

Duque de Caxias Public Presentation

The meeting was held on ASSECAMPE-Campos Eliseos Companies Association auditory, on August, 11th and there were present about 80 people (see list attached), mainly leader of surrounding communities that take part of local APELL - Awareness and Preparedness for Emergencies at a Local Level program, nearby companies, contractors, representatives of state and municipality governments, NGO and Polibrasil staff.

At First, the site manager Sérgio Fernandes expressed gratitude for the presence of the attendees, then he delivered a brief corporate presentation of Polibrasil, including:

- Shareholders, internal structure, main financial indicators and manufacturing processes and industrial complexes;
- An overview of polypropylene applications and market growth perspectives;

The presentation continued focusing on Polibrasil expansion plans and the perspectives for Duque de Caxias site: expanding from 200 kta to 300 kta production of PP in 2007 with very low investment.

The site manager highlighted the present complex propylene supply logistics for Duque site, the losses Polibrasil are realizing due to raw material contamination and the dependency from Transpetro facilities for unloading propylene into the plant. Sergio Fernandes presented the Duque Sea Terminal project and reinforced the strategic relevance of having a Polibrasil independent discharge terminal and transference pipelines into the site. He also presented:

- Environmental impacts and mitigation measures- construction and operation phases
- Risk analyses and safety;
- Legal aspects – IBAMA and FEEMA licenses and permits. Compensatory measures;
- Social aspects and enterprise advantages: work generation at transforming industries, public tax;
- Polibrasil commitment to environmental preservation and sustainable development.

Then, participants asked questions about the projects. The main raised points were:

- One of UNAM (Union of Resident Association for 2nd District) representatives asked about Polibrasil plans to incentive plastics recycling and development of biodegradable resins.

Sérgio Fernandes presented some of the actions taken by Polibrasil such as the program implemented by the ASSECAMPE and FIRJAN-Industry Federation of Rio de Janeiro State at Jardim Gramacho to incentive recycling (Ecomarapendi Project)

- The UNAM participant also questioned Suzano ownership – if it has shares negotiated on the open market.

Sergio Fernandes answered that Suzano Petroquímica is a publicly held corporation, with a key strategic directive of repositioning itself in the Brazilian capital markets.

- Community representatives from Duque de Caxias Municipality Environmental Council asked which environmental compensatory measures related to the project would be taken at Guanabara Bay.

Sergio Fernandes explained that IBAMA has required the recovery of a degraded mangrove area five times bigger than the area deforested for the pipeline as a compensatory measure.

- He questioned the actions Polibrasil is taking to improve job creation within the local communities, such as incentives to training and local laborers contracting – and support to technical school implementation.

Polibrasil site manager talked about the action ASSECAMPE are taking to help SENAI (National Service for Industrial Learning) install a Technical School to prepare local laborers for working at plastic transformer companies that are coming for the region.

- Another community leader showed his concerns with the road system for transporting the future local production and the impacts for the surroundings communities.

Sergio Fernandes shared the information that ASSECAME jointed Duque de Caxias municipality and Rio de Janeiro State governments to develop and implement a project to improve the local road system.

- A Polibrasil contractor asked about the necessary improvements needed in Polibrasil logistic for polypropylene expedition after the expansion.

Sergio said that the project includes the warehouse and logistic facilities expansion.

- An APELL participant talked about the community satisfaction with the companies social active role in the region and expressed his concerns regarding potential risks for the surrounding communities, mainly Jardim Ana Clara population, and inquired about the emergence alert plan.

Again, Sergio explained that risk analysis study conducted by Polibrasil according FEEMA (State Environmental Agency) guidelines showed the risk for population are low and acceptable and assured that all recommendation will be incorporated to the project.

- The community leader asked what measures will be taken to avoid environmental impact due natural resource removal for construction.

Polibrasil site manager said that the municipality is already studying this aspect and identifying mines of sand for material removal in order to minimize environmental impact.

The communities and neighbors companies demonstrated their satisfaction with Polibrasil initiative to share their plans and care with the environmental and social aspects showed. Once more Sergio expressed Polibrasil gratitude for their attendance and finished the meeting.