws, rules and standards applicable (from all suppliers) to all its audiences both internal as well as external, that is: professionals, employees, companies, partners, shareholders, VICINI suppliers as well as suppliers from several companies; and expect them to abide by the principles set forth in this Code.



FAIR COMPETITION AND BUSINESS PRACTICES

VICINI tries to best competitors in a fair and honest manner. We endeavor to obtain a competitive edge by superior performance, never through illicit or unethical business practices. You must strive to respect the rights and treat fairly all VICINI employees and customers, suppliers, and competitors. No one should obtain an unfair advantage from another person in a manner

that could be construed as unfair business practice such as manipulation, cover up, or abuse of privileged information.

ECOLOGICAL STANDARDS

VICINI is committed to adopting all necessary measures to preserve and protect the environment. We do business with the utmost respect for the quality of our environment, which includes water, air, and general soil use. Our goal is to comply with all environmental regulations. In this regard, you must become familiar with each one of the health, safety and environmental requirements related to your job. This will guarantee that VICINI carries out its business in accordance with rational ecological standards.



COMMUNITY ACTIVITIES

VICINI is proud to be a member of each one of the communities in which it operates and commits its own resources to offer support to those communities.

GOVERNMENTAL RELATIONS

VICINI supports communication between its companies and governmental authorities at the local, national, and international level to ensure a healthy business environment, competitive and in compliance with all laws.



CONFLICT OF INTERESTS

VICINI expects all its employees to act within the framework of their jobs, for VICINI's exclusive benefit. A "conflict of interests" will occur when personal interests interfere in some way with VICINI's best interests. Conflict of interests are not always well defined, therefore, if you have any doubts, please consult with your **superior and/or supervisor** or the Committee. Nevertheless, keep in mind that almost always simultaneously working for a competitor, a customer or a supplier constitutes a conflict of interests.

A "conflict of interests" exists when a personal interest interferes in some way – or may appear to interfere – with the Group's interests. A conflict situation may arise when an employee or an officer takes actions or has interests, which may disrupt its company's performance. Conflicts of interest may also arise when an employee or officer, or a member of his family, receives unjustified personal benefits as a result of his position in the group. Loans to, or guarantees of liabilities of employees and officers and members of their families by the company may result in conflict of interests and in some cases are prohibited by law.

You must disclose in writing any existing situation prior to the implementation of this Code.



CONFIDENTIALITY

Any information entrusted during the course of your employment must be kept confidential. Confidential information includes all information, which is not of public knowledge, and which if revealed may be useful to competitors or harmful to VICINI or its audiences.

Once your work relationship with VICINI is terminated, you must keep confidentiality of the information in accordance with the terms set forth in this regard by VICINI in your work contract.

CORPORATE OPPORTUNITIES

If you become aware of any business opportunity in which VICINI could be interested, you are obligated to reveal this opportunity and abstain from taking action for your personal benefit or that of third parties.



BRIBES, CORRUPTION, ILLICIT COMMISSIONS AND FRAUD

Any form of bribe, extortion, corruption, illicit commission, and fraud is strictly forbidden. This includes, without limitation, any fraudulent action against VICINI, its employees, and against individuals and companies with whom VICINI does business.



THE COMMITTEE OF ETHICAL PRACTICES AND BUSINESS CONDUCT

The Committee of Ethical Practices and Business Conduct (the Committee) will supervise and ensure compliance of the Code. The Committee was formed to rationalize the legal and ethical process of the Code's implementation providing a well-defined source of information within the VICINI structure.

The Committee's role is to:

Promote the values and conduct fostered in the Code of Ethics and Business Conduct

Act as a consultation group

Channel cases which merit being analyzed from an ethical standpoint

Approve corrective measures to ensure consistency of interpretation and implementation of the Code

Generate statistics and reports

Review personnel inquiries

Update and modify the Code's regulations when necessary

Investigate cases and document them

Promote consistency of interpretation and implementation of the Code within all companies.



VICINI

Five (5) members appointed by Vicini Group's Executive Committee will form the Committee.

VICINI not only prohibits illicit and unethical conduct but also adopts measures to prevent such conduct. The Committee is responsible for the implementation, training, supervision, and application of this Code. In the event of a violation, the Code establishes the actions that should be taken against those who have infringed the standards contained herein. The Committee must periodically submit reports to the Board of Directors concerning the efforts to comply and violations committed.



REPORTING

As set forth throughout the Code, each employee is obligated to abide by the Code in addition to all applicable laws and regulations. If you are aware of any infringement, or possible violation of the Code or laws you must immediately notify such violation to your superior and/or supervisor or to the Committee. If you choose to notify your supervisor and you believe that he or she has not taken appropriate action, you must notify the violation to the Committee.

In addition, if you wish to anonymously notify a violation, you may write to the Committee. In this case, we would appreciate providing as much information as possible to facilitate its investigation.

It is important to understand that no one will be subjected to any negative action as a result of notifying in good faith any ethical concern or suspicion of bad behavior. Any individual who feels that he has been subjected to negative actions (in violation of this policy) must immediately notify his superior and/or supervisor or the Committee.



VICINI

VICINI encourages, and supports its employees, to report any suspicion of infringement. VICINI will conduct an in depth investigation of any report made in good faith. VICINI will not tolerate any type of negative action as a result of accusations or reports to the Committee. The information submitted concerning the cases reported will receive a prompt, professional and confidential response. Several communication channels have been established to this end that VICINI's personnel may use to obtain answers concerning doubts about the Code, make suggestions, notify cases and/or provide proof of improper behavior within the organization.

You may address the Committee directly at:

Vicini Group
Committee of Ethical Practices and Business Conduct
Address
E-mail
Telephone number
Website



SCOPE

No Code can cover all possible ethical situations that may arise. Therefore, it is the responsibility of each one to apply the principles set forth in the Code – that is, use sound business criteria, both for cases covered by this Code, as well as those not expressly mentioned, but whose implication is similar or related.

For many of the cases not foreseen in the Code, there are specific Human Resources policies concerning those issues. You must know them and they will be part of the ethical standards by which your performance will be measured.

CONCLUSION

VICINI has published this Code to ensure that each one complies with the laws, regulations and standards that have a bearing on our business and the communities in which we operate. All our actions must maintain and reinforce VICINI's commitment to the highest standards of ethical business conduct, in harmony with moral, civic and legal principles.



VICINI

DOMINICAN REPUBLIC
2009

Torre Progreso
Av. Winston Churchill N5
Santo Domingo, DN
República Dominicana
www.grupovicini.com

EXHIBIT C



Martes 8 de Diciembre del 2009

Consorcio Azucarero Central es seleccionada como empresa modelo en la erradicación del trabajo infantil en el país

Link Directo: <http://www.elnuevodiario.com.do/app/article.aspx?id=178853>

BARAHONA.- El Consorcio Azucarero Central (CAC), arrendatario del ingenio Barahona fue seleccionado como una de las dos empresas del país, modelo en la erradicación del trabajo infantil. La distinción fue realizada en el marco del desarrollo del programa de la erradicación de las peores formas del trabajo infantil que realiza la Organización del Trabajo (OIT). Este programa es ejecutado por la OIT desde el 1997, y en su última evaluación realizada en el mes de noviembre, en el área de campo determinaron que el CAC en la región Suroeste es una empresa modelo en el programa de la erradicación en las peores formas del trabajo infantil.

“Las evaluaciones de campo a través de diversos medios con consultores internacionales y consultas locales determinaron que el Consorcio Azucarero Central ha trabajado en la eliminación del trabajo infantil”, dijo Esteban Mariñez.

Las evaluaciones determinaron que el CAC ha sumido un rol protagónico de asumir el compromiso “no solo en la sensibilización de su personal, sino también en la promoción, tanto visual como educativa para que los niños, niñas y adolescentes no sean incluidos en el trabajo agrícola ni de ninguno otro tipo”.

El evento fue realizado en el hotel Meliá en Santo Domingo, donde la empresa estuvo representada, además de el, por el licenciado Andrés Mota, gerente de Recursos Humanos.

“Uno de los elementos que ellos resaltaron es, que la empresa tiene un sistema de monitoreo y auditoria interna para evitar que los padres lleven los niños a las áreas de trabajo”, dijo.

La OIT destacó las medidas de sanción a los padres que tiene el CAC, “cuando por alguna razón cualquiera que sea, ellos los llevan al trabajo, violando las normas”.

Manifestó que producto de este reconocimiento, ellos fueron invitados para que expongan su experiencia en el conclave nacional del cierre de la evaluación del trabajo en Santo Domingo.

“En este evento, los consultores valoraron públicamente, de que el CAC es una empresa modelo a seguir, donde también valoraron el alto nivel de responsabilidad social”, subrayó.

Dijo que ellos motivaron a que la empresa promueva este tipo de iniciativas, “para que otras empresas del país asimilen la práctica en reducir a cero el trabajo infantil en finca”.

La otra empresa que fue reconocida es de Santiago de los Caballeros.

- TEUDDY A. SANCHEZ

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EXHIBIT D



The Better Sugar Cane Initiative Limited

about BSI

Mission
Objectives
Governance

our members

BSI Members
Thought Leadership
Committee Area
New Member Applications

impact

BSI Standard
Technical Working Groups
The History of Sugar cane

join BSI

Benefits of membership
Membership structure
Join BSI form
Application Process

news

Bulletin
Sugaronline
Press Office

Governance

- [BSI Code of Conduct](#)
- [BSI Constitution](#)

Code of Conduct for Members of the Better Sugar Cane Initiative Limited

Preamble

The Better Sugar Cane Initiative (BSI) is an open voluntary non profit multi-stakeholder organisation aiming to improve the social, environmental, and economic sustainability of sugar cane production.

1. The BSI is committed to achieving a sugar cane industry that:
 - Promotes responsible business practices free of corruption and bribery and in compliance with relevant national laws;
 - Respects labour and employment practices (particularly ILO core labour conventions) and provides a safe and healthy working environment;
 - Aims for continuous improvement in production and resource efficiency;
 - Respects the environment and aims to reduce emissions to air and water (with particular reference to climate change and green house gas emissions);
 - Recognises the importance of biodiversity and ecosystem services in the long term viability of operations.
2. BSI is open to all who support the production, procurement and use of sugar cane and products derived from sugar who meet BSI's core principles and commit to its code of conduct.

Given these commitments BSI members agree to develop:

A set of Principles, Criteria, Indicators and Standards (PCIS) for responsible sugar cane production and a verification mechanism for compliance with these PCIS
These can be defined as:

- PRINCIPLE 1.** Obey the Law
- PRINCIPLE 2.** Respect Human Rights and Labour Standards
- PRINCIPLE 3.** Manage input, production and processing efficiencies to enhance sustainability
- PRINCIPLE 4.** Commit to continuous improvement in key areas of their business
- PRINCIPLE 5.** Actively manage biodiversity and ecosystem services.

It is fundamental to the integrity, credibility and continued progress of the BSI that every member actively works to support the process through which Standards will be developed and implemented.

All Members undertake to act in good faith towards this objective and commit to supporting this Code of Conduct.

The Code applies to all Members of the BSI.

1. Promotion and Commitment

- 1.1 Member organizations acknowledge their membership of the BSI, its objectives, statutes and by-laws, its Principles, Criteria, and the BSI Standards and their implementation through informed and explicit endorsement.
- 1.2 Members undertake to promote and communicate this commitment throughout their own organization and to their customers, suppliers, sub-contractors and wider value chains as appropriate. Members who are not actively involved in the production and trade of sugar cane and its by-products will promote and communicate their commitments in ways that support the efforts of producers to increase the volume and quality of sugarcane that is produced to BSI Standards
- 1.3 Members undertake to demonstrate respect and concern for the environment, and all stakeholders.
- 1.4 Members must demonstrate an unwavering commitment to integrity in everything the BSI does.
- 1.5 Membership of the BSI must be endorsed by a representative of the member organization. In the case of individual members, the person endorses her/his membership.

2. Transparency

- 2.1 Members undertake not to make any misleading or unsubstantiated claims, statements and reports about the production, procurement or use of sustainable sugar cane.
- 2.2 Members must commit to open and transparent engagement with interested parties, and actively seek appropriate consideration for trade sensitive and/or confidential information.
- 2.3 Members must commit to upholding the BSI's financial independence, tradition of transparent decision making, disclosure, and oversight and accountability practices.
- 2.4 Members are required to report annually on their efforts to support the BSI and promote responsible sugar cane production.
- 2.5 Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict, with appropriate consideration for trade sensitive and/or confidential information.

3. Implementation and Support

- 3.1 All members commit themselves to the principle of continuous improvement of the sugar cane value chain, and;
- 3.2 In this regard, members undertake to work towards the implementation of the BSI Standard, and the effective functioning of the certification system and undertake to place priority where feasible on purchasing BSI Standard certified derivatives and products.
- 3.3 Members are responsible for ensuring that their commitment to the objectives of the BSI is underpinned by adequate resources within their organization.
- 3.4 Members will share with other members experience in the design and implementation of activities to support sustainable sugar cane production (subject to any restrictions in relation to commercially confidential information).

4. Breaches of the Code

- 4.1 Members will not defame other members publicly or in their communications within the BSI
- 4.2 In case of disputes related to the application of this Code of Conduct among participants, they are encouraged to resolve grievances directly with other member organizations.
- 4.3 Members, prior to taking public action in cases of unresolved allegations of breaches of this Code, will report such allegations to the Executive Board, which will deal with the allegation in accordance with the grievance procedures.
- 4.4 Members accept that the ultimate consequence for disregard of this Code, or the by-laws and statutes of the BSI, may be exclusion from the organization.
- 4.5 Claims and reports critical of the BSI and its members will be examined by the Supervisory Board, who will develop a formal and unified position.
- 4.6 Supervisory Board Members who are found, after due inquiry, to have breached the Code, will be replaced.

BSI Constitution

Better Sugar Cane Initiative Limited (BSI).

This is an agreement between all of the members of the BSI under a special resolution dated [12 March 2009]. This agreement, as may be amended from time to time, and the Articles of Association of BSI, as may be amended from time to time, shall together be the Constitution of the BSI. Where any provision of this agreement conflicts with any provision of the Articles of Association, the provision in this agreement shall prevail to the extent of the conflict.

- The Registered Office of the BSI falls under the jurisdiction of the laws of in England and Wales.
- The objects for which the BSI is established are to provide an organisation to facilitate sustainable sugar cane production by establishing principles and criteria that are applied in the sugarcane growing regions of the world.
- The subscribers to the Memorandum of Association and such persons as the Supervisory Board of Directors (hereafter called the "Supervisory Board") shall admit to membership in accordance with the provisions hereinafter contained shall be Members of the BSI.
- The rights and obligations of a Member shall be personal to him and shall not be transferable and shall cease and determine on his death or bankruptcy or if he shall resign his membership or if he shall compound with his creditors generally or, if being a corporation, it goes into liquidation either voluntarily or compulsorily otherwise than for the purpose of amalgamation or reconstruction.
- For the purpose of registration the number of Members of the BSI shall be unlimited.
- The membership of the BSI shall consist of categories as determined from time to time by the Supervisory Board.
- Special membership shall be open, at the discretion of the Supervisory Board to individuals with special interests or experience of value to the BSI.
- The Supervisory Board, who has resolved at a meeting by a majority of not less than two thirds of the members present and voting, shall have the right to accept or reject any application for membership and their rejection of any application shall not be called in question in any way.
- The Supervisory Board is entitled to seek and consider advice on the day to day affairs of the BSI from the BSI Management Committee (the "Management Committee").
- The Management Committee will elect its own Chairman and Vice chairman. The Chairman and Vice Chairman of the Management Committee will also automatically serve as members of the Supervisory Board and act as formal liaison between the Supervisory Board and the Management Committee.
- The Management Committee shall first be elected by a general Ballot of the Members of the BSI. The numbers of the Management Committee will be a maximum of ten including the chairman and vice chairman and not less than six, with a quorum of six. The whole of the Management Committee shall retire at the first Annual General Meeting of the incorporated BSI but shall be eligible for re-election by a show of hands at the AGM. Two Members of the Management Committee shall retire annually thereafter in rotation and be eligible for re-election. The two Members to retire shall be those longest in office.
- The annual subscription of each BSI Member shall be such sum as shall be determined from time to time by the Supervisory Board.
- Membership shall not take effect until the subscription determined above has been paid to the BSI.
- A Member of the BSI shall cease to be a Member if the Member sends written notice of resignation to the Chairman of the Supervisory Board; or the Member fails to pay the amount of any subscription or other sum payable under these Articles within three (3) months of the date when such amount became payable, provided that, on sufficient cause being shown, the Supervisory Board may extend the period of three (3) months to such period, not exceeding twelve (12) months, as it may think fit; or The Supervisory Board resolves at a meeting that the Member shall cease to be a Member by a majority of not less than two-thirds of the Members present and voting. The Member concerned shall have the opportunity of being heard or of submitting written

EXHIBIT E



Better Sugarcane Initiative Ltd



BSI Public Consultation Standard Version 2



Principles and Criterion

Members recognize that there are sound business reasons to identify and adopt sustainable sugar production and processing practices and these Principles and Criteria (P&C) provide a framework within which such practices can be demonstrated. The P&C address sugar production in the field and processing issues in the mill (and as appropriate further processing to ethanol and other by products), they incorporate economic, financial, environmental and social dimensions and reflect good industry practices for the sugar sector.

We believe that adoption of these P&C's will generate business benefits and opportunities, as well as providing safe and secure employment and protection of the environment. To be effective the P&C's need to be delivered in the context of long term economic and financial viability for individual companies and the sector as a whole, and through timely and transparent disclosure of information on company environmental and social performance to stakeholders.

We further believe that the implementation of these P&C's across the sugar industry is an important undertaking given the significance and growth of sugar and its by-products in the food and fuel industries.

The standard is intended to constitute an auditable document and not merely a reporting framework, according to ISO 65.

Accordingly, Members undertake to:

- PRINCIPLE 1. Obey the law.**
- PRINCIPLE 2. Respect human rights and labour standards.**
- PRINCIPLE 3. Manage input, production and processing efficiencies to enhance sustainability.**
- PRINCIPLE 4. Actively manage biodiversity and ecosystem services.**
- PRINCIPLE 5. Continuously improve key areas of the business**

NB. All Indicator Notes have been amplified in the accompanying BSI Standard Guidance Document
All abbreviations used are listed in Appendix 1.

Tuesday, 10 November 2009

* The BSI is a not for profit company limited by guarantee, registered in the United Kingdom

PRINCIPLE 1. Obey the Law

CRITERION	INDICATOR	Processing & Milling	Agriculture	Verifier	Standard	NOTES
1.1 To comply with relevant applicable laws.	Relevant national laws and international conventions complied with	•	•	Yes/No	Yes	Relevant legislation includes laws and international conventions, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices, environment, transportation and processing practices, acting with integrity. A list of relevant international conventions is included in Appendix 2. The more strict regulation or ratified convention - national or international - should prevail unless otherwise specified. The other criterion and indicators in this standard provide some guidance for defining the relevant laws.
1.2 To demonstrate clear title to land in accordance with national practice and law.	The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.	•	•	Yes/No	Yes	Those rights can be related either to legal ownership or lease of the land or to customary rights. Legal ownership shall be the official title in the country (e.g. notary, government agency or other). Guidance for customary rights is provided in ILO conventions 169 and 117. See also Criterion on participation and Criterion on Environmental and Social Impact Assessment 5.7.

KEY TO INDICATORS:

- Symbol indicates to whom it applies

PRINCIPLE 2. Respect Human Rights and Labour Standards

CRITERION	INDICATOR	Processing & Milling	Agriculture	Verifier	Standard	NOTES
2.1 To comply with ILO labour conventions governing child labour, forced labour, discrimination and freedom of association and the right to collective bargaining.	Minimum age of workers	•	•	Years	18 for hazardous work 15 for non hazardous work	Definition of Child labour in Appendix 1 & Appendix 2 (Convention 138 and C182). As per ILO Art 3 C 138 and C182, the minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years (see also art 16, Convention 184 Health and Safety in Agriculture). Work by children on family small holdings is only acceptable under adult supervision and when work does not interfere with the child's schooling and does not put at risk his or her health.
	Absence of forced or compulsory labour	•	•	Yes/No	Yes	Forced or compulsory labour as defined per ILO Convention 29 and ILO 105.
	Absence of discrimination	•	•	Yes/No	Yes	The major forms of forced or compulsory labour are defined in Appendix 1. Verification shall address all male and female workers.
	Respect the right of all personnel to form and join trade unions and/or to bargain collectively in accordance with the law.	•	•	Yes/No	Yes	Discrimination as defined by ILO C111 (see full definition in Appendix 1). Verification to be done by interviewing workers Employers should respect such rights and should not interfere with workers' own efforts to set up representational mechanisms in accordance with the law.
2.2 To apply BSI human rights and labour standards to suppliers and contractors.	Percentage of contractors and major suppliers who have demonstrated compliance with human rights and labour standards	•	•	%	95	Labour contractors and major suppliers to the mill and to cane growers shall demonstrate compliance with basic human rights (e.g. no forced labour, no child labour, no discrimination, freedom of association and labour standards, etc.). Effective compliance will be verified by auditors by sampling at mill and farm level. Sampling method based on volume provided by supplier to the mill
2.3 To provide a safe and healthy working environment in work place operations.	Lost time accident frequency	•	•	number per million hours worked	Mill <15; Agric < 45	A lost time accident is defined as an incident involving an employee which causes him to be unable to carry on with his/her normal duties on the next day or next shift due to injury. Where a fatal injury occurs, this to be noted separately
	Assessment of the main health and safety risks and measures implemented for mitigation of risk	•	•	Yes/No	Yes	Key health and safety risks to be known and assessment formalized. Assessment to be performed at least once a year. Measures to be taken to either eliminate risk, prevent risk or reduce risk. The recommendations 192 of ILO Convention 184 or national laws if any provide guidance for the list of key potential areas of risks to assess.
	Appropriate personal protective equipment supplied to and used by all workers.	•	•	Yes/No	Yes	Regular maintenance and effective use of personal protective equipment.
	Training for health and safety.	•	•	%	90	The standard is an average measure, of the % of new employees receiving training, and the % of existing employees getting updated training at least every 5 years (e.g. promotion and participation in health and safety seminars, lectures, campaigns, etc). Employees and workers (including migrant, seasonal and other contract labour) to have basic training in health and safety measures related to their operation upon starting work and then with regular updating. Effective compliance can be verified by sampling.
	Availability of sufficient safe drinking water to each worker present on the field and/or mill.	•	•	Yes/No	Yes	Visual check of access to sufficient drinking water especially under high temperature conditions, and of absence of contamination sources near the drinking water source.
Access to first aid and provision for emergency response.	•	•	Yes/No	Yes	Access to first aid and proximity as defined by national legislation or in absence by ILO	

2.4 To provide employees and workers (including migrant, seasonal and other contract labour) with at least the national minimum wage.	Ratio of lowest entry level wage including benefits to minimum wage and benefits required by law.	•	•	•	•	\$/\$	>=1	Minimum wage as fixed by legal requirement and in the absence of same, ILO C131 can serve as a basis for the definition.
2.5 To provide clear, equitable and comprehensive contracts.	Existence of a contract or equivalent document.	•	•	•	•	%	100	All workers to be provided with a contract or equivalent document (e.g. national working card), to be aware of their rights, and to be paid in a form and at a frequency convenient to them. If not specified by the law the contract shall include at least the following elements: hours of work, overtime payment, notice, holidays, wages, and mode of payment. Payment of wages in conformity with ILO Convention no. 95 and ILO C110.

KEY TO INDICATORS:

- Symbol indicates to whom it applies

PRINCIPLE 3. Manage input, production and processing efficiencies to enhance sustainability

CRITERION	INDICATOR	Processing & Milling	Agriculture	Verifier	Standard	NOTES
3.1 To monitor production and process efficiency, to measure the impacts of production and processing so that improvements are made over time.	Total raw materials used per kg product	•		kg/kg	< 11 if no ethanol produced; <20 for full ethanol production	Sustainability measure includes cane as major raw material as well as material amounts of chemicals, fuels etc. Standard required varies between 2 limits depending on proportions of sugar and ethanol produced. If a mill exports power, any fuels purchased are omitted from raw materials.
	Sugarcane yield		•	t/ha harvested/ly	See Appendix 1	Standard values depend on whether rain-fed or irrigated. Value for reporting period or 5 year rolling average can be used.
	Working hours lost as percent of total hours worked	•		%	< 5	This represents working hours lost through absence (all unplanned causes - strikes, sickness, absenteeism etc. but not holiday, legal time off such as maternity leave, or training)
	Mill overall time efficiency	•		%	75	Processing time as a percentage of total time. Value for reporting period or 5 year rolling average can be used.
	Factory Performance Index	•		%	90	Used if sugar and not ethanol is produced. Ratio of actual sugar recovery to theoretical recovery of sugar from cane. In rare cases where high grade molasses is exported for fermentation, industrial efficiency can be used instead.
3.2 To monitor global warming emissions with a view to minimising climate change impacts.	Industrial Efficiency	•		%	75	Used only if sugar and ethanol are produced in the same mill. It is the ratio of (sugar+equivalent ethanol+eq.sucrose in molasses)/(sucrose in cane+RS in cane converted to sucrose+RS in molasses converted to sucrose+yeast eq to sucrose), expressed as a %.
		•		t CO ₂ eq/t sugar	Total <0.4	Field-to-gate emissions. Environmental Burden is t carbon dioxide equivalent.
		•		g CO ₂ eq/MJ	Total <29	Only used if ethanol is produced. Environmental Burden is g carbon dioxide equivalent.

KEY TO INDICATORS:

- Symbol indicates to whom it applies

PRINCIPLE 4. Actively manage biodiversity and ecosystem services

CRITERION	INDICATOR	Processing & Milling	Agriculture	Verifier	Standard	NOTES	
4.1 To assess impacts of sugarcane enterprises on biodiversity and ecosystems services.	Aquatic oxygen demand per unit mass product	•		kg/t	1 kg COD or 0.5 kg BOD ₅	Oxygen demand by calculation of quantity and analysis of runoff. Environmental burden can be expressed in terms of either COD or BOD ₅ , depending on routine measurements available.	
	Percent of areas defined internationally or nationally as legally protected or classified as High Conservation Value areas (interpreted nationally and officially as described in Appendix 1) planted to sugarcane after the cut off date of 1 January 2008.		•	%	0	To prevent expansion or new sugarcane development into areas of critical biodiversity (including HCVA categories 1-4). National definitions of HCVA to take precedence over international where both exist. In the absence of national HCVA maps or data base, credible documentary evidence required that no HCVA converted after 1 Jan 2008. Also includes soils with a large risk of significant soil stored carbon such as peat lands, mangroves, wetlands and certain grasslands.	
	Existence and implementation of an environmental management plan (EMP) taking into account endangered species, habitats and ecosystems as well as reference to ecosystem services and alien invader plant and animal control, as described in Appendix 4. Coverage of issues required in Appendix 4.			•	%	90	To protect any existing riparian areas, wetlands or other significantly affected natural habitats in a satisfactory state, to provide habitat corridors and to conserve any rare, threatened or endangered species. The EMP should focus on risks, management responses, and implementation.
	Use of co-products does not affect traditional uses (e.g. fodder, natural fertilizer, local fuel) or affect the soil nutrient balance or soil organic matter		•	•	Yes/No	Yes	Use of agricultural co-products as inputs must not jeopardize local uses or adversely affect soil quality
	Soil and leaf nutrient status			•	%	>80	% fields fertilized based on soil or leaf analysis
	Nitrogen and phosphorus fertilizer (calculated as phosphate equivalent) applied per hectare per year			•	kg/ha/ly	<120	Environmental burden is kg phosphate equivalent as defined in Appendix 1 - measuring risk (i.e. amounts applied) rather than level in downstream water. Quantities of nitrogen and phosphorus fertilizer applied calculated as the phosphate equivalent as a measure of potential effects on eutrophication per hectare per year. To minimise losses from over application and consequent ground water or downstream contamination.
	Herbicides and pesticides applied per hectare per year			•	kg active ingredient/ha/ly	5	To minimise air, soil and water contamination. Quantities of pesticide (including herbicides, insecticides, fungicides, nematocides, ripeners) applied calculated as a measure of potential toxic effects on environment. Also note the requirement to use only products registered for use and at registered rates and to comply with the Stockholm convention on persistent organic pollutants and requirements in relation to agrochemicals rated as 1a, 1b or 2 under World Health Organisation (WHO) classification.
4.2 To implement measures to mitigate adverse impacts where identified.	Documented plan and implementation of mitigation measures	•	•	Yes/No	Yes	Existence of a list of identified adverse impacts such as smoke, fallout from fires, water pollution downstream, drift from agrochemical spraying and noise. Existence of a mitigation plan, and verification of the implementation of mitigation measures, including consultation with affected stakeholders. Programs with objectives developed at the sectorial level can be considered.	

KEY TO INDICATORS:

- Symbol indicates to whom it applies

PRINCIPLE 5. Continuously improve key areas of the business

CRITERION	INDICATOR	Processing & Milling	Agriculture	Verifier	Standard	NOTES
5.1 To train employees and other workers in all areas of their work and develop their general skills.	Training expense of worker as percentage of payroll expense.	•	•	%	1.0	Total training expenses for all personnel, split between factory and basic workers, intermediate management and upper management.
	Net water consumed per unit mass of product	•	•	kg/kg	Mill, 20 kg/kg sugar or 30 kg/kg ethanol. Agric <50 kg/kg cane	In agriculture, water captured/bought for use in irrigation; in processing, water used less water returned from mill to water courses.
	% Ground cover of tops or leaves after harvest		•	%	>20	To ensure the continuous improvement of soil organic carbon
5.2 To continuously improve the status of soil and water resources.	Soil surface mechanically tilled per year (% of area under cane)		•	%	<20	To minimise the opportunity for erosion. Soil surface tilled per year. Hectares tilled as a percentage of area under cane.
	Percent fields with samples showing analyses within acceptable limits for pH.		•	%	> 80	To ensure the maintenance of acceptable soil pH. Sampling to be carried out at least once per crop cycle.
5.3 To continuously improve the quality of sugarcane and products from the sugar mill.	Theoretical recoverable sugar content of cane	•	•	%	10	The theoretical recovery normalized for juice purity and cane fibre content calculation shown in Appendix 1. Value for reporting period or 5 year rolling average can be used. Used only if ethanol not produced
	Fermentable total sugars content of cane, expressed as invert (TSAI).	•	•	kg/t cane	120	Used if ethanol is produced, on its own or in conjunction with sugar production. Based on a 90.5 % utilization of Total Sugars As Invert (TSAI). Known as ATR in Brazil. Value for reporting period or 5 year rolling average can be used.
5.4 To promote energy efficiency.	Total Net Primary Energy Usage per kg product	•	•	kJ/kg	Total <2500	Direct and indirect energy inputs. See Appendix 3 for details
	Energy used in cane transport per tonne cane transported	•	•	MJ/t cane	<50	See Appendix 3 for details
	Primary energy use per tonne of sugarcane		•	MJ/t	<300	See Appendix 3 for details.
5.5 To reduce emissions and effluents. To promote recycling of waste streams where practical.	Atmospheric acidification burden per unit mass product	•	•	kg/t	< 5	Environmental Burden is kg sulphur dioxide equivalent.
	Non-hazardous solid residues per tonne cane	•	•	t/t cane	< 1.0	By-products of processing, namely stillage, compost, filter cake, soil/mud, boiler ash, bagasse.
5.6 To foster effective and focused research, development and extension expertise.	Research and extension costs as a % of sales.	•	•	%	>0.5	Includes levies to research institutes for research and extension.

5.7 For greenfield expansion of new sugarcane projects, to ensure transparent, consultative and participatory processes that address cumulative and induced effects via an environmental and social impact assessment (ESIA).	Compliance with a recognized ESIA	•	•	•	Yes/No	Yes	The ESIA shall cover all aspects related to baseline surveys and assessments, implementation, mitigation, monitoring and evaluation plans as required. Transparency and participatory consultation with all relevant stakeholders required. Where an impact assessment is required by national, regional, and/or local laws, the process shall be integrated to avoid duplication of effort.
5.8 To ensure active engagement and transparent, consultative and participatory processes with all relevant stakeholders.	High Conservation Value areas (interpreted nationally as described in Appendix 1) used as a % of total land affected by a new project or an expansion Existence of a recognized grievance and dispute resolution mechanism for all stakeholders Percentage of meetings of stakeholder engagement where agreement has been reached by consensus driven process	•	•	•	%	0	Cut-off date 1 January 2008. NB This indicator duplicated in 4.1.2 but here it includes HCV categories 5 and 6. Also includes soils with a large risk of significant soil stored carbon losses such as peat lands, mangroves, wetlands and certain grasslands
5.9 To promote economic sustainability.	Value added / tonne cane	•	•	•	\$/t cane	Mill >4; agric >2	Existence of an official dispute resolution mechanism recognized by all stakeholders. Channel of communication (eg ombudsman, dedicated phone line) can be considered if recognized by all stakeholders. Establish whether a process exists for consultation where all the stakeholders (gender sensitive and including indigenous people) are provided with information in advance of consultation and which results in consensus-driven negotiated agreements. Evidence of negotiated agreements to be demonstrated.
	Value added by the operation is the value of sales less the price of goods, raw materials (including energy) and services purchased.						

KEY TO INDICATORS:

- Symbol indicates to whom it applies

Company	Reference																
Supplier/contractor	SA 8000																
Subcontractor/sub-supplier	SA 8000																
Agricultural Worker Categories	SA 8000																
<p>The entirety of any organisation or business entity responsible for implementing the standard.</p> <p>A business entity which provides the company with goods and/or services integral to, and utilized in/for, the production of the company's goods and/or services.</p> <p>A business entity in the supply chain which, directly or indirectly, provides the suppliers with goods and/or services integral to, and utilized in/for, the production of the suppliers' and/or company's goods and/or services.</p> <p>There is a lack of clear-cut distinctions between different categories of workers. Consequently, there are numerous types of labour relations and different forms of labour force participation. The different categories of workers also vary within each country and, in certain cases, a single farmer may be grouped in more than one category. Many smallholders supplement their income with wages earned by working in large commercial farms during harvesting periods.</p> <p>Summary of broad categories of agricultural workers:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4b084;">NON WAGED</th> <th style="background-color: #c0c0c0;">WAGED</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f4b084;">Large and Middle Scale Farmers</td> <td style="background-color: #c0c0c0;">Permanent Workers</td> </tr> <tr> <td style="background-color: #f4b084;">Small Scale farmers</td> <td style="background-color: #c0c0c0;">Temporary and Seasonal workers</td> </tr> <tr> <td style="background-color: #f4b084;">Subsistence farmers</td> <td style="background-color: #c0c0c0;">Migrant workers</td> </tr> <tr> <td style="background-color: #f4b084;">Unpaid Family workers</td> <td style="background-color: #c0c0c0;">Subcontracted Workers</td> </tr> <tr> <td style="background-color: #f4b084;">Collective farmers</td> <td style="background-color: #c0c0c0;">INFORMAL SECTOR</td> </tr> <tr> <td style="background-color: #f4b084;">Tenants and Share Croppers</td> <td style="background-color: #c0c0c0;">Squatters</td> </tr> <tr> <td></td> <td style="background-color: #f4b084;">Land-less workers</td> </tr> </tbody> </table>	NON WAGED	WAGED	Large and Middle Scale Farmers	Permanent Workers	Small Scale farmers	Temporary and Seasonal workers	Subsistence farmers	Migrant workers	Unpaid Family workers	Subcontracted Workers	Collective farmers	INFORMAL SECTOR	Tenants and Share Croppers	Squatters		Land-less workers	ILO. Safety and health in Agriculture document
NON WAGED	WAGED																
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Collective farmers	INFORMAL SECTOR																
Tenants and Share Croppers	Squatters																
	Land-less workers																
Child	ILO																
Child labour	ILO																
Young worker	ILO																
Worst forms of child labour	ILO																
Hazardous child labour	ILO																
Occupational accident	ILO Resolution/Convention 155 on statistics of occupational injuries (resulting from occupational accidents), adopted by the Sixteenth International Conference of Labour Statisticians, (Oct.1998)																
Occupational disease	ILO																
Welfare facilities	ILO																
Decent work	ILO																
Reporting period																	
Theoretical recovery of sugar																	
Sugarcane yield																	
Phosphate equivalent as a measure of eutrophication	[ChemE (2002). Sustainable development progress metrics. Inst. Chem. Engrs. London.																

<p>High Conservation Value</p>	<p>High Conservation Value (HCV) areas are defined as natural habitats where conservation/ biodiversity values are considered to be of outstanding significance or critical importance based on factors such as the presence of rare or endemic species, sacred sites, or resources harvested by local residents (see www.hcvnetwork.org). For implementation of the BSI standard each country is required to provide a country specific and official interpretation of High Conservation Value which will be used for audits in that country. A cut off date of 1 January 2008 will apply.</p> <p>The six High Conservation Values (HCVs):</p> <p>HCV 1 Areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia)</p> <p>HCV 2 Areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance</p> <p>HCV 3 Areas that are in or contain rare, threatened or endangered ecosystems</p> <p>HCV 4 Areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)</p> <p>HCV 5 Areas fundamental to meeting basic needs of local communities (e.g. subsistence, health)</p> <p>HCV 6 Areas critical to local communities' traditional cultural identity (e.g. areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</p> <p>A significant impact would be apparent if the operations of sugarcane farms or mills resulted in changes to the environment that resulted in (1) the quality and / or quantity of habitat supporting an endangered or threatened species being affected to the extent that the numbers and viability of the species (the classification from the IUCN red list) was adversely affected; (2) conversion, diminution or degradation of the integrity of an endangered habitat such that there was a measurable adverse impact on its ecological status in the opinion of a competent ecologist (3) ecosystem service (such as water supply) being sufficiently changed as to cause material adverse impacts to local communities or ecosystems (for example, flows contain additional nutrients that change downstream ecology or affect the availability of drinking water for downstream communities).</p> <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Principle 10 UN Global Compact</p>
<p>Significantly affected</p>	<p>This shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily</p> <p>Most common forms of forced or compulsory labour: Forced labour can take many forms – some imposed by the State, but the majority in the private economy Forced labour can be an outcome of trafficking in persons and irregular migration.... Mechanisms of force applied include debt bondage, slavery, misuse of customary practices and deceptive recruitment systems. Some of the most common forms of forced labour include (for a full list see ILO Handbook):</p> <ul style="list-style-type: none"> • Debt-induced forced labour: Commonly referred to as "bonded labour" in south Asia, where the practice is most common, but also known as "debt bondage" . . . Debt bondage arises when a person mortgages his or her services or those of his family members to someone providing credit in order to repay the loan or advance. • Forced labour as an outcome of human trafficking: Trafficking in persons, or human trafficking, is often linked to forced labour. It is fuelled by organised criminal networks or individuals and can involve deceptive recruitment, racketeering and blackmailing for the purpose of labour exploitation. <p>Forced labour linked to exploitation in labour contract systems: This can be found almost everywhere in the world today. For example, migrant workers can find themselves "bonded" to a labour contractor because excessive fees have been charged and with limited if any possibility to change the employer once they arrive in the destination country.</p>	<p>ILO Convention C29</p> <p>Combating forced labour: A handbook for employers and business, booklet 2</p>
<p>Conducting business with integrity</p>	<p>1. The term discrimination includes—(Art 1 C111)</p> <p>(a) any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;</p> <p>(b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organisations, where such exist, and with other appropriate bodies.</p> <p>2. Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination.</p> <p>3. For the purpose of this Convention the terms employment and occupation include access to vocational training, access to employment and to particular occupations, and terms and conditions of employment.</p>	<p>ILO Convention C111</p>
<p>Forced or compulsory labour</p>	<p>BOD biological oxygen demand</p> <p>COD chemical oxygen demand</p> <p>EMP environmental management plan</p> <p>ESIA environmental and social impact assessment</p> <p>g grams</p> <p>GHG greenhouse gas</p> <p>ha hectares</p> <p>HCV high conservation value</p> <p>kg kilograms</p> <p>kJ kilojoules</p> <p>kWh kilowatt hours</p> <p>L litres</p> <p>MJ megajoules</p> <p>RS reducing (invert) sugars</p> <p>t metric tonnes</p> <p>tc tonnes cane</p> <p>TSAI total sugars expressed as invert</p> <p>y year</p>	
<p>Discrimination</p>		
<p>Symbols and Abbreviations</p>		

ILO Core Conventions cover the following issues: Abolition of Child Labour (C 138 and C 182), Elimination of forced or compulsory Labour (C 29 and 105), Equal remuneration (C100) and elimination of discrimination in occupation and employment (C111), Freedom of Association (C87) and right to collective bargaining (C98),

Principles	International Standards	Key provisions	Summary of protections
No forced labour	ILO Convention 29 (1930) Forced Labour	Article 5	No concession to companies shall involve any form of forced or compulsory labour
Protection of children	ILO Convention 105 (1957) Abolition of forced Labour	Article 1	Not make use of any form of forced or compulsory labour.
	ILO Convention 138 (1973) Minimum Age	Article 1-3	Abolition of child labour and definition of national minimum age for labour not less than 15-18 years (depending on occupation).
	ILO Convention 182 (1999) Worst Forms of Child Labour	Articles 1-7	Abolition of child slavery, debt bondage, trafficking and procurement for prostitution; suitable methods to monitor and enforce compliance
Freedom of Association and Collective Bargaining	UN declaration on Rights of the Indigenous Peoples (2007)	Articles 17 (2), 21, 22 (2)	No exploitation or exposure to hazard or discrimination against indigenous women and children
	ILO Convention 87 (1948) Freedom of Association and Protection of Right to Organise	Articles 2-11	Freedom to join organisations, federations and confederations of their own choosing, with freely chosen constitutions and rules; measures to protect the right to organise
	ILO Convention 98 (1949) Right to organise and collective bargaining	Articles 1-4	Protection against anti-union acts and measures to dominate unions, established means of voluntary negotiation of terms and conditions of employment through collective agreements.
Non discrimination and equal remuneration	UN Declaration of the Rights of Indigenous Peoples (2007)	Article 3	Indigenous peoples have the right to self-determination and to freely pursue their economic, social and cultural development.
	ILO Convention 100(1951) Equal Remuneration	Articles 1-3	Equal remuneration for men and women for work of equal value
	ILO Convention 111 (1958) Discrimination (Employment and Occupation)	Articles 1-2	Equality of opportunity and treatment in respect to employment and occupation; no discrimination on the basis of race, colour, sex, religion, political opinion, national extraction or social origin.
Just employment of migrants	UN Declaration on Rights of Indigenous Peoples (2007)	Articles 2, 8 (2e), 9, 15 (2), 16 (1), 21 (2), 22, 24 (1), 29 (1), 46 (3)	No discrimination based on origin or identity; free to express identity based on custom; special attention to full protection of rights of indigenous women.
	ILO Convention 97 (1949) Migration for Employment		Provision of Information; no obstacles to travel; provision of health care; non discrimination in employment; accommodation, social security and remuneration; no forced repatriation of legal workers, repatriation of savings.
Protection of small holders	ILO Convention 117 (1962) Social Policy (Basic Aims and Standards)	Article 4	Alienation with due regard to customary rights, assistance to form cooperatives, tenancy arrangements to secure highest possible living standards.
Just land acquisition	ILO Convention 169 (1989) on Indigenous and Tribal Peoples	Article 13-19	Respect and safeguard rights to lands and natural resources traditionally occupied and used; respect for customs of inheritance; no forced removals; compensation for loss and injury
	UN Declaration on the Rights of Indigenous Peoples (2007)	Articles 25, 26	Right to distinctive relationship with land; right to own, use, develop and control their lands, territories and other resources
	UN Convention on Biological Diversity (1992)	Article 10 (c)	Protect and encourage customary use of biological resources in accordance with traditional practices

Fair Representation and Participation of Indigenous and tribal peoples	ILO Convention 169 (1989) on Indigenous and Tribal Peoples UN Declaration on the Rights of Indigenous Peoples (2007) Convention on the Elimination of All Forms of Racial Discrimination, International Covenant on Economic, Social and Cultural Rights, InterAmerican Human Rights System ILO Convention 184 (2001) Safety and Health in Agriculture	Articles 6-9 Articles 10, 11 (2), 19, 28 (1), 29 (2) and 32.(2). UN CERD Committee, UN Committee on Social Cultural and Economic Rights, InterAmerican Commission on Human Rights	Represent themselves through their own representative institutions; consultations with objective of achieving agreement or consent; rights to decide their own priorities, retain their own customs and resolve offences according to customary law (compatible with international human rights) Right to free, prior and informed consent to any project affecting their lands as expressed through their own representative institutions. Free, prior and Informed consent for decisions that may affect indigenous peoples.
Health & Safety	Stockholm Convention on Persistent Organic Pollutants (2001)	Articles 7-21	Carry out risk assessments and adopt preventive and protective measures to ensure health and safety with workplaces, machinery, equipment, chemicals, tools and processes; ensure dissemination of information; appropriate training, supervision and compliance; special protections for youth and women workers; coverage against occupational injuries and disease.
Control or Eliminate Use of Dangerous Chemicals and Pesticides	FAO International Code of Conduct on the Distribution and use of Pesticides (1985, Revised 2002)	Article 1-5 Article 5	Prohibit and/or eliminate production and use of chemicals listed in Annex A of the Convention (eg Aldrin, Chlordane, PCB); restrict production and use of chemicals in Annex B (eg DDT); reduce or eliminate releases of chemicals listed in Annex C (eg Hexachlorobenzene). Curtail use of dangerous pesticides where control is difficult; ensure use of protective equipment and techniques; provide guidance for workers on safety measures; provide extension service to small holders and farmers; protect workers and bystanders; make available full information on risks and protections; protect biodiversity and minimize impacts on environment; ensure safe disposal of waste and equipment; make provisions for emergency treatment for poisoning.
Preserve wetlands	Rotterdam Conventions on Prior and Informed Consent Procedure for certain Hazardous Chemicals and Pesticides in International Trade (1998)	Article 1, 5, and 6	Curb trade in banned and hazardous chemicals and pesticides; develop national procedures for control of their use and trade; the Convention lists banned and hazardous chemicals and pesticides.
Cultural and natural heritage protection	UN Declaration on Rights of Indigenous Peoples (2007)	Articles 21 (1), 23, 24, 29 (3)	Improvement of livelihood in sanitation, health and housing; participate in health delivery; maintain traditional health systems; effective monitoring of health.
Conservation of biological diversity	Ramsar convention on wetlands of International Importance World Heritage Convention concerning the Protection of the World cultural and Natural heritage Convention on Biological Diversity	www.ramsar.org whc.unesco.org/ www.cbd.int	

BSI Scheme for calculation of greenhouse gas emissions from sugarcane growing and processing

<p>1. System Boundary</p> <p>The operational boundary includes growing and processing of sugarcane. It considers the boundary to include each individual mill and its growers as a unit, rather than a company owning and operating more than one mill. In the case of IPPs (Independent Power Producers) providing steam and power to a mill from bagasse that has been provided by the mill, the IPP is considered together with the mill concerned. The system boundary includes in addition the energy embedded in the manufacture and supply of all fertilizers and chemicals, but excludes the energy embedded in agricultural and milling capital equipment. All the activities of a plant on one site are considered, to reflect the sustainability of the total system producing food, fuel, energy and chemicals. This analysis represents a B2B analysis, considering the operation of a cane sugar processing facility, producing raw sugar and/or ethanol at the factory gate. Stand-alone refineries are not considered to be within the boundary. It accounts for the provision of products to a third party that is not the end user (cradle-to-gate).</p>
<p>2. Direct and indirect effects</p> <p>The energy and GHG calculations are associated with direct energy inputs and at a second level by indirect inputs. Direct inputs are mainly fuel and power inputs, expressed in terms of their primary energy value. Indirect inputs include, in addition, the energy required for the production of chemicals, fertilizers and other materials used. The indirect inputs do not include the additional energy necessary for the manufacture and construction of farm, transport and industrial equipment and buildings.</p>
<p>3. Land Use Change</p> <p>Land use change can be separated into direct and indirect components:</p> <ul style="list-style-type: none"> • Direct land change refers to a change from the original state of the land to use for sugarcane production. Depending on the previous use of the land in question, it is surmised that the land use change can unlock some of the carbon in the existing soil and vegetation. • Indirect land use change concerns secondary effects induced by large scale expansion. This displaces existing crops, leading to expansion of crop land elsewhere, either in the same country or in other parts of the world. The effects of these changes are very difficult to estimate. <p>If the product's supply chain directly caused non-agricultural land to be converted to agricultural use on or after 1 January 2008, then GHG emissions associated with the land use change are included in the carbon footprint calculation, consistent with the EU directive. In the absence of better information, the table of default land use change values for selected countries published in the PAS 2050 is used (BSI 2008), which values are also used by the RTFO.</p> <p>Because the methods and data requirements for calculating emissions from indirect land use change are not fully developed, the assessment of emissions arising from indirect land use change is not included here, or in fact in any current estimation system. This could change in the future if indirect effects can be calculated with more certainty and accuracy.</p> <p>The EU Renewable Energy Directive allows for a substantial credit of 29 g CO₂-eq/MJ for a period of 10 years if severely degraded or contaminated land is used for biofuel crop purposes. It is suggested that this be allowed for.</p>
<p>4. Handling of co-products and multiple products</p> <p>Two approaches are possible:</p> <ul style="list-style-type: none"> • The "substitution" or "displacement" method attempts to model reality by tracking the likely fate of by-products. Each co-product generates an energy and emission credit equal to the energy and emissions saved by not producing the material that the co-product is most likely to displace. • The "allocation" method allocates energy and emissions from a process to the various products according to mass or energy contents or monetary values. <p>In the case of sugarcane processing, a factory exporting power or bagasse achieves a credit in terms of energy and emissions saved, according to the displacement of energy in that country. Some standards recommend the use the grid average GHG intensity to calculate the GHG credit for the exported power. However it is more realistic to use the marginal energy mix. Since the marginal energy provision is likely to be from fossil fuels, the saving estimate is conservative when using the average generation mix. In this case, the approach aligned with the EU RED is adopted, which states that for calculating exported power credits, the average factor should be used.</p> <p>Where a factory produces only sugar and molasses, the allocation in proportion to market value is adopted; in most cases the allocation to molasses is less than 10 % of the total. Although the prices will change over time, the relative values will be far more stable. It is possible to use a displacement calculation, assuming that molasses displaces certain ingredients in an animal feed. However this is likely to vary significantly in different countries.</p> <p>In the case of a factory producing more or less equivalent quantities of sugar and ethanol, the split of energy input and GHG emissions between the two products becomes a more difficult issue. The EU RED requires that allocation should be by energy content of the products. Sugar has a calorific value of 16500 MJ/t and ethanol 21 MJ/L; on the basis that 600 L of ethanol are produced from one tonne of sucrose, this implies a sugar equivalent value of 27.5 MJ/L for sucrose. On this basis, 57 % of the emissions should be allocated to sugar and 43 % to ethanol. Alternatively the energy use and emissions are also allocated on a mass basis on equivalent sugar, on the basis that 1 tonne sugar is equivalent to 600 L ethanol.</p> <p>In the case of an autonomous distillery, where the only product is ethanol, energy use and emissions are related to litres of ethanol produced or to MJ in ethanol.</p>

<p>5. Components contributing to emissions</p> <p>CO₂ from sugarcane emitted in combustion and in ethanol fermentation is considered zero CO₂ emission to the air, because this is the carbon taken in from the air during sugarcane growth. CO and VOCs emitted in combustion are assumed to be converted to CO₂ fairly rapidly, but methane and nitrous oxides from burning bagasse are accounted for in GHG emissions. CO₂ emissions arising from biogenic carbon sources are excluded from the calculation of GHG emissions from the life cycle of products, except where the CO₂ arises from direct land use change. The greenhouse gases covered are CO₂, N₂O and CH₄. Methane and N₂O have global warming potentials 25 and 298 times that of CO₂ respectively (IPCC 2007). Greenhouse gas emissions are aggregated on a carbon dioxide equivalent (CO₂-eq) basis.</p> <p>Non-CO₂ emissions arising from both fossil and biogenic carbon sources are included in the calculation of GHG emissions. In the case of burning bagasse in sugar mill boilers, it is assumed that 30 g CH₄ and 4 g N₂O are produced per 1000 MJ of energy in the bagasse burnt, based on IPCC data for burning of biomass. Changes in the carbon content of soils, either emissions or sequestration, other than those arising from direct land use change, are excluded from the assessment of GHG emissions. Any GHG emissions arising from transport required during the product and raw materials life cycle are included in the carbon footprint assessment. Emission factors for transport include emissions associated with creating and transporting the fuels required.</p>	<p>6. Calculation method</p> <p>A materiality threshold of 1 % has been suggested to ensure that very minor sources of life cycle GHG emissions do not require the same treatment as more significant sources. Both the energy usage and emissions are calculated in the same spreadsheet, since the latter are largely determined by the former. The calculation includes the effects of the manufacture of fertilizer. Farming operations include chemicals application, irrigation, tillage and harvesting (and preparation of cane sets for planting). Cane transport covers getting the cane to the mill. The cane is processed to sugar and molasses or ethanol, and may include export of electric power or bagasse. The energy embedded in the manufacture of milling and other equipment is excluded. Inclusion of energy embedded in capital goods and equipment generally has an effect of less than 10 % on calculated emissions and is excluded. No allowance for transport of products from the factory is allowed for.</p> <p>The primary energy is calculated. It differs from the direct energy input in that it takes into account the efficiency of generation and supply of the secondary energy source e.g. using a conversion factor from energy in the fuel used to generate electricity to the energy in the power produced. This applies to power, fuel, steam and any other energy input. The GHG balance is particularly uncertain because of fertilizer nitrous oxide emissions and error margins can be enormous. The use of nitrogen fertilizers results in GHG emissions in two stages: fertilizer manufacture (primarily CO₂ emissions from energy used) and fertilizer application (primarily N₂O emissions from nitrification and denitrification processes in the soil). The assumption is made that 1.325 % of N in nitrogen fertilizer is converted to N in N₂O through nitrification and denitrification, following the IPCC recommendations.</p> <p>In addition, agricultural lime application results in GHG emissions from both production energy use and in-soil reactions that release CO₂. These latter emissions are a further source of uncertainty. The model uses the IPCC factor of 0.44 kg CO₂-eq/kg lime, which assumes that all C in lime becomes CO₂. This is the upper limit; it is possible in weakly acidic soils that limestone results in a net sink of CO₂.</p> <p>The calculation approach adopted in this study is similar to that used in the EBAMM model (Farrell et al. 2006), which itself is similar to the GREET model (Wang et al. 2008). These models have been used in the past mainly to model the production of biofuels from corn, and they have had to be modified for sugarcane to incorporate additional issues as follows:</p> <ol style="list-style-type: none"> 1. Modifications to incorporate sugar manufacture as the major activity. This includes power, fuels and lubricants. 2. Emissions due to cane burning. This is based on IPCC emission factors for burning biomass of 0.07 kg N₂O/t dry matter and 2.7 kg CH₄/t dry matter. 3. Energy value of process chemicals. 4. A credit for molasses (where produced) based on its economic value relative to that of sugar. Volatility in this allocation method is introduced by changes in price and markets, and will have to be monitored. 5. Emissions from anaerobic treatment of effluent in the case that methane is not captured and used as a fuel. IPCC guidelines suggest 0.21 t CH₄ produced per t COD removed. 6. Allowance for N₂O emissions from filter cake, vinasse and cane residue left in the field. This assumes 1.225 % of N in the residue is converted to N in N₂O (Macedo et al. 2008). 7. Allowance for any imports of molasses, bagasse and/or other biomass.
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7. Default and secondary data

Secondary data (obtained from sources other than direct measurement) are used to calculate emissions where primary data are not available or inappropriate, to enable consistency and, where possible, comparability.

- Global warming potential of greenhouse gases
- Electricity emissions (in kg CO₂eq/kWh) from various energy sources
- Energy content of fertilizers per kg
- Energy use of pesticides and herbicides per kg
- Fuel emissions per litre
- Waste emissions per kg
- N₂O and CH₄ emissions from burning bagasse
- N₂O and CH₄ emissions from burning cane
- Energy embedded and emissions for process chemicals
- Direct land use change
- Agriculture emissions from soils

An additional set of default values might also be used for farmers where primary data cannot be used for the following:

- Energy content for delivery of irrigation water
- Energy use for preparing seed cane
- Maintenance burning

Default values used are given in the Annexure.

8. Presentation of results

The agricultural and processing phases are dealt with separately. Thus outputs are available as:

Net energy use in agriculture	MJ/ha or MJ/t cane
Energy used in cane transport	MJ/t cane
Net energy use in processing	MJ/t cane or MJ/t sugar
Total net energy use	MJ/t sugar or MJ/L ethanol
Agricultural GHG emissions	kg CO ₂ eq/t cane
Processing GHG emissions	kg CO ₂ eq/t cane or kg CO ₂ eq/t sugar
Total net GHG emissions	g CO ₂ eq/g sugar g CO ₂ eq/L ethanol and/or g CO ₂ eq/MJ ethanol

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P. W. Rein GHG Calculation 7 July 2009

**ANNEXURE
DEFAULT VALUES USED**

It is expected that some of these default values will change as more accurate or realistic values are published. Further fine tuning may also be incorporated in future e.g. in allowing for different emissions from different types of nitrogenous fertilizer. It may also be necessary to introduce country specific default values where they are seen to make a material difference to the calculations. Most of the default values are obtained from the EBAMM model (Farrell et al. 2006), often based on the GREET model using data from Shapouri et al. (2004) and Graboski (2002), or from Macedo et al. (2008).

Fertilizer and agricultural chemicals, in MJ/kg:

	Energy Demand (MJ/kg)	Emissions Factor (kg CO ₂ eq/kg)	Emissions on Application (kg CO ₂ eq/kg)
Nitrogen (elemental)	56.9	4	6.2
Potash (K ₂ O)	7	1.6	
Phosphate (P ₂ O ₅)	9.3	0.71	
Lime (CaCO ₃)	0.12	0.07	0.44
Herbicide	355.6	25	
Insecticide	358	29	

Data from EBAMM

Primary energy inputs and emissions:

	Energy Demand (MJ/MJ fuel)	Total emissions (g CO ₂ eq/MJ)
Gasoline	1.14	85
Diesel	1.16	91
Fuel Oil	1.24	96
Natural Gas	1.12	66
Coal	1	107
Electricity	2.5	150*

Energy demand data from Macedo et al. (2008), emissions from EBAMM

*Average value; country specific values should be used.

The energy value is multiplied by the Energy Demand factor to give the primary energy value.

Embedded energy and emissions for process chemicals:

	Energy Demand (MJ/kg)	Emissions Factor (g CO ₂ eq/MJ)
Lime (CaO)	0.11	951
Biocide	3.02	951
Nitrogen	56.33	951
Caustic	75	951
Sulfuric acid	2.4	951
Anti-foam	10	951
Miscellaneous	50	95

¹ Macedo et al. (2008); ² Mortimer et al. (2004); ³ EBAMM



APPENDIX 4: Environmental Management Plan

Main issue	Y/N*	Measures/ practices	Responsibility	Target	Progress
Biodiversity					
Endangered species					
Endangered habitats					
Endangered ecosystems					
Ecosystem services					
Flood control					
Sediment trap					
Pollution control					
Carbon capture					
Soil					
Erosion control					
Soil health -Organic carbon					
Compaction					
Soil acidity					
Soil salinity					
Water					
Conservation					
Irrigation management					
Quality - nutrients					
Quality - crop chemicals					
Quality - for irrigation					
Air					
GHG - emissions					
Particulates					
Energy					
Crop Protection Chemicals					
Fertilizer					

Examples of measures/ practices
Repair habitat
Maintain habitat
Re-plant riparian zones
Control invader plants
Remove cane from riparian areas
Re-habilitate wetlands
Re-habilitate poor performance fields to natural vegetation
Control invader pests
Wetland maintenance and repair
Drain maintenance or closure
Re-vegetate wetlands and stream banks
Wetland maintenance
Form sediment traps
Wetland maintenance
Wetland re vegetation
Minimise fertilizer and crop chemicals run off by:
Bury urea
Timing of application
Correct application rates
Calibrate application equipment
Avoid application near waterways
Maximise trash retention
Replant riparian vegetation
Minimise burning
Conservation layout
Minimum tillage
Drainage channels grassed
Drainage channels shaped
Water ways shaped and grassed
Maximise soil cover
Minimise soil disturbance
Strip harvesting and planting
Use of trash blanket
Burnt tops management
Burning - cold burn versus hot burn
Fallow cropping
Organic manures
Infield harvesting and loading management
Soil disturbance
Harvest planning according to soil physical properties
Acidification management - lime application
Acid sulphate soils amelioration programmes
Irrigation water quality improvement
Irrigation management
Trash blanket
Burnt tops management
Minimise soil disturbance
Choice of system - according to soil type
Management of system
Irrigation scheduling
Salinity management
Minimise off field movement or percolation
Bury volatile N forms
Time applications according to weather conditions
Ensure chemicals applied at registered rates
Ensure only registered chemicals used
Minimise residual chemicals and highly toxic chemicals use
Avoid use of low quality water
Minimise use of volatile nutrients
Bury volatile fertilizer types - e.g. Urea
Apply non volatile nutrients
Timing of application to reduce volatilisation
Minimise crop burning and residue burning
Minimise soil disturbance
Minimize fuel usage
Minimise burning
Timing of burning in relation to weather conditions
Minimise use of inputs requiring energy for manufacture
Minimise use of non renewable energy
Minimize product residuals

Pests and Diseases					

Bury urea
Promote biological control

* Issue addressed in EMP Yes/No