

COSAN Corrective Action Plan (CAP)
Based on project closing on May 1st 2005

Task Description	Output	Required Completion/Submittal Date
<p>1. <u>Commence an Occupational Health and Safety Audit.</u> With external assistance conduct an occupational health and safety audit of Cosan sugar milling operations to define gaps between the requirements of IFC's Occupational Health and Safety guideline and actual operations. Define top priority corrective measures that contribute to lost time accidents and fatalities. Implement required corrective measures to close the identified gaps.</p>	<p>IFC receipt of audit report and list of corrective measures and proposed schedule for implementation of required measures to close top priority gaps between actual operations and IFC guideline requirements.</p>	<p>Initiate by October 2005 Finish by March 2006</p>
<p>2. <u>Complete Occupational Health and Safety Audit-Identified Corrective Actions.</u> Complete required corrective measures to close Occupational Health and Safety audit-identified gaps.</p>	<p>IFC receipt of Management-certified completion of top priority corrective measures required to comply with IFC Occupational Health and Safety guideline.</p>	<p>Initiate March 2006 Finish by March 2007</p>
<p>3. <u>Establish Integrated Corporate Management Unit for Social and Environmental Affairs, Quality, and Occupational Health and Safety Management.</u> Hire qualified environmental and social affairs, quality, and occupational health and safety manager and staff for Cosan corporate operations.</p>	<p>Provide copies of internal memoranda signed by Cosan highest-level management announcing the establishment of management unit, hiring of managers and coordinators, purpose for and the objectives of the unit. Submit CVs for assigned staff.</p>	<p>Corporate Environmental Manager Appointed until June 2005</p>
<p>4. <u>Appoint Qualified Social and Environmental Affairs, Quality, and Occupational Health and Safety Coordinators for Each Cosan Sugar Mill.</u> Appoint qualified professionals to the position of environmental and social affairs, quality, and occupational health and safety coordinator for each Cosan mill. Establish communication and reporting relationships with the Corporate Social and Environmental Affairs, Quality, and Occupational Health and Safety Management.</p>	<p>Provide copies of internal memoranda announcing the establishment of management positions, hiring of coordinators, purpose for and the objectives of the environmental unit in each mill.</p>	<p>Responsible environmental officials at each mill appointed as soon as possible (before June 2005)</p>

<p>5. <u>Develop Social and Environmental Affairs, Quality, and Occupational Health and Safety Management Policy Statement.</u> Develop statement of vision and mission for social (including labor practices) and environmental affairs, quality, and occupational health and safety management.</p>	<p>Provide copy of approved policy statement for IFC endorsed by Cosan highest-level management.</p>	<p>May 2005</p>
<p>6. <u>Develop and Implement an Integrated Management System for Social and Environmental Affairs, Quality, and Occupational Health and Safety Management.</u> Establish an integrated, systematic management program based upon internationally recognized management systems such as ISO 9001-2000. Design the system to ensure compliance with Sao Paulo state and Brazilian federal regulations and IFC policies and guidelines requirements.</p> <p>This activity to be implemented according to a 4 stage process as follows:</p> <p>Stage 1 – conceptual design of the management system Stage 2 – Detailed development of system procedures Stage 3 – Initial audit of all activities and installations (against standards defined in the system and as per established procedures) Stage 4 – Implementation of the management system</p>	<p>Stage 1 – provide copy of the report describing the management system to IFC. Stage 2 – Provide copies of procedures manual for IFC. Stage 3 – Provide IFC with list of all corrective actions required by the initial audit and detailed schedule. Stage 4 – Submit progress report demonstrating complete implementation of all procedures.</p>	<p>Stage 1 – by end of August 2005. Stage 2 – concluded February 2006. Stage 3 – April 2006. Stage 4 – April 2007.</p>
<p>7. <u>Develop and Implement Environmental Monitoring Program.</u> As part of the integrated management system for environmental and social affairs and occupational health and safety, develop monitoring protocols, commence quantitative data collection activities to characterize air emissions, wastewater discharges to surface water, and other emissions to the environment.</p> <p>Four main tasks are included in this item.</p>	<p>Task 1 - Submit report on effluent discharge base-line conditions and water quality of receiving body. Task 2 - Complete monitoring campaign of all effluent discharges and receiving body water quality (upstream and downstream) and submit results. Task 3 - Submit results of CO, CO₂, NO_x base-line measurements on all point sources. Task 4 - Submit results of particulate matter base-line measurements on all point sources.</p>	<p>Task 1 – July 2005. Task 2 – February 2006. Task 3 – June 2006. Task 4 – 25% by June 2006. – 25% by June 2007. – 25% by June 2008. – 25% by June 2009.</p>

<p>8. <u>Conduct Emissions GAP analysis.</u> Once the monitoring program has been conducted, provide IFC with quantitative data report for emissions monitoring; identify all emissions out of compliance with IFC guideline requirements; prepare corrective action plan describing ameliorative measures and proposed completion date for implementation.</p>	<p>Submit reports including proposed corrective measures and proposed schedule for implementing corrective measures to IFC.</p>	<p>Report on corrective actions regarding effluent discharges – February 2006. Report on corrective action regarding CO, CO₂ and NOx emissions – June 2006. Reports on corrective action regarding particulate matter emissions – gradually, on June 2006, June 2007, June 2008 and June 2009.</p>
<p>9. <u>Complete Corrective Measures to Bring all Emissions to the Environment into Compliance with IFC guideline requirements.</u> Complete all corrective measures to reduce air and liquid effluent emissions to levels mandated by IFC guidelines.</p>	<p>Documented completion of required corrective measures.</p>	<p>Effluent discharge corrective actions to be executed during pre-harvest periods, with reports documenting conclusion in October 2006, October 2007 and October 2008.</p> <p>Air emission corrective actions to be initiated in June 2006 – schedule dependent on scope.</p>
<p>10. <u>Prepare and submit Proposed Consolidated Annual Environmental Monitoring Report (AMR) format for IFC approval.</u> Devise and submit proposed annual monitoring report format to IFC. Report should be designed to facilitate IFC's understanding of the compliance status of all operating mills, outstanding compliance issues and target resolution dates, and the results of benchmarking activities among Cosan sugar mills and other operations. Report should also include the results of internal audits carried out to define shortcomings and required corrective measures to bring operations into compliance with Brazilian regulatory and IFC guideline requirements. The report should be designed to have maximum utility for Cosan management and informational brevity for IFC.</p>	<p>Submit Proposed Format to IFC for Approval.</p>	<p>Condition of First Disbursement</p>

<p>11. <u>Submit Consolidated Annual Environmental Monitoring Report (AMR) for IFC.</u> Submit previously approved consolidated environmental reporting format for all of Cosan's sugar mills. Report shall be designed to facilitate IFC's understanding of the compliance status of all operating mills, outstanding compliance issues and target resolution dates, and the results of benchmarking and internal auditing activities among Cosan sugar mills. The report should be prepared for maximum utility for Cosan management and informational brevity for IFC.</p>	<p>Receipt of AMR as designed.</p>	<p>March 2006</p>
<p>12. <u>Obtain ISO 9001-2000 certification for the San Francisco Mill and the Santos Port</u></p>	<p>Submit documentation demonstrating certification.</p>	<p>Condition of First Disbursement</p>
<p>13. <u>Obtain ISO 9001-2000 and OHSAS 18000 certification for 25% of Cosan industrial facilities.</u></p>	<p>Submit documentation demonstrating certification.</p>	<p>April 2006</p>
<p>14. <u>Obtain ISO 9001-2000 and OHSAS 18000 certification for 50% of Cosan industrial facilities.</u></p>	<p>Submit documentation demonstrating certification.</p>	<p>April 2007</p>
<p>15. <u>Obtain ISO 9001-2000 and OHSAS 18000 certification for 75% of Cosan industrial facilities.</u></p>	<p>Submit documentation demonstrating certification.</p>	<p>April 2008</p>
<p>16. <u>Obtain ISO 9001-2000 and OHSAS 18000 certification for 100% of Cosan industrial facilities.</u></p>	<p>Submit documentation demonstrating certification.</p>	<p>April 2009</p>
<p>17. <u>Initiate ISO 14001 certification process.</u></p>	<p>Submit report with planned certification schedule.</p>	<p>April 2007</p>