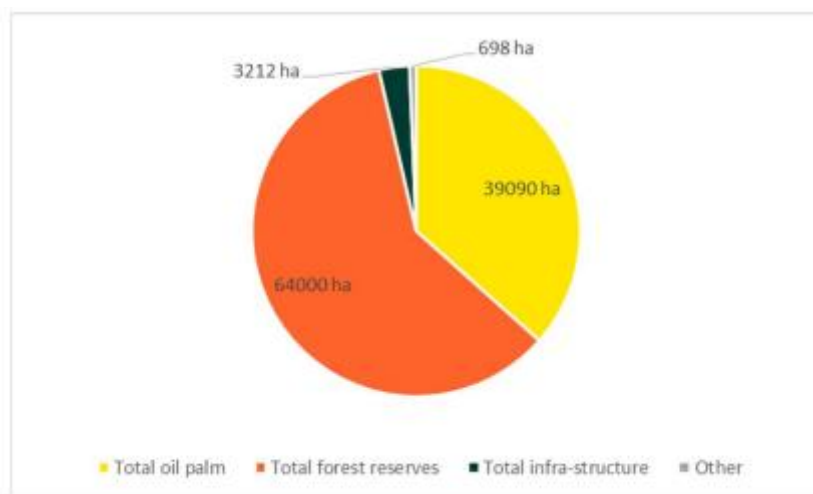


RELEVANT INFORMATION ON SUSTAINABILITY ISSUES

(UPDATED IN SEP 2022)

For Agropalma, sustainability is a core and integrated aspect of its general corporate strategy. Therefore, sustainability aspects are managed by all employees of the company, in all decision-making levels of our operations and administration activities. In order to support organize and optimize the sustainability initiatives, as well as to help company in the engagement with the wider range of stakeholders, company have established in 2007 a department of Sustainability, led by a Sustainability Director, who is member of the Board, and a Corporate Social and Environmental Responsibility Manager, who oversees our sustainability initiatives and performance in all our units.

Agropalma own states are located in Para State, Northern Brazil and covers 107 thousand ha of land. 39.090 ha are planted with oil palms, 64.000 forest reserves. Infrastructure as roads, mills, villages, electricity power lines, etc., occupies 3.212ha. The remaining other areas (698ha) are spots suitable for planting (300ha), that for historical and operational reasons we not planted, and are areas of natural vegetation recovery (398ha).



Within our plantations, we have 6 mills, each of them equipped with its own kernel crusher. This condition provides us a strategic advantage in terms of traceability, an important aspect of our value chain. As presented in the table below, the large majority of FFB processed in our mills were supplied by our own plantations, at the same time integrated outgrowers and family farmers played a key role. It is important to register that we can track 100% of the FFB, and respective kernel we processed up the plantation level.

Origin of FFB and palm kernel processed in Agropalma Mills and respective crushers		Traceable to plantations
Agropalma own states	76,5%	100%
Integrated outgrowers	16,2%	100%
Family farmers	5,9%	100%
Independent third-party	1,4%	100%

In 2016, company launched its Responsible Palm Oil Sourcing, with sustainability and traceability commitments that all suppliers must sign-off. As Agropalma is a small buyer of oil we are not yet able to assess all our suppliers to verify compliance with the requirements of our policy. So far, we are making our progress and, in 2021, 75% of all oils processed in our two refineries were traceable to plantations and in compliance with our policy.

The engagement with stakeholders is a key component of our sustainability strategy. Therefore, we have long partnerships with different NGOs and Universities. We are also active member of multistakeholder organization that aim to improve the sustainability level of global palm oil industry and supply chain, as well as, to improve environmental policy and promote forest preservation and human rights protection in general. For example, we are members of the RSPO, POIG, Coalizão Brasil Clima Floresta Agricultura, InPacto, Instituto Ethos de Empresas e Responsabilidade Social, Pacto Empresarial pela Integridade e Contra a Corrupção, Fórum Amazônia Sustentável, Sustainable Palm Oil Choice (SPOC).

Other important issue is that concerns some of our stakeholders is the management approach for tax payment. Brazil has a very complex tax environment and we have identified about 15 different taxes that may be applicable to our business depending on the operations we run in a specific year. Agropalma is committed to pay 100% of its applicable taxes, in timely manner and to do that we have a whole department, led by a Tax Manager, in charge of developing and implementing our tax strategy, which reports to our Financial Director, the person formally responsible for adequate tax payment and strategy review and approval.

Our team use the best tax management practices to assess the legal framework, our operations and financial performance. Based on the information collected, they identify which taxes are applicable in municipality, state and federal levels. Our team identify the rates according to the operations, calculate the amount to be paid for each different tax and deliver for payment, as well as provide the relevant information to the competent tax bodies. As part of our financial reports, we also publicize explanation notes on our taxes.

It is important to register that, according to the government tax bodies, we are rated in the category of best taxpayers and that, as a major contributor, the inspection agencies are often assessing our accounts and operations to check the adequacy of our tax payments.