

**DELTA SUCROENERGIA Project, Brazil
Environmental and Social Action Plan (ESAP)**

Item No.	Action Item	Product / Deliverable	Anticipated Completion Date
PS-1: Assessment and Management of Environmental and Social Risks and Impacts			
1.1	<p>Develop an Environmental and Social Management System (ESMS) aligned with the Performance Standard 01 (PS-1), for all the units including agricultural areas.</p> <p>The ESMS will comprise: i) Policy: The overarching Corporate Policy statement will be strengthened to align with the 2012 Performance Standards; ii) Identification of Risks and Impacts: Delta will update its corporate risk management process to: (a) Review its risk assessment whenever there is a change in processes, technology, activities or an expansion; (b) Improve identification of risks and impacts of its operations to communities on a periodic basis, and emissions to the air, solid wastes production, and traffic incidents and accidents with communities; iii) Management Programs: Delta shall develop management system procedures to improve environmental and social risk management and performance; iv) Organizational Capacity and Competency: Delta will establish the organigram for the Environmental and Social management unit; v) Emergency Preparedness and Response: Update its corporate emergency preparedness and response management system procedures at the Delta Unit to account for emergency planning to involve communities, regular review of the training programs for Emergency Preparedness and Response, including fire, and, review its emergency response procedures whenever there is a change in processes, technology, activities, or an expansion. Update and review the Emergency and Response Plan (ERP), including: (a) assess the capabilities of its personnel and identify the weak points and needs for improvements in the system, (b) Senior management of the Company should review these procedures; (c) Submit the Inspection Reports (AVCB) issued by the Fire Department and conformity with NFPA requirements; and (d) AVCBs for all facilities; vi) Stakeholder Engagement and external communications: The Company will develop a corporate management system procedure for communication with external stakeholders; vi) Monitoring and Review: Delta will: a) Establish a corporate management system for monitoring KPI results as described in the ESRS text, and use these in risk assessment; b) Develop a management system procedure to report monitoring results in senior management meetings to determine whether the ESMS is effective and supports the policies; and viii) PS-1 ESMS Compliant: a) The Company is required to demonstrate a 2012 PS-1 compliant Corporate ESMS.</p>	<ol style="list-style-type: none"> 1. First Report, including the general guidelines for the ESMS and the RMP and an Action Plan, this will include a draft of : (i) Policy Updated and communicated to all staff, main contractors and suppliers, ii) Risk assessment process reviewed, upgraded risk management procedure addressing communities, iii) Procedures and action plans to minimize environmental and social problems; iv) a copy of the internal memorandum that establishes the organigram of Delta's Environmental and Social Management Unit or Department; v) Response procedures for emergency management at the Delta Unit; vi) Procedure for communication with external stakeholders and information on accessing grievance mechanism; vi) Procedure for formal documentation of monitoring results; vii) Procedure to report monitoring results in management meetings; viii) Procedures manual for the ESMS; and ix) PS-1 ESMS Compliant. 2. Final Report, containing the final version of the ESMS; 3. Report containing the Results of the implementation of the ESMS (PS-1 ESMS Compliant). 4. Progress Reports. 	<ol style="list-style-type: none"> 1. 6 months after the Contract's signature; 2. 12 months after the Contract's signature; 3. 24 months after the Contract's signature and thereafter; 4. Annually in the Environmental and Social Compliance Report (ESCR).
PS-2: Labor and Working Conditions			

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2.1	Establish formal procedure(s) to promote the recruitment and hiring, access to training, assignment of positions, and promotion (including managerial posts) of women.	<ol style="list-style-type: none"> 1. List of the procedures that are going to be established 2. Draft Report of the procedures 3. Progress Reports, submitting evidence and statistics on items 1 and 2 	<ol style="list-style-type: none"> 1. 6 months after the Contract's signature; 2. 12 months after the Contract's signature and thereafter; 3. Annually in the ESCR
2.2	Upgrade the safety horizontal signage at the industrial units, including emergency exit routes.	<ol style="list-style-type: none"> 1. Initial Report describing the current situation in safety signage, suggesting improvements and implementation schedule; 2. Progress Report 	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature and thereafter; 2. Annually in the ESCR
2.3	Develop Occupational Health and Safety (OHS) induction material for visitors and suppliers;	Occupational Health and Safety (OHS) induction material	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature and thereafter; 2. Annually in the ESCR
2.4	Offer defensive driving training program for employees and make them mandatory to freight and passenger transportation contractors	<ol style="list-style-type: none"> 1. Evidence of training program implementation 2. Progress Report 	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature and thereafter; 2. Annually in the ESCR
2.5	Develop and implement OHS guidelines	OHS guidelines	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature and thereafter; 2. Annually in the ESCR
2.6	Identify the potential EHS/OHS risks related to sugarcane suppliers, and potential impacts associated with the supply chain (sugarcane suppliers).	<ol style="list-style-type: none"> 1. First Report, including EHS/OHS risks' identification and proposed Action Plan for communication to sugarcane suppliers and partners 2. Final Report containing the first results of Action Plan implementation 3. Progress Reports 	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature 2. 12 months after the Contract's signature; and thereafter; 3. Annually in the ESCR
2.7	Ensure that contractors meet the OHS requirements of the Company by: (i) Implementing procedures to manage and monitor the performance of subcontracted employers; and (ii) ensure that consultation mechanisms are available to these workers	<ol style="list-style-type: none"> 1. OHS procedures 2. Grievance Mechanism for subcontractors' employers 	<ol style="list-style-type: none"> 1. 9 months after the Contract's signature or before the start of works; 2. 12 months after the Contract's signature and thereafter (annually in the ESCR, if applicable).
PS-3: Resource Efficiency and Pollution Prevention			
3.1	Define measures to improve the efficiency of its electricity and water consumption, as well as consumption of other resources by establishing objectives and goals for conserving raw materials, water, and energy consumption.	<ol style="list-style-type: none"> 1. Work Plan 2. Resource use efficiency Program 	<ol style="list-style-type: none"> 1. 12 months after the Contract's signature; 2. 18 months after the Contract's signature and thereafter (annually in the ESCR).

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3.2	Prepare: i) an inventory of Greenhouse Gases, when required by law or the certifying body (BONSUCRO) and ii) hydric balance sheet.	1. Work Plan 2. Report of results of the Greenhouse Gas inventory and the hydric balance.	1. 12 months after the Contract's signature; 2. 18 months after the Contract's signature and thereafter (annually in the ESCR).
3.3	Prepare a technical assessment that: (i) justifies the use of pesticides that the World Health Organization considers as hazardous; (ii) describes OHS' management measures in place; and (iii) proposes a chemical pesticide plan with alternatives that are low in environmental and human toxicity.	1. Initial assessment Report 2. Final Report of pesticide usage and alternatives to avoid and or reduce	1. 9 months after the Contract's signature and thereafter; 2. Annually in the ESCR
3.4	Develop and implement an integrated pest management (IPM) and/or integrated vector management (IVM) system.	1. IPM and IVM Plan – Draft 2. IPM and IVM Plan – Final	1. 6 months after the Contract's signature; 2. 12 months after the Contract's signature and thereafter (annually in the ESCR).
3.5	Develop a procedure for proper handling and management and storage of hazardous products and wastes that are used as raw material or generated as products by the Company.	1. Procedure for handling, management and storage of hazardous products and wastes	1. 6 months after the Contract's signature
3.6	Develop a program for reducing, recovering and reusing wastes	1. Reducing, recovering and reusing wastes program – Draft Plan 2. Reducing, recovering and reusing wastes program –Final Plan	1. 6 months after the Contract's signature; 2. 12 months after the Contract's signature and thereafter (annually in the ESCR).
3.7	Assessment of water quality according to the Brazilian legislation and IFC specific guidelines	Report comparing the last parameters monitored and Action Plan to be in compliance with the Brazilian legislation and IFC guidelines	Annually in the ESCR
3.8	Develop guidelines and recommendations of pesticide application for suppliers to help to align with the WHO (orientation and recommendations)	Guidelines and Recommendations	Annually in the ESCR
PS 4: Community Health, Safety, and Security			
4.1	Develop and implement a Traffic safety plan for the three units that includes: (i) Hazardous Materials' transportation; and (ii) Emergency Preparedness and Response measures.	1. Traffic safety and management plan (one for each unit) – Draft 2. Traffic safety and management plan (one for each unit) - Final	1. 9 months after the Contract's signature; 2. 18 months after the Contract's signature and thereafter (annually in the ESCR).
4.2	Prepare a Security report, including risk and impact identification and assessment according to IFC PS-4 requirements.	Security Report	Annually in the ESCR
PS-6: Biodiversity Conservation and Sustainable Management of Living Natural Resources			
6.1	Monitoring of the implementation of the Rural Environment Register – CAR;	Report documenting monitoring and implementation of CAR Progress report	1. 9 months after the Contract's signature and thereafter (annually in the ESCR).

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6.2	Update biodiversity (flora and fauna) baseline of the legally protected areas of the units at Delta and Volta Grande.	Updated biodiversity baseline Report	1. 24 months after the Contract's signature and thereafter - annually in the ESCR, if a monitoring plan is applicable as a result of the report.
6.3	Encourage, publicize and provide guidance about the CAR and Environmental Licensing requirements to the suppliers and partners	Report of actions developed	1. 9 months after the Contract's signature and thereafter (annually in the ESCR).