

ENVIRONMENTAL AND SOCIAL POLICY

*This policy is owned by the E&S Group
Last updated January 2021*

1. GENERAL STATEMENT

ECOM Agroindustrial Corp. Limited and the companies within its group ("**ECOM**") are committed to improving our environmental and safety ("**E&S**") performance wherever possible, as this contributes positively to our business. ECOM views sustainability as a source of competitive advantage and as a means to contribute to social, environmental and economic progress.

At our facilities and in our operations, a minimum is compliance with all local regulatory guidelines and requirements but in most cases it is expected that our practices will exceed such requirements, aiming at international best practices such as those recommended by the IFC Performance Standards and associated Environment, Health and Safety (EHS) guidelines. Operations are to maintain emergency response plans suited to the business and, in new projects, incorporate all local environmental impact and safety issues in planning following the IFC Performance Standards.

In our supply chains, we seek to help producers manage their farms to optimize their productivity so that farmers continue to see farming as a viable and worthwhile livelihood, and that they manage agricultural resources responsibly to help assure that future generations can meet their own resource needs. Without the economic and social well-being of our suppliers, our own business model would become unsustainable.

2. HEALTH AND SAFETY

Employees are of great importance to ECOM and our objective is to provide safe and congenial working environments in all offices and facilities with an ultimate target of zero accidents. Employee health is also a major concern and medical benefits equal or superior to local standards and requirements will be provided in all operations.

In order to achieve these objectives, ECOM commitments are:

- 2.1. All facilities should comply with country regulatory health and safety guidelines and requirements;
- 2.2. All processing facilities will assess their own specific occupational health and safety risks to implement the proper prevention measures with the support of the ECOM Group E&S team;
- 2.3. ECOM entities will provide directly employed temporary workers with the same level of health and safety coverage as long as local contractual requirements allow it. ECOM entities will verify the H&S standards of outsource companies providing temporary staff.

- 2.4. All accidents in relation with ECOM's activities will be recorded and reported while root cause will be analyzed and corrective actions put in place.

3. ENVIRONMENT

3.1 Water and energy use

ECOM's industrial processes require responsible use of water and energy resources, efficient treatment and discharge of wastewater, and proper recycling or disposal of waste. ECOM commits to:

3.1.1 Water & Energy use: monitor consumption to identify reduction opportunities and alternative sources of energy;

3.1.2 Wastewater discharge: ensure reliable monitoring of discharged wastewater per season, as well as ensure consistent treatment to reach local compliance and no impact to receiving natural watercourse.

3.1.3 Waste management: monitor waste production to maximize recycling of its process waste and ensure proper storage and disposal of hazardous and non-hazardous waste.

3.2 Chemical use

ECOM is committed to avoiding, and when avoiding is not feasible, minimizing the release of pollutants and the generation of hazardous waste materials, and ECOM strives to use the lowest amount of fumigants or pesticides in all of our operations.

3.2.1 Pest/fumigation management: ECOM strives to use the lowest amount of fumigants or pesticides in all of its operations, complying fully with local regulations. ECOM will not use methyl bromide in storage and, in the case of shipments, its usage is minimized.

3.2.2 Required personal protective equipment (PPE): ECOM promotes the use of PPE and its use is mandatory for all employees handling chemicals and pesticides. Proper storage and disposal of chemicals is promoted and communicated to ensure the health and safety of employees, farmers and their families.

Through ECOM's sustainability teams, on-farm integral pest management strategies are promoted as part of good agricultural practices training and certification.

Where chemicals are on global prohibition or phase out lists, ECOM complies with such programs; ECOM also complies with local regulatory considerations. ECOM does not sell or actively encourage the use of any chemicals on the WHO Class 1a or 1b lists of ingredients. In situations where these chemicals are in use due to substitutes not being available, ECOM

encourages farmers to reduce the application of these ingredients by using alternative and sustainable methods to reduce pests and disease.

4. SOCIAL

ECOM has a Group Human Resources Policy which sets out the group guidelines to manage employees, along with applicable laws and benefits as set in the Group HR Policy sections. This policy is (except where in conflict with local law) incorporated in local policy manuals and employee handbooks.

The following principles are included in the ECOM Group Human Resources Policy:

- 4.1 Reasonable working conditions and terms of employment that meets or exceeds national law will be provided to all employees;
- 4.2 Discrimination, forced labor, child labor, unsafe working conditions will be prohibited;
- 4.3 Workers will have the right to form and join organizations of their choosing and bargain collectively;
- 4.4 An appropriate grievance mechanism has been established for workers to express their concerns to management.

5. SUPPLY CHAIN

As ECOM works directly with farmers, we are in a unique position to understand and address farmer needs. We seek to provide transparency and accountability in our supply chain not only to meet client demand but also to ensure coffee, cocoa and cotton farming provide opportunities for dignified and profitable livelihoods for generations to come.

ECOM suppliers are expected to act in accordance with ECOM's [Supplier Code of Conduct](#) which outlines the ethical, legal, environmental and social principles that suppliers accept they need to comply with if they wish to supply to ECOM.

Working with producers through the sustainability teams of ECOM, we seek to improve practices to limit problems related to working conditions, the worst forms of child labor, pesticides usage and deforestation in protected area; at the same time our clients can participate and facilitate this process through their buying practices.

6. REFORESTATION/DEFORESTATION ACTIVITIES

ECOM recognises that deforestation is one of the biggest causes of global warming and impacts farmers in that it leads to soil degradation.

ECOM is committed to achieving zero net deforestation in its supply chain. We support farmers in adopting climate-friendly practices through farmer services, replanting projects and awareness-raising

activities. ECOM is a signatory to several multi-organisation and pan-governmental initiatives and takes its commitment towards eradicating deforestation seriously.

ECOM maps its farms to establish whether farmers in the supply chain are located close to protected forest areas and therefore at risk of sourcing from a protected forest area.

ECOM is focusing on: (i) promoting agroforestry systems, (ii) intensifying production to avoid the need for further encroachment, (iii) interacting at a community level to raise awareness as well as potential landscape approaches to avoiding deforestation, and (iv) partnering with local Governments to eliminate farming in protected areas and ensure appropriate measures are taken.

ECOM is also committed to forest restoration and we work with our partners to develop initiatives to regenerate degraded forests, as well as explore technologies and incentive programs to promote reforestation.

7. AGROFORESTRY ACTIVITIES

ECOM recognises that agroforestry is key to restoring degraded lands and strengthening the resilience of farming regions. ECOM is committed to supporting the promotion, conservation and renewal of different perennials in addition to the primary commodity on farms.

ECOM also recognises that successful agroforestry approaches must be developed at a local level based on the economic and environmental benefits relevant to the landscape of the farmers and local stakeholders given the geographical, topographical and climate conditions of each region.

ECOM supports increased promotion of mixed agroforestry systems that meet farmers' functional needs and generate diversified income and food for farmers, as well as providing significant ecosystem benefits to the landscape by increasing resilience to climate change and productivity of growing regions.