

SUSTAINABILITY POLICY AT GRUPO LA FABRIL

At Grupo La Fabril, we are convinced that sustainable palm production is the result of a win-win relationship among the palm grower, the extractors, the technicians, and the industry. We work by promoting social, environmental, and economic development in all of our areas of influence. Therefore, we commit ourselves to the development of a responsible production of deforestation-free palm oil, which protects high conservation value (HCV) areas; forests with high carbon reserves (HCR), areas considered peatlands or wetlands and that do not exploit people or communities. At Grupo La Fabril, we are committed to conducting business with transparency and integrity, always cultivating credibility with our shareholders, investors, employees, suppliers, customers, consumers, public powers, press, communities where the Company is present, and society in general, seeking to achieve growth and profitability with social and environmental responsibility. At Grupo La Fabril, we recognize that this Sustainability Policy requires a process of transparent implementation. Therefore, we will maintain constructive communication with all interested parties, and we will periodically report on our progress in this implementation. This policy is related to several policies of the companies at Grupo La Fabril.

SCOPE

The Sustainability Policy of Grupo La Fabril is applicable to all our operations and business lines, subsidiaries, refineries; to the Group's participation in existing and future investments, joint ventures with other companies as well as independent suppliers of palm oil and independent extractors that supply palm oils and by-products, with whom we have a business relationship. As part of our philosophy of innovation and environmental care, at La Fabril, we work through a sustainable management system through the efficient use and reuse of raw materials, the incorporation of processes and clean technologies, in order to minimize the impact of our operations.

1. No deforestation and responsible development of plantations

At Grupo La Fabril, we are committed to the non-deforestation of High Conservation Value (HCV) areas and forests with High Carbon Value (HCV) reserves in all operations owned by small producers and other third-party suppliers of palm oil fruit and their by-products in the supply chain. For new plantations, Grupo La Fabril will implement development in areas with degraded lands or that were previously used for agriculture or ranching activities. Prior to any type of development, the Company conducts HCSA studies in order to identify these areas in keeping with the internationally accepted methodology¹ and to principles and criteria approved by the Roundtable on Sustainable Palm Oil - RSPO. Grupo La Fabril will adhere to results produced by such studies and will implement the conservation or restoration measures identified. We commit to identifying and protecting HCSA areas at all plantations and areas of expansion. Our commitment for responsible development will furthermore respect protected areas and those of ecological conservation identified and/or defined as such by Ecuadorian authorities.

¹ For further information on this methodology, independent experts, and transparency, please refer to The High Carbon Stock Approach (www.highcarbonstock.org) and HCV Resource Network (www.hcvnetwork.org).

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Grupo La Fabril will not develop plantations in wetlands or peatlands². A policy of “no burning” is strictly adhered to, which means that fire cannot be used in the preparation of the soil for new plantations, replanting, or any other types of development.

2. Use of best practices in agricultural and industrial processes

At Grupo La Fabril, we apply the best agricultural practices in our plantations in order to maintain soil fertility, control its erosion or degradation, and guarantee optimal and sustained yields.

Activities such as land preparation, pest management, waste management, among others, will be reviewed regularly and plans will be developed and implemented for continuous improvement and for the prevention and reduction of environmental and social impacts.

All practices developed by Grupo La Fabril will make efficient use of water and will maintain the quality and availability of surface and groundwater. Grupo La Fabril will perform periodic monitoring to prevent and reduce impacts and will ensure the quality of the hydric resource.

Pests, diseases, weeds, and invasive species will be handled primarily with appropriate techniques of Integrated Pest Management (IPM). The Company will establish a plan for the progressive and final elimination of Paraquat. The use of other chemical products requires justification and should be used to protect workers, communities, and neighboring producers. Pregnant or lactating women will not perform work with chemicals, and workers will use adequate personal protective equipment to protect their health.

Solid waste management will be managed according to national legislation and pursuant to plans that seek their reduction, recycling, reuse, and disposal in an environmentally and socially responsible and safe manner.

3. Compliance with applicable laws and regulations

Grupo La Fabril will comply with all local and national laws and regulations and with agreements signed by the Ecuadorian State applicable to its operations, with special attention placed on issues related to the conservation of native forests, property rights, and environmental and social aspects.

The operations at Grupo La Fabril have environmental regularizations approved by the competent authority according to national legislation that complies with consultation and participation processes. Grupo La Fabril companies will execute and monitor environmental management plans in order to prevent, mitigate, and remedy the possible impacts of its operations underway, and in order to ensure compliance with laws and regulations. Grupo La Fabril will identify and will regularly monitor all polluting activities that take place in plantations and in factories, including the emission of greenhouse gases with the objective of designing and implementing adequate control, management, and mitigation activities.

² <https://www.wetlands.org/wetlands/what-are-wetlands/>

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5. Non-exploitation and respect of our employees' rights

It is an essential principle at Grupo La Fabril to protect and respect the human rights of our employees; therefore, it will observe all social-labor laws and regulations and will be respectful of labor relations. Working hours, salaries and work benefits will follow Ecuadorian legislation. Likewise, all providers of services and materials contracted by the companies at Grupo La Fabril must demonstrate compliance with national laws, especially those labor-related ones, and must follow all policies and procedures observed by the employees themselves, especially those related to health and occupational safety and environmental management. The companies of Grupo La Fabril have transparent recruitment protocols that ensure compliance with these commitments. Forced labor or work under confinement is strictly forbidden, as well as any type of physical punishment or threats of violence and form of verbal, psychological, sexual, or physical abuse as a method of control or discipline.

At Grupo La Fabril, child labor is forbidden, with the exception of those programs allowed by law for minors in training; all of its employees are of legal age as a precondition to be hired. The companies of the Company also have a program of inclusion of employees with disabilities. At Grupo La Fabril, we respect and promote diversity and fight all forms of prejudice and discrimination. No employee or potential employee will receive discriminatory treatment due to race, skin color, ethnic origin, nationality, social position, age, religion, gender, state of health, physical, mental, or psychic condition (provided that it does not represent a risk to the employee, Grupo La Fabril, or any of the employee's peers or colleagues) marital status, opinions, political affiliation, or any other type of individual differentiation.

At Grupo La Fabril, we recognize the right of free association of its employees, and we respect and value their participation in committees. At Grupo La Fabril, we promote equal opportunities; we guarantee the application of policies to prevent and remedy harassment and sexual abuse of any kind.

When accommodations are to be provided, Grupo La Fabril provides safe lodging conditions with sufficient and healthy meals. Employees will enjoy safe spaces and appropriate recreational facilities and will not be hindered from leaving the premises during their time off.

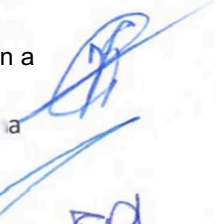
Employees of companies at Grupo La Fabril have health insurance that covers medical treatment for work-related illnesses and injuries and that in addition grants their families compensation for death due to accidents or permanent illness from the first day of recruitment. Health and safety risks are handled with a focus of prevention in order to provide surroundings free of incidents and accidents.

4. Respect for communities

It is a fundamental principle at Grupo La Fabril to protect and respect the rights of communes, indigenous peoples and nationalities, and any party affected by its operations.

The rights of third parties, communes, communities, indigenous peoples and nationalities will be observed in granting or denying their Free, Prior, and Informed Consent (CLPI in Spanish) to operations in soils where there are customary or communal rights.

In the event that conflicts arise, violence will not be used and procedures to solve such conflicts in a peaceful manner will be put into effect and with the participation of those affected.



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6. Transparent Dialogue and Information for the Stakeholder Group

Grupo La Fabril will maintain a position of dialogue and transparency by maintaining official communication channels in all areas of the Company for the reception, delivery, and processing of opinions, suggestions, complaints and critiques concerning ethical transgressions stemming from diverse individuals and the public related to Grupo La Fabril, always respecting the legislation of the countries where it operates. These channels will guarantee the socialization of information in simple forms and language that facilitate understanding by the stakeholders.

7. Resolve all complaints and conflicts through an open, transparent, and consultative process

Grupo La Fabril will develop and maintain a clear process for the responsible handling of complaints at the local, regional, national, and international levels. This process will be developed, updated, and will improve the conditions guaranteed in consultation with stakeholders in a public manner.

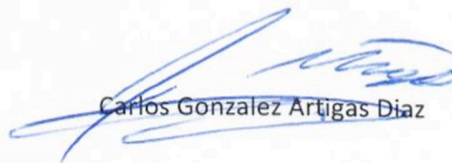
Plan/Schedule for Implementation

Grupo La Fabril will develop its own implementation plan and will make it publicly available, reporting on its progress in a transparent manner with the expectation of receiving feedback and orientation from a wide range of stakeholders, including governments, NGOs, communities and specialists. Grupo La Fabril will seek partnerships with stakeholders in order to constantly innovate and thus improve the implementation of its policies.

As proof of its validity and immediate application, we signed this Sustainability Policy in the city of Manta on the 19th of March 2018.



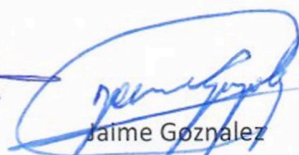
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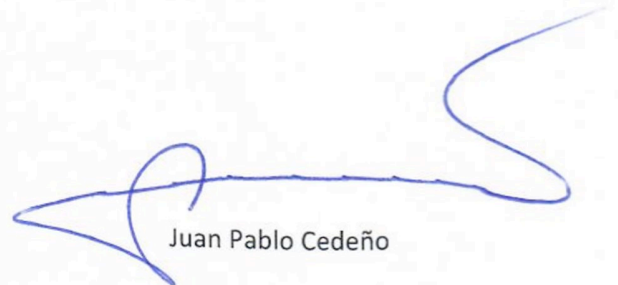
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Flavio Paredes



Jaime Gozalez



Juan Pablo Cedeño