SABÓ – ENVIRONMENTAL AND SOCIAL ACTION PLAN
May 07, 2007

	Action	Deliverable	Deadline
Environmental and Social Management System			
1.	**Social Investment Program** The Company will establish a program to handle such investments in a systematic manner by collecting and analyzing of investment data, preferably using the "Ethos Indicators" * , and preparing a Social Balance Report.	Provide IFC copy of the Social Balance Report Report progress on implementation of social projects	With first AMR - 2008 With second AMR - 2009
Pollution Prevention and Control			
2.	**Liquid Effluents** The Company will develop a plan to IFC's satisfaction to reduce parameters as BOD, COD and TSS and Oil and Greases that are not compliant with IFC guidelines. At the same time the plan will reduce the amount Company pays for liquid effluents treatment.	Provide IFC the plans to control parameters	Data submitted in annual AMR
3.	**Air Emissions** The company will measure at least once a year the air emissions from its boilers, even using only Natural Gas, for PM, NOx and SO2. The Company will also report hazardous emissions such as Methyl Ethyl Ketone, Methyl Isobutyl Ketone, Ethanol and Toluene.	Emissions Report	Data submitted in annual AMR
4.	**Resource Conservation** The company will develop and implement a plan, establishing goals and schedule to improve sustainability in relation to: • Effective waste reduction program (particularly metal scrap), and an indicator of waste generation per piece produced; • Water saving program, including technical and educational measures, including a campaign with employees and outsourced people. • Sustainability indicators per piece produced, with monthly cost for water and electric energy.	Provide IFC with copy of the Resource Conservation Plan Implementation of the Resource Conservation Plan	First Annual Report According to schedule

5.	**Energy Efficiency**
	• The Company will undertake an Energy Efficiency assessment divided in two phases:
	  o Characterization - to identify the components of the production process that have the greatest savings potential
	  o Inside-out analysis - to identify specific opportunities to maximize energy savings while minimizing capital costs, and formulate an action plan.
	• The Company will implement the actions identified in the above assessment, according to a schedule agreed with IFC.
		Provide IFC with copy of the Energy Efficiency Plan
		
		Implementation of the Energy Efficiency Plan
			First Annual Report
			
			According to schedule

6.	**Occupational Health and Safety** The Company will reinforce the use of IPE (Individual Protection Equipment) and a better understanding of the work safety procedures.	Annual Report	Data submitted in annual AMR

* "Ethos Indicators" is a supporting tool developed by the Ethos Institute, whose main purpose is to help companies to manage social and environmental impacts of its activities. It can be used to obtain an in-depth understanding of the ideal situation and prepare the company to achieve it.