

COMMUNITIES AND SOCIAL DEVELOPMENT

(UPDATED IN SEP 2022)

Family Farmers

We have supported the Family Farming Program since 2002. Currently the project comprises 202 small farming families with approximately 6 to 10 hectares of palms.

In the 2000s, the company engaged with 185 family farmers, several governmental bodies and with the federation of family farmers, in order to negotiate a formal agreement, explain the risks and obligations of each signatory party and check on the willingness of farming families to be a part of this project (several families did not want in, exercised their right to refusal and were not involved in the initiative).

The project was carefully explained to the community and the families, which were then able to make an informed decision (both those that embraced the project and those who did not). After the families had agreed in participating, the general contract was signed by the producers' association, by the federation, Agropalma and government bodies.

Plantations were established only after the contract was signed, in the years of 2002, 2004, 2005 (with 50 families benefited every year) and 2006 (35 families).

In the year of 2013, 7 more families decided to join the program, but on their private lands, and 4 producers who planted 6 ha in 2006 planted additional 4 ha in 2013.

The company provides the seedlings, fertilizers, tools and protection equipment at a non-profit price, provides technical assistance and guarantees purchase of all produce for market price. We also advise on sustainability practices and legal requirements, sharing best management practices for soil and peat, when applicable, to all suppliers.

Social and environmental studies performed in benefited communities have concluded that the Family Farming Program has improved environmental performance, including for activities not related to palm planting, such as the reduction in hunting of wild animals.

In 2020, in addition to the 192 family farmers, Agropalma received CFF from 42 integrated producers, with plantations ranging from 30 to 1220 ha, for a total area of 10,615 ha of planted palm.

Agropalma is also willing to establish new partnerships with CFF suppliers, either being family farmers or integrated producers. In order to forge new partnerships, the company has a prior verification process, which is used to assess the following items:

- Deforestation liabilities, as per the RSPO (Roundtable on Sustainable Palm Oil) rules, via an analysis of soil usage changes (producers with no liabilities are prioritized);
- Right to land usage and legal ownership documents;
- Compliance with environmental law requirements (preservation areas, permanent, legal reserves, etc.)
- Compliance with labor laws;
- Compliance with occupational health and safety requirements.

In 2019, the company reached its goal of certifying all family farmers and producers integrated according to the RSPO and verified according to POIG standards. However, this situation is constantly changing, as new suppliers may join the program in the future. If this happens, our goal is to ensure that the new supplier is certified up to 3 years after the contracting date. This milestone complies with RSPO and POIG indicators.

Keeping a certification is a very challenging process, especially in the case of the RSPO, whose standard is updated every five years. In cases of non-compliance, company will support the supplier to make a proper cause analysis, set and implement an action plan. For issues considered critical, supplier will have 90 days to address, while, for the others, supplier will have 12 months. If a regular issue is not solved within 12 months, it becomes critical. Lack of compliance or progress regarding the fulfillment of requirements shall result in suspension and termination of contract, up to 2 years depending on the issue identified. Cases of deforestation, forced labor or child labor are treated as below.

Integrated producers and family farmers are evaluated every quarter. Deforestation or use of slave or child labor lead to immediate suspension of the supply agreement. In case of deforestation, slave labor, the contract shall be terminated up to one month after the suspension. In case of use of child labor, if the producer fails to correct the situation until the next harvesting cycle (10-15 days) the contract shall be terminated up to one month after this harvesting cycle. Lack of compliance or progress regarding the fulfillment of aforementioned requirements shall also result in suspension and termination of contract, up to 2 years depending on the issue identified.

In 2021, 23.5% of our processed fruit comes from external sources: 5.9% from family farmers and 16.2% from integrated outgrowers.

Agropalma School

Founded in 1986, Escola Agropalma adopts the Positivo Education System, acknowledged as one of the best in the country. It currently has approximately 550 students in childhood education, elementary school and high school. The school is maintained by the company.

The students have available at their disposal:

- 12 classrooms
- Computer laboratory
- Science laboratory
- Cafeteria
- Library
- Transportation

All environments are air-conditioned to provide thermal comfort. All classes are free, and students with good grades receive discounts on materials.

Young and Adult Education (EJA)

Agropalma School has also joined the Federal Government EJA Program.

This project is aimed at adults older than 18 years of age that were unable to complete their school education and want a new opportunity.

EJA classes are free of cost and take place during evenings. Currently the program benefits approximately 150 people, company workers and dependents.

EJA students have the infrastructure of Agropalma School and free transportation at their disposal, and over the last years several significant changes occurred in educational teaching and consolidation of the project has removed the needs for company-paid retention programs. Currently due to the COVID-19 pandemic activities have stopped due to health safety issues for employees and students, the expectation is that, upon classes being resumed, the new style proposed for the EJA is implemented at Vila dos Palmares and Tailândia centers, as it is even closer to the target audience.