

Sustainability report

2019



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I. Introduction

1. Message from the General Manager

After nine years, the development is still ongoing in the south of São Tomé Island, and people's life quality is growing every day, hand in hand with Agripalma.

2019 was a key year for our Company, with the starting of our palm oil mill and exportations. Agripalma will increase by 200% the exports of the country, helping to balance the scale of payments and economy and helping São Tomé to be every day more self-sufficient.

We continue to see people coming back from urban centres, and the district is becoming less deserted every day. For us, it is a joy to see that life is coming back to the south of the country; commerce is continuing to grow because people have their salaries, children are going to school and healthcare access is getting better.

The Company's aid to the local communities is constant: even if we do not manage our own schools and health centre, we support in any way we can.

With the starting of Agripalma's oil extraction mill, the development increased much more. It represents more job opportunities, more training for employees and a boost not only for the local economy but for the country as well.

The development is still moving forward in Agripalma. We are growing in a responsible way every day and are aiming to become 100% sustainable.

Nowadays we have the EU Organic Standard and Global Gap certifications; also, we achieved in 2019 the BioSuisse certification, opening one more market for our palm oil. The target to convert Agripalma to a full organic agribusiness, respecting all environmental and social aspects, is a reality.

Agripalma is now one step closer to be RSPO (Roundtable on Sustainable Palm Oil) certified. This is our challenge to 2021!



José Cortez Pereira
General Manager

José Cortez Pereira

General Manager

2. Commitment to environmental, social, societal and transparency aspects.

Aspects related to HSE (Health, Safety and Environment) and education are covered by the National Bill n°14/2007. This bill inputs measures that guarantee all conditions to workers. The Company ensures that this bill is implemented by hiring an expert consultant in H&S (Health and Safety) and another one for environmental purposes.

In line with the Socfin Group policy for responsible management, one of Agripalma's priorities is its environmental and social responsibility. This responsibility takes place through protective actions of the environment and improving workers and communities living conditions.

Agripalma strives to put in place rules of prevention to every form of risk:

- Preservation of biodiversity in the concession;
- Sustainable use of natural resources;
- Creation of nurseries to reforestation projects;
- Improving health services of workers;
- Engaging all the surrounding communities with the project.

3. General profile

São Tomé and Príncipe is an archipelago consisting of two islands in the Gulf of Guinea.

The total area of the country is 1 001 km², the island of Sao Tome covers 859 km², and the island of Principe 142 km².

Both are volcanic islands with a rugged geography.

Cocoa production, coffee and pepper continue to dominate agriculture and exports; cocoa culture remains the main economic activity in the country.

The cocoa crop provides 70% of the country's jobs and 80% of its exports.

This is one of the reasons why the government decided to develop other crops in São Tomé: to diversify agriculture and stop depending only on the monocrop of cocoa.

Agripalma is located in the south of the island of São Tomé, Caué district, with a concession of 4 917 hectares. Today, Agripalma has 2 100 hectares of oil palm plantation and the last planting extension was finished in 2014.

The project started with STP Invest in 2009 doing an agreement with the government to rehabilitate and extend an old government palm plantation (EMOLVE). The works started in 2010. In October 2013, Socfinaf purchased STP Invest, and with this purchase, 88% of the shares of Agripalma.

Today, Agripalma is a major economic player on the island, and it has become the largest private employer in São Tomé and Príncipe. It brought development and progress to the poorest and most deserted district of São Tomé, doing a sustainable and modern agriculture, affecting in a positive way people's living conditions.

The people of the Caué district always worked on the old colonial farms, which after the independence (1974), went down until they were abandoned.



Alley of palm trees, Agripalma organic plantation

4. Geographical presence in the country

Agripalma is located in Caué District, Democratic Republic of São Tomé and Príncipe. Divided in three different areas:

- Ribeira Peixe - Main Plantation;
- D. Eugénia - Northern side plantation near IÔ Grande River;
- And Alto Douro, Gumbela and Vainha - Southern side near Malanza village.

Agripalma also includes in the concession the following areas not developed to date:

- Santo António de Mussacavú;
- Brion & George;
- Monte Henrique;
- Novo Brazil;
- And Guaquil and São Telmo.

All these areas are in the Caué District.

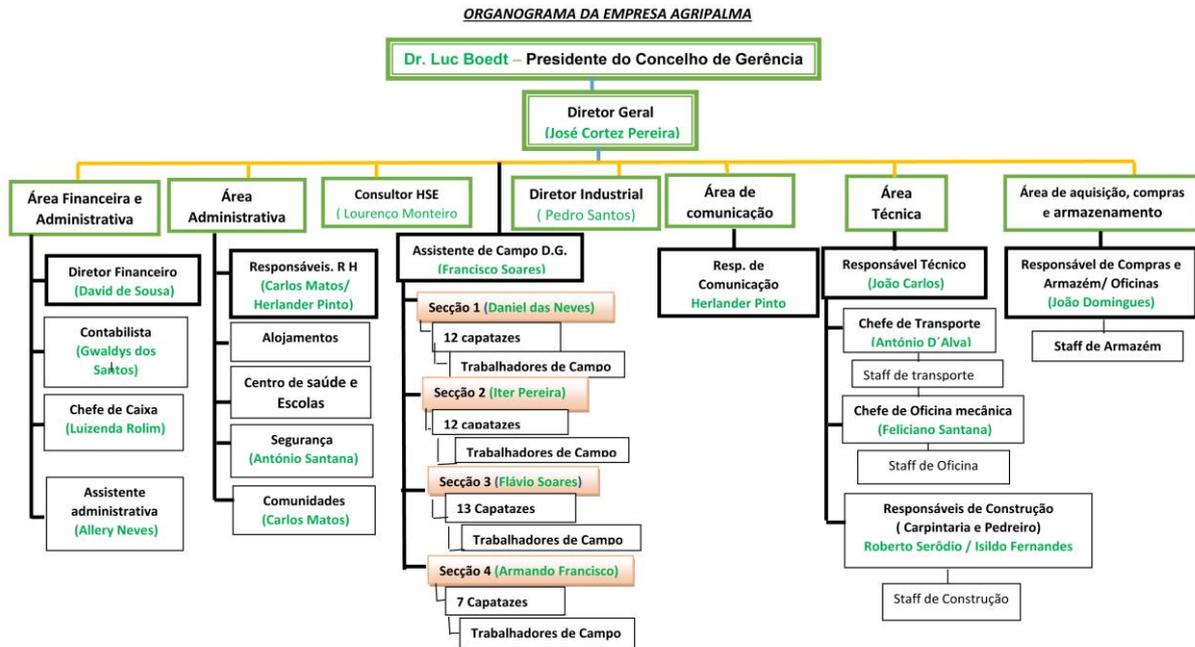


Legend :

-  Concession_Agripalma
-  Planted area

Map of Agripalma's plantation

5. Hierarchical organization chart of the plantation



6. Capital structure (Shareholding)

Agripalma Lda is a subsidiary of the Socfin Group that detains 100% of STP Invest NV, which in turn detains 88% of the shares of Agripalma. The Government of São Tomé holds the remaining 12% of shares of Agripalma.

7. Key dates

2009	MoU signed between Agripalma and São Tomé Government for a concession
2011	First planting
October 2013	Socfin Group acquire STP Invest and by consequence 88% shares of Agripalma
2014	Last planting extension
2017	Organic Standard and Global Gap Certifications
2018	Palm oil mill construction
2019	Palm oil mill commissioning and starting process, starting of exports and BioSuisse Certification Partnership with the Real Madrid Foundation to build passion for sports while driving education

II. Economic performance in figures

1. Turnover and planted area by type of crop

Agripalma's plantation is now fully mature.

Plantation areas distribution:

- Ribeira Peixe - Main plantation: 1 700 ha;
- D. Eugénia - Northern side plantation near IÔ Grande River: 100 ha;
- Alto Douro, Gumbela and Vainha - Southern side near Malanza village: 300 ha;
- Total: 2 100 ha divided by four years of planting between 2011, 2012, 2013 and 2014.

2. Palm oil and palm kernel productions

Agripalma's plantation is now a fully mature plantation and harvest and processing started in September 2019.

Agripalma's plantation has the top-quality agronomic standards. The conditions of soil and climate allow high yields while being a fully organic standard plantation.

Both our products, palm oil and kernel, are fully certified according with EU organic standards and BioSuisse.

Estimations are to produce 9 000 T of organic certified crude palm oil in 2020, mainly to export. Due to the small market in São Tomé, local sales are estimated to be filling the full needs of palm oil in the national market, around 300 T per year.



Palm oil mill

3. Research and development projects

Agripalma is working with the Agric Scientific Center of São Tomé and with Socfin Research (Socfin Group) to develop organic palm and cocoa plantations, developing and improving varieties suitable to the climate and soils in Agripalma's concession. Agripalma also cooperates with the University of Gent and with the Agronomy Department of the University of São Tomé.

The knowledge and incorporation of innovating technologies done by Agripalma and the Socfin Group make the development sustainable in all ways. Thanks to the Socfin Group standard procedures, Agripalma reached its goal: becoming 100% organic.

4. Impacts of climate change on operations

São Tomé and Príncipe, as an island country, is potentially subject to environmental risks, in particular to the effects of climate change. This situation reinforces the importance of pointing out the situations of risk and vulnerability that climate change can bring to the production.

5. Objectives and perspectives

Agripalma's target for 2020 is to export its organic palm oil, to get the RSPO certification and continue working to reach full sustainability and help the country to become more and more self-sufficient.

III. Responsible governance

1. Governance structure and management approach

Agripalma focuses its activities on the scrupulous fulfilment of fundamental human rights, guiding its actions in favour of Company employees, as well as the involvement of local communities and environmental protection.

2. Policies, charters and code of conduct

The list of policies and procedures that are in place includes:

- Sub-staff conditions of service;
- Local staff conditions of service;
- Employees code of conduct;
- Operations and recruitment procedure;
- Everything following human rights international rules;
- Law of the country;
- SOP (Standard Operating Procedures) and policies according with RSPO.

3. Compliance with legal requirement

a. National environmental and social laws

The Company complies with all legal requirements of the Democratic Republic of São Tomé e Príncipe (law of environment nº 10/1999). On a yearly basis, the Company obtains its registration and various certifications and permits from the relevant government agencies as required by the government of São Tomé e Príncipe.

b. Fight against child labor

No person, man or woman, less than eighteen years old can be hired or contracted, or allowed to develop a professional activity in Agripalma.

No person, man or woman, can work in Agripalma without a legal ID card. It is the only way to make sure that no non-adult will be engaged in Agripalma.

c. Fight against forced or compulsory labor

In line with the Socfin Group policy for responsible management and its Code of Ethics, there is no employee at Agripalma who works either compulsorily or forcibly.

d. Fight against corruption

One of Agripalma's policies is to combat corruption in all its forms, including bribery and misappropriation, but also influence peddling. For that, Agripalma has an internal code of conduct and an internal regulation that are approved by the general inspection of labour.

e. Fight against discrimination

Agripalma promotes equality of opportunities independently from gender and age. All our labour force has the same rights and duties.

f. Social contributions (pensions, occupational accidents, associations, unions)

The Company is strictly in compliance with the provisions of the Labour Laws of São Tomé, and the National Social Security & Welfare Corporation Pension Scheme.

Following the law, the Company pays 6% of the salary and the worker pays 4% to the National Social Security. With this, all the workers can have a retirement pension in the future.

g. Compliance with labor laws (associations, unions)

There is one union legally founded in São Tomé today, Organização Nacional dos Trabalhadores de São Tomé E Príncipe (ONTSTP). Agripalma has 55% of workers unionized.

Social legislation recognizes workers' right to create or freely join the union.

4. Voluntary compliance with other standards.

a. RSPO

Agripalma is working to be ready for RSPO audit in 2021, at the same time the palm oil mill is finished and on a cruise speed. This way, the whole processing chain will be certified.

The current General Manager of Agripalma has the RSPO lead auditor credential.

b. ISO 14001

The ISO 14001:2015 will be done in 2021.

c. OHSAS 18001

The OHSAS 18001 certification will be done in 2020.

d. High Carbon Stock approach (HCS)

The HCV study (High Conservation Value) started in May 2019 and will be closed in 2020.

e. Free, Prior and informed Consent (FPIC)

The Socfin Group follows the “FAO Manual on Free, Prior and Informed Consent”.

This commitment was reaffirmed in its responsible management policy which is publicly available on www.socfin.com.

f. Others

Agripalma started the certification of its operations following the “organic farming” requirements. For several years now, Agripalma has not used any chemical fertilizers or biocides in its plantation. Agripalma obtained EU Organic Standard Production and Global Gap certification of its palm fruit and palm oil production in December 2017 and BioSuisse certification in December 2019.



Agripalma is committed to respecting the ten principles of the United Nations World Declaration on Human Rights, working conditions, the environment and the fight against corruption.

5. Supply chain and traceability

a. Identification

Agripalma will source its production from its own plantation so no outsourcing is planned.

b. Transparency and fair procurement

Agripalma is committed to transparency, following the RSPO Principle nº 1 and all its criteria.

c. Taking into account environmental and social aspects in the supply chain

The whole supply originates from Agripalma's own plantations.

6. Clients' standards

Agripalma's clients are based in Europe: Palma Organica in Netherlands, Nutriswiss in Switzerland and Rogério Leal e Filhos in Portugal. We follow all the requests and standards of our clients.

7. Third party evaluations

All production and exports are controlled by scientific Agronomic center of São Tomé and the SGS company. Unions are also working closely with the Company, the general inspection of labour of São Tomé and the general management of environment.

8. Complaints and grievance

Agripalma has an internal and external grievance management procedure following the RSPO Principles and Criteria (P&C). No complaints or grievances has been placed since 2013.

9. Objectives and perspectives

Following the starting of production, processing and exportations, Agripalma will need to increase the number of workers in several departments, mainly in the plantation department and industrial department. Seeing this, although Agripalma is currently the main private employer of the country, the perspective is to create more jobs in the next year, giving a large step to decrease the unemployment in the country.

IV. Strong social commitment

This chapter is dedicated to Agripalma's social commitment to its employees. Please see chapter 7 for engagement with local communities.

1. Company's social commitment

Striving to be a responsible employer, Agripalma's commitment towards its employees is outlined in its Code of Ethics, the RSPO manual of policies and procedure and internal policies and procedures.

Agripalma is committed to provide a safe and quality environment for its employees both to work and to live in with their families.

2. Overall assessment of key social indicators

a. Staff

In 2019, Agripalma has 222 direct employees and 571 daily workers, a total of 793 employees.

i. Workforce distribution by department, by category and gender

Workforce distribution by department, by category and gender (Only direct employees)				
	Male	Female	Total	Ratio
General Management	1	0	1	0%
Human Resources (+ teachers & others...)	0	10	10	5%
Health center/Hospital/Clinic	0	0	0	0%
Agronomy	37	6	43	19%
Industrial	111	6	117	53%
Finance and administration	6	4	10	4.5%
Sustainable Development	8	2	10	4.5%
Audits and agricultural technics	7	0	7	3%
Purchase/sales	8	2	10	5%
Security	14	0	14	6%
Total	192	30	222	

ii. Presentation of the different kind of employee's status and global distribution

All workers are hired directly by the Company with a no term (permanent) contract.

iii. Integration of young people into the working world

Every year trainees are accepted for two-month periods in several departments of the Company. Requests are coming directly from schools and most of them are in finance and administrative areas. Local colleges ask for plantation's visits as well. Students are interested in discovering the project to have a closer view on how companies are managed.

Also, for students older than 18 years old and on leave from school, a working opportunity is given through a short-term contract (internship during the time of school leave in summer) with

a respective salary. This contract is officialised by the Ministry of labour. Every year, an average of 30 students have this opportunity.

Workforce distribution by age (direct employees)				
	18 - 29 years old	30 - 50 years old	> 50 years old	Total
Number of employees	61	105	56	222

b. Protection of employees

Agripalma is committed to protecting its employees from workplace violence and harassment.

All employees are obliged to raise concerns and report any incidence of such behaviour.

The Company has a code of conduct that determines the roles and responsibilities in case of different situations.

Every person engaged by Agripalma is under contract. Before signing the contract, a template with all the rules, salary grid, code of conduct, labour rights and professional obligations, is given and explained to the employee.

Every female worker has the right to maternity leave following international and São Tomé laws: one month before birth and three months after birth in normal situations. Social Security pays 60% of the mother’s salary in these cases.

Every worker in Agripalma, no matter the grade or gender is obliged to take 30 days of leave per year, according to the law of the country.

Overtime is paid according to the government grid and the labour law.

All workers, according with the new labour law (law nº 6/2019), have the right to two extra salaries per year: the leave salary, payed before their leave and the Christmas salary payed before Christmas. Making a total of 14 salaries per year.

Work accidents are insured by the Company’s insurance. All permanent workers are insured and, according with the labour law, there are 60 anonymous persons insured for field workers that are paid by task, this anonymous insurance permits to only indicate the name of the person when he needs to use the insurance.

Every worker is free to leave the Company with what is rightfully theirs.

c. Internal complaints management

All the grievances and complaints are managed following SOP and policies. Grievance boxes are placed in all the divisions and communities inside the concession. Everyone is free to complain about every issue. Internal grievances and complaints are given from the workers directly to the Human Resources (HR) Department. Every grievance and complaint are documented following RSPO principles.

d. Meeting the financial needs of employees

Agripalma is currently closing the process of opening bank accounts for all staff. This way, everybody will have access to bank loans and credits. For this, Agripalma installed, together with

BGFI BANK, an ATM machine in the plantation. Exceptionally, in case of death or illness of a worker or direct family relative, Agripalma gives loans at 0% interest.

e. Human resources key figures

Employees turnover rate		
Employees at 31.12.2018	143	
Recruitment	92	
Separations	Resignations	5
	Discharges	3
	Other departures	5
Employees at 31.12.2019	222	
Turnover	7.12%	

With equivalent skills, Agripalma always gives priority to people living in the district of Caué. The minimum salary with full attendance is 2 080 STN Dobras, while the public minimum salary 1 100 STN Dobras.

In São Tomé, the minimum salary is different according to the size of the company (number of workers). Agripalma stays in the higher rank (+ 30 workers) for which the minimum salary by law is 1 600 STN Dobras. Nevertheless, Agripalma’s salaries are above that legal level of minimum salary.

f. Training opportunity: employee’s capacity building

Together with an international Non-Governmental Organization (NGO) called TESE (Engineers without borders¹) Agripalma organizes awareness campaigns for the waste management: separation and recycling.

g. Membership and freedom of association of employees

Social legislation recognizes workers' right to create or freely join the union. A part of the Agripalma’s workers is affiliated with the Organization of Workers of São Tomé and Príncipe (ONTSTP).

3. Availability of infrastructure for employees

a. In the villages

i. Employees’ personal utilities

Every house and infrastructure already existed from the former government palm oil company EMOLVE. Since the transfer of the plantations’ management, Agripalma has added electricity facilities. Agripalma participates to the maintenance of the infrastructure for two public schools and to the maintenance of the road to access to the government health centre.

Agripalma has one village. It has 138 houses that belong to the Company and are mainly occupied by Agripalma’s workers. Agripalma supplies free water and electricity for the Company housing, the two schools near its offices.

¹ www.tese.org.pt

ii. Leisure facilities

It is planned to renew, next year, the soccer field with official dimensions and to make a leisure center for the workers later on.

b. Investments in infrastructure

It is planned to build a health center in Agripalma, to help the district and the Company's workers and to improve the access to healthcare. This health center will be fully sponsored and managed by Agripalma.

In 2019, Agripalma has invested 4 700 euros in general infrastructure.

c. Mobility

The workers coming from outside the concession are transported in trucks adapted to people transport and a bus provided by the Company. The workers inside the concession are distributed to the division nearby their villages.

4. Security of people and property

Agripalma has 10 security points with Company guards to secure Company facilities, villages and employees working and to prevent illegal logging and petty theft. The whole Security Department is managed by a professional security Company.

Agripalma's General Manager attended a workshop on IFC performance standard 4: use of security forces in Ghana, in November 2015. This training was given by IFC (International Finance Corporation), Monkey Forest Consulting and Fund for Peace. The information was passed to the Security Department.

5. Health: a driving force for development

a. Health policy

Agripalma's health policy is to provide safe quality health services to the workforce, their dependents and surrounding communities.

Agripalma has insurance for all labour force and a partnership with health regional delegation. Also, the company cooperates with the general inspection of labour to make sure that all legal working conditions are covered. This cooperation includes training for Agripalma's HSE (Health, Safety, and Environment) team and workers in general.

In 2020, it is planned to make a protocol with the Ministry of Health to improve the existing public health center and to open Agripalma's private health center for workers and their direct relatives.

a. Staff and health infrastructure

Health infrastructures are public.

Health infrastructures and staff (2019)			
	Ribeira Peixe	Porto Alegre	Total
Health Centers	1	1	2
Medics	1	1	2
Nurses	3	2	5
Assistants	1	1	2

Every year, Agripalma spends around € 6 000 on health care for its workers and their families.

b. Meeting the financial needs of employees (sanitary loans)

The Company has a loan procedure with 0% interest to help workers or their direct families to take care of their health needs in Europe.

c. Prevention, detection and treatment of diseases

The detection and treatment of diseases are under public service. Nevertheless, Agripalma supports workers and relatives with transport, medicines and with financial assistance when, in case of severe illness, the individual needs to be taken to Europe for advanced treatment.

d. Family planning

Family planning services are managed by the regional health direction.

e. Data collection

All the information gathered by the Company is coming from the departments of the government.

f. Preparedness for emergency situations

The Company has SOPs in place in case of emergency and all workers are trained to these SOPs according to RSPO standard.

6. Supporting education and training



Crèche, Agripalma, Sao Tome

a. Education policy

Agripalma is dedicated to improving the availability and quality of the public schools in the area where it operates.

Students origin	Number of students
Students of employees	592
Students of workers (non-employees)	631
Students - Externals	63
Total	1 286

Students gender	Number of students
Girls	679
Boys	607
Total	1 286

b. Infrastructure and staff

The school infrastructure is Government property. Agripalma assists with maintenance in the buildings such as school's civil construction, maintenance, electrification and supply of electronic assets (computer, TV, DVD) for education purposes.

School categories	Number of schools
Crèches	5
Nursery schools	0
Primary schools	3
Secondary schools	2
Total	10

School management	Number of schools
State	9
Plantation	1
Private	0
Total	10

Teachers status	Number of teachers
Paid by the plantation	5
Paid by private	0
Paid by State	56
Total	61

c. Financial support and donations

Agripalma bears the schools monthly fees for all of its workers (inside concession) and provides food items for their daily lunch. The Crèche (inside concession) receive some aid, on top of the former one, with personnel to assist teachers.

Agripalma tries to engage with international NGOs working in São Tomé to help it in gathering school items for the schools inside the concession. Normally all the aid that comes from overseas stays in the capital. That is a challenge that Agripalma tries to tackle in order to support education in rural areas.

i. Student loans

The Company gives loans at 0% interest for students, sons and daughters of employees, to give them the opportunity to study in Europe: in addition to a project managed by the Portuguese Government that covers all the costs for students (accommodation, school, food...), but through which transport still needs to be paid by the parents.

ii. School transport

The Ministry of Education and the Regional Education Department have buses for school transport. When it is needed, Agripalma aids with tires, mechanics and fuel.

7. Micro-projects

Agripalma started a social project together with the Real Madrid foundation to associate sport and education and to participate in the development of children. That partnership includes a

soccer school for 100 daughters and sons of workers, supplementary classes for children with school difficulties and periodical medical exams for the children. The Real Madrid Foundation is also bringing coaches to give formation to seven members of the staff so they can give training to the children. The training started at the end of 2019: students received jerseys from the foundation and are training twice a week in seven different groups.

About the Real Madrid Foundation²

The Real Madrid Foundation is the instrument by which Real Madrid is present in society and develops its social and cultural awareness programmes.

Objective

Its main objective is to promote, both in Spain as well as abroad, the values inherent in sport, and the latter's role as an educational tool capable of contributing to the comprehensive development of the personality of those who practice it. In addition, as a means of social integration of those who find themselves suffering from any form of marginalisation, as well as to promote and disseminate all the cultural aspects linked to sport.



Children integrated to the Real Madrid Foundation team

More news on this project:

- www.realmadrid.com/en/news/2020/08/12/more-than-10000-children-benefit-from-the-foundation-in-africa
- www.filhosstp.org/project-in-caue-with-frm

² Source: www.realmadrid.com/en/about-real-madrid/foundation/about-the-foundation/annual-memories



"In order to promote the socio-educational development of Agripalma's children, we hope that the introduction of sports activity, in this case soccer, can develop values such as discipline, social inclusion, respect for rules, self-esteem and many others, which are tools for the development of human dignity".

Joao Carlos, Coach, Real Madrid Foundation project, Agripalma, Sao Tomé-and-Príncipe

Children integrated to the Real Madrid Foundation team

8. Perspectives and performance

Until now, in the south of the country there are only two schools, providing classes up to the 12th grade.

After that, children have to go to the capital city to college, but most of the time, they give up studying. It is a complicated situation because some families have no finance resource to send them to the capital or they do not have family there to accommodate them.

Agripalma will continue its efforts in the coming years to improve access to education and health services in a rural area.

V. Ensuring employee safety

1. Safety management system

To ensure that all employees work under the required safety procedures, the management has engaged one HSE staff that works together with the community liaison officer and communication officer.

The safety management system has been developed according to the RSPO criteria and principles.

2. Occupational health and safety policy

Agripalma complies with the Socfin Group employee and corporate code of ethics which includes a section about safety in the workplace.

3. Occupational health and safety committees

Every division, department and community has a spokesperson. They are the ones who liaise with the HSE consultant of the General Manager if necessary.

4. Programs and plans (existing and developed this year)

It is managed on a daily basis by the HSE team and the General Manager. From time to time, a team from the government department of labour comes to the plantation to explain some safety procedures to the workers. Agripalma is studying the possibility to work with a private company from São Tomé for training to be done every three months ongoing.

Internal notes are often sent to the muster points with some of the safety procedures.

An internal HSE coordinator works full time to put in place trainings and to attend these needs.

All operations in all the departments have a written procedure that includes safety prevention procedures.

5. Achievements

Employees are fully aware of the Management Safety Policy through trainings. The HSE coordinator improved this policy and applies its updated version in the Company.

6. Training and sensitization

A committee from the government, together with the HSE team is preparing trainings and awareness, making a report at the end of each activity.

Tractor operator and heavy machine training was given by a Portuguese Company.

The certification body regarding the bio certification has trained and delivered diploma to Agripalma's employees.

7. Medical check-up

Medical check-ups are done by the government regional health department.

8. Monitoring

The HSE Department, together with the HR Department, does all the follow-up of all workers in all operations. On top of that, the Company follows all the workers in case of medical leave for accident or disease.

9. Number of accidents (loss greater than one day)

In 2019, Agripalma registered 255 work accidents and the number of days lost was 295 regarding all the employees' categories.

10. Accident rate per 200 000 hours of work

The accident rate per 200 000 working hours is 32.76%.

Accidents at work	Designation	
Fatal Accidents	Fatalities	0
Accidents	Work Accidents	255
	Number of hours worked	1 557 014
	Number of lost days	295
Accidents rate per 100 workers	Number of accidents/Total hours of work * 200 000	32.76

11. The safety of people in the supply chain (training, audits)

The whole supply originates from Agripalma's own plantation.

Agripalma has one HSE technician for every 50 workers to follow up daily all operations in all the departments.

12. Evolution over time

There has been some improvement in terms of reducing accidents at work, thanks to some actions taken to raise awareness among workers and to the HSE team on the ground, especially those in the field.

13. Objective for the next year

In a vision of continuous improvement of its activities, Agripalma will continue to develop all SOPs and safety policies and put them into practice.

VI. Management of natural resources



River, Agripalma, Sao Tomé

1. Environmental management system

An EMS (Environmental Management System) is planned to be implemented for 2020, following the advises after the disclosure of HCV study. This way, Agripalma will know what is really the correct path to follow.

2. Status of certifications in progress

Agripalma has an environmental plan delivered by the government since 2011.

Agripalma is a certified organic standard plantation since the end of 2017.

Agripalma is a certified Global Gap Standard plantation since the end of 2017.

Agripalma is certified against BioSuisse standards in 2019.

Agripalma plans to be prepared for RSPO audit and certification in 2021.



3. Policies

a. Water

The protection of surface and groundwater is a major concern for the Company because, when polluted, they represent a threat to public health and to a healthy environment. Thus, the Company conducts trainings to sensitize people, and if plastic pollution is detected in the river, immediate cleaning is organized.

For the mill, the lagooning system allows the treatment of effluents to avoid pollution.

Agripalma is an organic standard certified Company. It does not use pesticides, insecticides or non-organic fertilizers according with the EU rules of organic agricultural standards and BioSuisse.

b. Soil protection

Agripalma has planted cover crops to prevent erosion all over the plantation.

Hilly sites, swamps and riversides are protected and not planted. On top of there is an on-going reforestation program for riparian areas.

Following the organic standards, Agripalma applies in the plantation fields the Empty Fruit Bunches (EFB) and organic solids remaining from the POM (Palm Oil Mill) and pruning. This way, we help to improve the structure of the soil and add nutrients.

c. Waste management

Agripalma signed a protocol with a waste management Company and TESE (NGO), to separate organic and non-organic waste. The waste is disposed in small concrete containers made by Agripalma, recollected by the waste management Company and brought to the district waste center.

The waste management Company makes two products that they can sell:

- From organic waste they make compost;
- From glass bottles they make sand for small constructions.

d. Protection and enhancement of biodiversity

A High Conservation Value (HCV) reserve inside the concession on the non-planting areas is being demarcated by Agripalma and the department of Forestry of São Tomé. HCV study is on-going.

Agripalma is also used as a buffer and protection zone to monitor and protect the ÔBÔ National Park mostly to prevent illegal hunting and logging.



ÔBÔ National Park

e. Air emissions and ambient air

Agripalma's POM has a steam turbine that will provide power to all operations, not only the POM. This way, and because there is no public energy in the south of the island where Agripalma is located, Agripalma will decrease considerably the use of fossil fuel (diesel) to produce energy with genset groups.

This turbine is powered by the POM steam boiler.

f. Materials used

The boiler is fed by the fiber's resultant from the pressing of the palm fruit.

g. Energy

All Agripalma's operations will be powered by the POM steam turbine that generates clean energy with water steam.

h. Impacts on climate change

Agripalma has been making efforts to develop actions to reduce Greenhouse Gas (GHG) emissions, as well as avoiding deforestation in its area of intervention. It is planned to introduce some renewable energy sources as a way to reduce GHG emissions responsible for global warming.

In Vila Malanza, nearby the south side of the concession, a requalification of the river side's and sea front was done with funds from the World Bank to prevent destruction of houses by the sea rising and waves to protect the population.

i. Preservation of High Conservation Values and High Carbon Stock Forests

HCV study is ongoing and will be finished in 2020.

4. Environmental impact assessments

One environmental impact study has been done in 2010 and a biodiversity check in 2011.

Another environmental impact study has been done in 2017 as part of the palm oil mill construction project.

5. High Conservation Value Studies and High Carbon Stock Approaches (HCV-HCSA)

HCV study is planned to be completed in 2020.

6. Environmental non-compliances

Non compliances will be identified with the disclosures of HCV study and the posterior recommendations.

7. Programs and plans (existing and developed this year)

Currently there is an environmental and social management plan. Thus, an improvement of this environmental plan will be prepared, which will describe the objectives, results, resources needed, the main actors and the schedule of actions, after the disclosure of the HCV assessment.

8. Achievements

In terms of achievements, in the year 2019 some actions were carried out:

Agripalma did a reforestation project inside the concession, together with the department of forestry, where endemic trees and medicinal plants were planted. The total area of this project was around 300 hectares (15% of the area developed so far).

The plantation has been certified:

- EU Organic and Global Gap Standard;
- BioSuisse.

9. Monitoring (monthly report figures)

Every month a report is made and shared at Group level covering all aspects of sustainability.

10. Number of environmental accidents (details)

No environmental accident occurred in 2019.

11. Environmental accident rate for 200 000 hours of work

The environmental accident rate is 0 in 2019

12. Evolution over the time

Following the UE organic standards and BioSuisse, Agripalma does not use phyto- pesticides, insecticides or synthetized fertilizers.

Following the Socfin Group policy for responsible management, Agripalma does not develop any area without an HCV and HCS study. Agripalma also respects the RSPO NPP (New Planting Procedure).

13. Relations with Government / administrations

The relation between Agripalma, central government and local government is very good. Every help, participation or opinion requested by the Company to the central and local power, including all the departments of state is taken care of. The opposite happens often, also. The Government being one of Agripalma's shareholders, the relation has to be good and professional. Protocols and agreements are made between Agripalma and Government departments.

14. Environmental aspects in the supply chain (training, audits, etc.)

Agripalma does not source externally.

15. Objective for the next year

Agripalma wants to move forward with the RSPO certification in the next year. It is also committed to the continuous improvement of its operations and good agricultural practices to enhance environmental protection.

Agripalma will renew its organic certifications.

VII. Contribution to local development



Oil palm plantation, Agripalma, Sao Tome

1. Local partners

a. Subcontractors

Agripalma works with subcontractors according to the Company needs: mainly suppliers of spare parts, transports and services.

Developing a project in an island and small country makes logistics complicated; São Tomé does not produce much, so everything is imported. Nevertheless, Agripalma tries to engage as much as possible local subcontractors and suppliers.

b. Stakeholders engagement plan

A new stakeholder engagement plan is under development.

2. Neighbourly relations with local communities

Agripalma has a very good relationship with all the neighboring communities and private farmers, providing assistance in several ways. The economic and social boost that the Company brought to the district benefits everybody. Now everyone can see the local economy growing. Grocery shops are opening bringing goods from the capital that were not reachable before. Agripalma installed an ATM machine (Automated Teller Machine) in the concession so everybody can have access to cash and have a bank account for their savings.

A small market is settled in the plantation every payday in the end of the month, where traders come to provide clothes, imported goods and several other goods.

a. Access to health and education for communities

Agripalma manages one school and gives aid to all the schools in the district. It also gives aid to the three existing health centers and elders houses in the district.

b. Energy and water supply

Agripalma supplies water and energy for free to the workers living in the Company's infrastructures.

c. Opening and maintenance of roads

The road network of the plantation is very wide. It includes five communities and is used by surrounding communities. The main entrance for ÔBÔ National park is also through the concession, thanks to Agripalma's road maintenance the access to the park is easier for tourists, bird watchers, biologists, students, etc.

90% of these roads are plantation private roads and the other 10% are public roads. All these roads are kept in good condition and maintained daily by Agripalma.

d. Donations

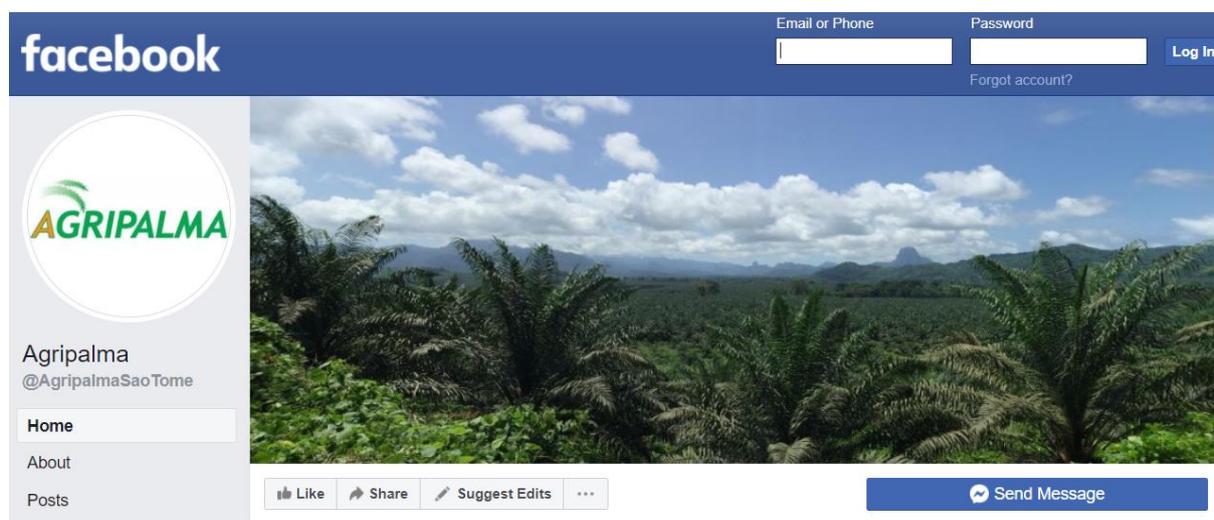
Donations are made to health centers, elders houses, churches and schools in the surrounding communities towards construction and maintenance of buildings and food items for canteens. Agripalma also supply for free electricity and water to the schools.

VIII. Internal and external communication

1. Strengthening internal communication

Internal information is posted in all plantations divisions and Company departments when needed.

Agripalma is also using social media as a means of strengthening its internal communication. In March 2018, the company created a Facebook page named @AgripalmaSaoTomé. This page allows Agripalma to share information for internal communication such as events, articles, press release, videos or any other actions carried out within the company. For example, in 2019, Agripalma has shared videos from the education project in partnership with the Real Madrid Foundation



Agripalma Facebook's page

2. Strengthening external communication

Moreover, the Facebook page is also used for external communication with articles, events, and press release shared on the page. For example, when Agripalma received a certification, it shares it on the Facebook page. Moreover, news from Agripalma are also shared on the Socfin Group website, on the page dedicated for this purpose www.socfin.com/en/news).

3. External communication results

External communication improved a lot the past few years. Agripalma has put in place a SOP, and together with the communication department of the Socfin Group, it has now stronger communicators for all stakeholders, nationals and internationals. The Facebook page of Agripalma has 268 likes at the end of 2019 and attracted 275 followers.



Agripalma

November 19, 2019 · 🌐

Formação de treinadores da futura escola Socio Desportiva Da Agripalma com a Fundação Real Madrid.



Example of a publication on Agripalma Facebook's page

4. Participation in events and / or sponsorship

Agripalma is sponsoring some events, mainly agricultural events such as fairs and promotion of the country to attract foreign investors. Agripalma is a model presented by the São Tomé government of good foreign investment in the country.

In 2019, Agripalma entered in partnership with the Real Madrid Foundation to sponsor the education of children in São Tomé and Príncipe. This project aims to associate sport and education, with soccer and supplementary classes for children. To see more detail about it, please refer to chapter IV) 7) Micro-projects.

IX. Objectives and perspectives 2020-2021-2022

Agriplama's social responsibility is its contribution to sustainable development. The experience and results of the actions developed in 2019 allowed us to define and reinforce strategic lines of intervention, for example:

- Maintain and strengthen the partnership with our main development partners;
- Ensure the safety and trust of employees;
- Improvement of internal infrastructures;
- Reduce health and environmental risks as much as possible with a risk management policy;
- Optimize production with the application of good organic agricultural practices;
- Continue to support community projects;
- Respect and follow the procedures, policies and principles of the Socfin Group to promote a responsible tropical agriculture;
- Renew all the certifications already achieved;
- Obtain RSPO and COFC (Organic China) certifications;
- Maintain good relations with government, NGOs, communities and other stakeholders;
- Being 100% transparent in all activities.

X. Glossary

Abbreviation	Meaning
ATM	Automated Teller Machine
BGFI	Banque Gabonaise et Française Internationale
COFC	Organic China
EFB	Empty Fruit Bunches
EMOLVE	Old government palm plantation
EMS	Environmental Management System
EU	European Union
FAO	Food and Agriculture Organization
FPIC	Free, Prior and Informed Consent
GHG	GreenHouse Gas
HCS	High Carbon Stock approach
HCSA	High Carbon Stock Approaches
HCV	High Conservation Value
HR	Human Resources
HSE	Health, Safety, and Environment
ID card	Identity card
IFC	International Finance Corporation
ISO	International Organization for Standardization
NDO	Non-Governmental Organization
NPP	New Planting Procedure
OHSAS	Occupational Health and Safety Assessment Series
ONTSTP	Organização Nacional dos Trabalhadores de São Tomé E Príncipe
P&C	Principles and Criteria
POM	Palm Oil Mill
RMP	Responsible Management Policy
RSPO	Roundtable on Sustainable Palm Oil
SGS	Name of the audit company
SOP	Standard Operating Procedures
TESE	Tecnologia, Engenharia, Saúde e Educação, Associação para o Desenvolvimento

XI. Key figures

	Units	Targets	Agripalma
Financial data (expenditures)			
General infrastructure	EUR		192
Health	EUR		0
Education	EUR		5 425
Environment	EUR		279 785
Occupational health and safety	EUR		57 704
Trainings	EUR		0
Framework	EUR		5 040
Donations	EUR		5 810
Other specific projects	EUR		15 000
Total investments	EUR		368 955
Loans	EUR		8 158
Workforce			
Permanent employees	nb		222
of which are female	nb		30
Daily workers	nb		571
Temporary employees	nb		0
Contractors	nb		0
Other: trainees, etc.	nb		0
Total workforce	nb		793
Staff turnover rate	%		7.12%
Employees eligible for maternity leave	nb		3
Employees on maternity leave	nb		3
Employees supposed to return to work	nb		3
Employees who have returned to work	nb		3
Maternity leave return to work rate	%		100%
Employees eligible for paternity leave	nb		0
Employees on paternity leave	nb		0
Employees supposed to return to work	nb		0
Employees who have returned to work	nb		0
Paternity leave return to work rate	%		N/R
Concessions and planted area			
Concession size	hectares		4 917
Oil palm planted area	hectares		2 100
General infrastructure			
Palm oil mills	nb		1
Palm kernel crushing plants	nb		0
Production			

Crude palm oil	T		1 075
Of which RSPO certified palm oil	T		N/R
Palm kernel oil	T		N/R
Health and Safety			
Working accidents - Only for permanent and temporary workers			
Total hours worked	nb		1 557 014
Work-related fatalities	nb		0
Work-related injuries	nb		255
Injury rate per 200 000 hours	nb/200 000 h		32.76
Occupational injuries or illness resulting in DART	nb		0
DART incidence rate per 200 000 hours	nb/200 000 h		0.00
Lost days	nb		295
Lost day rate per 200 000 hours	nb/200 000 h		37.89
Training			
Training and sensitization	nb		3
Training hours	h		24
Workers that attended training	nb		1 057
Consumption indicators			
Factories			
Fuel use per processed ton of FFB	L/T FFB		0.45
Water use per processed ton of FFB	m ³ /T FFB		0.74
Electricity use per processed ton of FFB	kWh/T FFB		14.42
Workshops and garage			
Average fuel consumption - light vehicles	l/100 km	< 14.5	10.18
Average fuel consumption - trucks	l/100 km	< 55	59.36
Average fuel consumption - tractors	l/h	< 4.0	5.86
Average fuel consumption - gensets	l/kWh	<1.8	3.64
Renewable energy production			
Steam turbines fed by biomass	kWh		0.00
Turbine power produced/ton FFB processed	kWh/T FFB		0.00
Turbine use POM	%		0.00
Agricultural data			
Toxic products used			
Use of Carbofuran	kg		0
Use of Paraquat	l		0
Others OMS 1a / 1b	kg		0
Organic fertilizer used			
Empty fruit bunches	T		0
PK fibers	T		0
Other solids	T		0
Educational data			

Crèches	nb		5
Nursery schools	nb		0
Primary schools	nb		3
Secondary schools	nb		2
Total	nb		10
Of which are plantation schools	nb		1
Teachers	nb		61
Of which are supported by the plantations	nb		5
	%		8%
Students	nb		1 286
Ratio students/ teacher	nb		19.93
Villages data (only for estate villages)			
Estate villages	nb		1
Population - Housed employees	nb		112
Population - Dependents	nb		351
Population - Illegal occupants	nb		53
Population - Number of other occupants	nb		0
Total - Population	nb		516
Housing	nb		138
New housing	nb		0
Renovated housing	nb		138
Kitchens	nb		138
New kitchens	nb		0
Renovated kitchens	nb		0
Latrines / showers	nb		138
New latrines / showers	nb		0
Renovated latrines / showers	nb		0
Sport fields	nb		1
Shops	nb		1
Clubs	nb		1
Market places	nb		1
Gathering places	nb		6
Water points	nb		4