RESPONSIBLE PALM OIL SOURCING POLICY

In July 2016, Agropalma Group started its new refinery, located in Limeira Town. As processing capacity has increased by 140%, Agropalma became a buyer of crude oils and derivatives. This new scenario brings the challenge to company seeking reliable suppliers, aligned with its values and sustainability policies, as well as aligned with the expectations of its customers and other relevant stakeholders.

Since inauguration of the new refinery, some practices for searching and selection of suppliers began to be tested. Trials continued until November 2017, when company decided to develop and implement this responsible sourcing policy, whose criteria listed below apply to its own operations as well as to all suppliers of oils and derivatives.

Criterion 1 – Business Integrity

Businesses are managed with integrity and ethics, complying with the applicable local and international laws, including free market and competition protection rules. Local anti-corruption laws (where they exist) are attended and practices such as bribes and payment facilitation are prohibited.

Relevant information is provided to stakeholders in accordance with applicable law and recognized corporate transparency practices in the industry, including providing information on compliance with the requirements of this policy to Agropalma Group.

Criterion 2 - Respect for people

Businesses, operations and activities are managed respecting people, through the commitment to the following requirements:

- Respect for human rights, as defined by the United Nations (UN, 1948), and worker rights, as defined by the International Labor Organization (ILO, 1998).
- New plantations in areas used by third parties (smallholders, traditional communities, indigenous peoples, etc.) can only be established after their free, prior and informed consent;
- The use of forced labor is prohibited;
- The use of child labor, as defined by the UN, is prohibited;
- Freedom of organization, association and collective bargaining is assured to workers;
- Respect Human Rights Defenders people or organizations when performing their work in a legal and regular manner.

Criterion 3 - Conservation of forests, biodiversity and climate stability

New oil palm plantations will not be developed in primary forest areas, areas containing any high conservation values (HCV) or lands with peat soils. Furthermore, burning shall not be used in land preparation or any other stage of agricultural process, except in cases where it is used to control a specific pest or disease, in accordance with agronomic and best agricultural practices guidebook recommendations, if any.
**Criterion 4 - Commitment to Traceability**

Implementation and monitoring of the three requirements above are strictly dependent on reliable traceability. Therefore, suppliers commit to disclose the names and geographical coordinates of the extraction mills that produced the palm oil, palm kernel oil and derivatives delivered to the Agropalma refineries. In this way, Agropalma Group aims to achieve 100% traceability to the extraction mills in the year 2020.

Agropalma Group also commits to select its suppliers considering, among others, the following requirements:

- Formal commitment to this policy (mandatory)
- Distance between the supplying mills and Agropalma refineries (Northeast of Para State > State of Para > Brazil > South America > Central America > Africa / Asia)
- RSPO Membership (for while it is a desirable requirement. With the evolution of RSPO in Brazil we hope to make it mandatory)

Agropalma will test this policy for a period of 6 months from 03/NOV/17. At the end of this period, company will evaluate the performance and, if necessary, might review its contents.

The following is a demonstration chart of the performance in traceability of the Agropalma Group refineries for the year 2016.

<table>
<thead>
<tr>
<th>Traceability of Palm Oil, Palm Kernel Oil and Derivatives Processed and/or traded by Agropalma Group Refineries</th>
<th>Amount (Ton)</th>
<th>% in relation to total</th>
<th>% traceable to the mill</th>
<th>% traceable to FFB plantations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total oils and derivatives processed and/or traded</td>
<td>159,494</td>
<td>100,0%</td>
<td>94,4%</td>
<td>94,4%</td>
</tr>
<tr>
<td>Oils and by-products produced by Agropalma own mills</td>
<td>146,081</td>
<td>91,6%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Oils and derivatives supplied by other companies</td>
<td>13,413</td>
<td>8,4%</td>
<td>33,7%</td>
<td>33,7%</td>
</tr>
</tbody>
</table>

Note: in 2016, Agropalma refineries received oils and derivatives from its 5 own mills (91.6%), from 3 extraction industries belonging to two companies producers of palm and palm kernel oil (2.8%) and 2 trading companies (5.6%).