

ENVIRONMENTAL AND SOCIAL ACTION PLAN
28 MARCH 2008

	Action	Deliverable	Deadline
Integrated Management System			
1.	Implement an Integrated Management System for Environment, Social, and Health and Safety Management Implement an integrated management system that will incorporate the following elements: (i) organization; (ii) training; (iii) community engagement, including clear procedure on disclosure and consultation with affected communities; (iv) monitoring; and (v) reporting. The management program will address identified environmental & health and safety impacts and risks of all existing and future acquisitions and operations. As part of the implementation USJ will develop management programs, procedures, monitoring and reporting protocols, and provide training to employees.	Documentary Evidence	Loan signature + 2 years
2.	Implement a screening mechanism for sugar cane suppliers (i) Develop a screening mechanism to assess the risk of environmental and social issues for sugar cane suppliers, this will include compliance with Brazilian labor legislation (NR31) and land titling. This mechanism should be part of USJ purchasing procedures. (ii) Implement this mechanism at each operation.	(i) Documentary Evidence (ii) Implementation plan	(i) LS + 6 months (ii) LS + 1 year
3.	Community engagement (i) Formalize community engagement/disclosure procedures/external grievance mechanism. (ii) Hire a communications officer.	(i) Documentary Evidence (ii) Hiring of communications officer	(i) LS + 6 month (ii) LS + 1 year
4.	Social Investment Program Develop a social investment program using indicators set by Ethos.	Social investment program with timeline	LS + 2 years
Labor and working conditions			
5.	Sugar cane supplier database (i) Set up a supplier database to gather all the information (already collected by different departments and informally) on supplier's labor performance, in order to identify risks in the supply chain. (ii) Implement at all operations.	(i) Create database and implementation plan (ii) Implement at all operations	(i) LS + 6 months (ii) LS + 1 year
6.	Productivity targets for sugar cane cutters Establish a ceiling of 12 tons per day for sugar cane cutters which ensure compliance with national and state regulation regarding daily working hours and	Procedure adopted	LS + 3 months

	overtime.		
7.	Non-discrimination and equal opportunity Develop and present an implementation plan to ensure meeting the disabled people's quota set by the Brazilian government and improving diversity at all levels of organization.	Present implementation plan, including actions, indicators and timetable.	LS + 6 months
8.	Grievance mechanism (i) USJ will develop a clear grievance procedure, including steps to be taken, mediation process, responsible persons, and how feedback will be given. (ii) Implement grievance procedure at each operation.	(i) Present grievance procedure and implementation plan (ii) Documentary Evidence	(i) LS + 6 months (ii) LS + 1 year
9.	Workplace Monitoring (i) USJ will develop a workplace monitoring program which will include air quality, temperature, and noise. (ii) Corrective actions will be implemented as needed according to an implementation plan to be presented. (iii) Monitoring data will be submitted as part of the Annual Monitoring Report (AMR).	(i) Provide IFC with workplace monitoring program (ii) Provide IFC with implementation plan (iii) Monitoring data in AMR	(i) LS + 6 months (ii) LS + 1 year (iii) Included in annual AMR
10.	Occupational Health & Safety at plantations (i) Develop and implement a health screen for rural workers (own and supply chain), focusing on Chagas Disease and drug abuse, coupled with awareness raising program. (ii) USJ will monitor and report accident statistics at all their owned and rented plantations. Monitoring will include direct and subcontracted workers.	(i) Procedure and implementation schedule (ii) Monitoring data in AMR	(i) LS + 6 months (ii) Included in annual AMR
Pollution prevention and Abatement			
11.	Land Application of Process Wastewater USJ will develop a groundwater monitoring plan to quantify the impact to groundwater from storage and irrigation of process wastewater from the sugar mills. Review will be conducted by qualified external professional acceptable to IFC. TOR for study will be developed in consultation with IFC. (i) Retain consultant to complete groundwater study (ii) Final report with recommendations and implementation schedule (iii) Implementation of recommendations (iv) Reporting of groundwater monitoring data	(i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (iv) Monitoring data in AMR	(i) COD (ii) LS + 6 months (iii) Timeline to be agreed with IFC by LS + 1 year (iv) Included in annual AMR
12.	Water sustainability USJ will implement a plan to address reduction of	(i) Presentation of water	(i) LS + 6 months

	water consumption at all facilities. (i) Develop a water conservation plan (ii) Implementation of recommendations (iii) Reporting of water consumption monitoring data	conservation plan and implementation schedule (ii) Implement corrective actions (iii) Monitoring data in AMR	(ii) Timeline to be agreed with IFC by LS + 1 year (iii) Included in annual AMR
13.	Air Emissions at all facilities USJ will review emissions at all its facilities (while using bagasse and Bunker C) against local regulations as well as applicable IFC/WB guidelines. Review will be conducted by qualified professional acceptable to IFC. (i) Retain consultant to complete air emissions study including measures at stack emissions at all facilities (ii) Final report with recommendations, implementation schedule and budget allocation (iii) Implementation of recommendations (iv) Reporting of air emissions data	(i) Copy of contract and TOR (ii) Copy of final report (iii) Documentary evidence (iv) Monitoring data in AMR	(i) COD (ii) LS + 6 months (iii) Timeline to be agreed with IFC by LS + 1 year Included in annual AMR
14.	Community health and safety USJ will update their policies and procedures to avoid the risks and impacts to health and other crops associated with aerial spraying of herbicides. USJ will also inform nearby communities before and during aerial spraying.	Documentary evidence	LS + 6 months
Land Acquisition and Involuntary Resettlement			
15.	Land regularization (i) List of owned and rented farms including status of land regularization and timeframe expected obtaining regularization. (ii) Fully regularize land titles for their own farms in SP, Goiás and MT within the time frame submitted.	(i) List of farms (ii) Summary table, demonstrated efforts and progress report.	(i) LS + 3 months (ii) According to schedule submitted
16.	Land regularization (sugar cane suppliers and rented land) Work towards only renting from and buying cane from farms that have regularized land titles in São Paulo, Goiás and Mato Grosso within a specific time frame, as part of corrective action 2, described above.	System ready, operational and progress reports	LS + 2 years
Biodiversity Conservation			
17.	Protection and Conservation of Biodiversity (own areas) Comply with environmental regularization laws by obtaining environmental licenses (or relevant state document) for their own farms in São Paulo, Goiás and Mato Grosso (LAU), within the time frame submitted.	(i) Present documentation to IFC.	(i) According to the schedule submitted.

	Goiás/São Paulo (i) Obtain document provided by the relevant environmental authority (or authority in charge of environmental issues) that indicates that the Reserva Legal (RL) and the Area de Proteção Permanente (APP), are being properly managed or that the company has initiated the licensing process. Mato Grosso (ii) Provide documentation showing, to IFC satisfaction, that the property fulfills the conditions for environmental licensing in the State of Mato Grosso. (iii) Obtain protocol that states the property has initiated environmental licensing procedures at Secretaria de Estado do Meio Ambiente (SEMA). (iv) Obtain the environmental license of the property (Licença Ambiental Única) and comply with SEMA's requirements concerning Reserva Legal (RL) and the Area de Preservação Permanente (APP), to IFC's satisfaction. (eg: TACs).	(ii) Deliver documentation to IFC satisfaction. (iii) Deliver documentation satisfactory to IFC. (iv) Deliver license to IFC and related requirements to IFC.	(ii) COD for second disbursement
--	---	--	---

COD – Condition of Disbursement; LS – Loan signature