1. Overview of Scope of IIC Environmental &Social Review (E&S)

An environmental and social Due Diligence (DD) visit was carried out for this operation on Dec 20 to 21, 2016. This ESRS was prepared based on the site visit, the analysis of documentation provided by the client and information requested during the visit. It is important to point out that, at the time of the site visit, no agricultural or industrial activities were underway at the three existing facilities: Jaboticabal, Pereira Barreto and Pioneiros due to the off-season period (between harvests) from November to March. Additionally, only Jaboticabal facility was visited during this DD.

Interviews were performed with key Santa Adélia employees in charge: Financial Officer, Industrial Director, Sustainability Supervisor, Safety and Occupational Health Supervisor, Human Resources Manager.

2. Environmental and Social Categorization and Rationale

This project has been categorized as B, according to IIC's Sustainability Policy because it can result in certain effects that can be avoided or mitigated following generally recognized performance standards, guidelines and design criteria. The main E& S aspects analyzed were Assessment and Management of Environmental and Social Risks and Impacts, Labor and Working Conditions, Resource Efficiency and Pollution Prevention, Community Health, Safety and Security and Biodiversity Conservation and Sustainable Management of Living Natural Resources.

PS4 does not apply due to the absence of communities in the direct or indirect influence areas of Santa Adélia's plants and crops, however is important the prevention of fires that could impact in the crops of suppliers. PS 5 is not expected to apply as no land acquisition is foreseen. Similarly, leasing of land for plantations is made through legally binding bilateral contracts. PS 7 is not expected to apply, since there are no identified indigenous populations in the proposed project's area of operations. PS 8 do not apply given the absence of known cultural heritage sites/findings in the project's area of influence.

3. Environmental and Social Context

Usina Santa Adélia is a medium-sized Brazilian company dedicated to the production of sugar, ethanol (anhydrous and hydrated) and energy from the burning of sugarcane bagasse.

Santa Adélia was founded in 1937 by the Bellodi family, the main shareholder of the group with 84.95% of the property, has three plants located in the cities of Jaboticabal (parent company), Pereira Barreto and Mennucci Sud in Sao Paulo state. Santa Adélia manages some 80,000 Ha of sugarcane plantations, of which 50,000 Ha are on leased lands (managed directly by Sta Adélia) and 30,000ha on independent producer farms. Of the leased lands, some 40% belong to sta. Adélia's shareholders.

In 2011, the company merged with Pioneros Bioenergía (alcohol distillery). Santa Adélia plays an important role in the cogeneration of energy from the burning of the sugarcane bagasse in its three biomass plants (installed capacity of 149MW), which guarantees supply for internal consumption and the surplus is sold on the market through long-term contracts.

The production cycle works in two periods: harvesting and maintenance with duration of approximately four and eight months, respectively. Currently, Santa Adélia Plant has in place three operation shifts during the harvest. The number of total direct employees is 3,530 (including agricultural workers) for the three plants.

The main risks associated with the cane sector are storage fire for bagasse and finished products:

sugar and ethanol, plantation fires during cropping season (spontaneous and/or induced) and workers' occupational health and safety and risks.

Santa Adélia plants are located in the rural area of Sao Paulo state, in the region characterized by the intensive agricultural land use for sugarcane plantations, it is a region responsible for more than 50% of the sugar and ethanol production in the country.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a E&S Assessment and Management System

Santa Adélia is currently developing an Integrated Management System (IMS) to comply with ISO 14001 and OHSAS 18001. The IMS already has emergency preparedness and response procedures, some procedures for identifying risks and impacts and management programs; nevertheless, it is necessary to finish it and to implement it at a corporate level (the three industrial units as well as the agricultural activities).

Documented procedures are necessary to be implemented in order to take measures to avoid as well as minimize and/or offset negative impacts and improve performance. These should address all environmental and social risks and impacts identified by the risk assessment, in all aspects of internal operations and additionally in the supply chain.

Also to routinely review and improve procedures based on Actions Plans, monitoring and annual reviews, and internal and external feedback.

4.1.b Policy

Despite that Santa Adélia has a mission, vision and values statements, focused on sustainability, there has not an overarching E&S policy. There is however, an Environmental management program and a separate Safety and Occupational Health Policy in place. None of them attaint to fulfill the objectives of an ESMS appropriate to all scales of Santa Adelia's operations. Therefore, as per the ESAP, the company needs to develop an E&S Policy, according with PS1 requirements.

4.1.c Identification of Risks and Impacts

Currently, work is underway on the development of procedures for the identification of safety and occupational risks to workers, in both the industrial and agricultural areas. Nevertheless, this effort does not appear to be an overall risk and impact assessment including affected communities (if any) and the environment.

As per the ESAP, the company needs to attain a solid identification of all environmental and social risks involving all applicable departments of the organization. All management levels and workers representatives must participate at this task and engage external experts, contractors, and suppliers as necessary.

4.1.d Management Programs

Management programs are based on certified systems. These includes some relevant independent national and international certifications, including ISO 22000 (Food Safety System Certification), GRI initiative, a Better Sugar Cane Initiative (Bonsucro, formerly BSI) international standard for the

'EU Production Standard' as well as 'Mass Balance (Chain of Custody)' standard, valid until the end of 2017. Similarly, Santa Adélia's offtaker (trader) Copersucar S.A. has also been certified by Bonsucro chain-of-custody (in 2011). Other relevant certifications are: Protocolo Agroambiental do Setor Sucroenergético (ETANOL VERDE) a volunteer environment protocol for the sugarcane sector.

In addition, Santa Adélia is among the group of companies, in the State of São Paulo, that adhered to the Agro-Environmental Protocol "Protocolo Agroambiental" for the sugar and energy sector, which aims to promote sustainable production. Yearly, it is assessed the adherence to the environmental guidelines and a certification of compliance is issued by a third party: União da Agroindústria Canavieira do Estado de São Paulo (UNICA) and the environmental regulatory body Secretaria do Meio Ambiente do Estado de São Paulo. One of the main commitments was the progressive elimination of use of fires during harvesting. A target reached by Santa Adélia in 2014 at mechanical harvesting. It is worth to point that Santa Adelia has a 99% of mechanical harvesting activities.

The main objectives of the Agro-environmental Protocol are:

- Reduction of pre-harvesting fires, which releases GHG to the atmosphere and induces uncontrolled fires;
- Protection of ecosystems and maintenance of biodiversity;
- Reuse of water and protection of water resources;
- Management of agrochemicals.

4.1.e Organizational Capacity and Competency

At a corporate level, Santa Adélia has a Sustainability Supervisor to handle all environmental issues of the Group and a Safety and Occupational Health Supervisor for the industrial and agricultural areas. Both positions are under the Industrial Director.

However, there is not in place, an organization structure to implement the ESMS, adequate to the size and complexity of operations. In addition, neither clear lines of responsibility nor authority is established for existing personnel.

The company needs to ensure to have a cross-functional team of trained people from all the business and operations areas, including supply chain. Led by a senior management member, meet, and review environmental and social issues on a routine basis. To implement an integrated management system that covers the Quality, EHS, Labor and Community Relations areas. Also procurement area to be involved to extend environmental and social policies to supply chain.

4.1.f Emergency Preparedness and Response

ISO certifications require preparation and response to Emergency events, at the present, Santa Adélia has a system in place called PAE (Emergency Response Plan), PAME (Mutual Emergency Response Plan) both covers the three industrial plants and the harvest area. Annually, a minimum of two emergency drills are carried out covering evacuation, first aid and fire procedures. In addition, an Emergency Brigade is in place at each plant.

However, Santa Adélia does not have a firefighting system in place at its industrial facilities. A Firefighting System project is planned to be executed during 2017 for the Jabotibacal & Pioneiros plants (including their thermal plants), which includes the installation of a complete system for the industrial areas following (National Fire Protection Agency - NFPA) norms. There is an additional

project currently being developed for the Pereira Barreto plant.

As per detailed in ESAP, the firefighting project need to be agreed with IIC. Also, no evidence of an Incident investigation procedure in place was found, therefore in ESAP is requested the implementation of a procedure to perform incident investigation.

4.1.g Monitoring and Review

Permanent environmental monitoring programs are in place: Air emissions generated by combustion in bagasse boilers, surface water and groundwater, and wastewaters. It is important to point out that no effluents (wastewater – domestic and industrial effluent resulting after the water and oil separation box) are disposed to water bodies, but reused to the irrigation of the crops. Sample taking and analysis are performed by a qualified and accredited laboratory (certified by NBR ISO IEC 17025) by the local regulatory body (COMPANHIA AMBIENTAL DO ESTADO DE SAO PAULO – CETESB).

Those environmental monitoring programs are being applied by the company are a legal obligation of the LO (operational License) issued by CETESB to each of the three plants.

Environmental noise, air emissions or air quality in the area of influence, mobile sources emissions are not monitored on a regular basis. Similarly, biological monitoring is not performed in the preservation areas among Santa Adélia's cane crop areas.

4.1.h Stakeholder Engagement / Corporate responsibility

Several actions and programs are in place engaging key stakeholders identified, among them are:

· Labor practices to ensure employees' human rights

· Sugar Cane Workers Training and Professional Qualification Project

· Traceability of all data reported

· Biodiversity: demonstrate compliance with legislation and requirements

· Quality and Safety of products and effective process management

· Compliance with the Suppliers' s conduct code

· Water consumption: evidence of commitment to the rational use of water

A complete list of these actions is available in the Santa Adelia's Sustainability report, 2015 at the company's web site: http://site.usinasantaadelia.com.br/index.php

4.1.i Stakeholder Analysis and Engagement Planning

Santa Adélia has identified key stakeholders by applying the GRI standards.

1. Local government

2. Clients

3. Employees

4. Cane suppliers

5. Labor Union

6. Local Environmental regulatory agency

7. Contractors

4.1.j Disclosure of Information

The company makes information available for consultation on its website (www.usinasantaadélia.com.br) such as the GRI Standard based - Sustainability Report (2011) and the 2nd Sustainability Report (2015).

4.1.k Informed Consultation and Participation

As per legal requirements, consultations were done during the process of obtaining the original Installation Environmental Licenses. No new or additional licenses are required for the Project.

4.1.l External Communication and Grievance Mechanisms

Santa Adélia has published two Sustainability Reports to divulgate information related with the company. First issue was published in 2011 and the second was in 2015. Both documents were there result of large consultation processes with identified stakeholders, suggestions were assessed, prioritized and considered in the companies' management system and included in the reports. The documents are full available through the company's website.

The following addresses and links are available for external communications:

www.usinasantaadélia.com.br

sac@usinasantaadélia.com.br

atendimento@usinasantaadélia.com.br

4.2. Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

Santa Adélia has 3,530 direct employees at October 2016. Routine inspections of the Ministry of Labor were performed to Santa Adélia. Distributed as follows: Jaboticabal 1.420, Pereira Barreto 1,870 and Pioneiros 240.

The number of employees during 2016 was of 3.530 at crop period and 2.977 at the maintenance period (between crops). It represents a reduction of 15 % in the workforce during 3 months per year.

4.2.b Human Resources Policies and Procedures

No evidence of a Human Resources Policies and Procedures following the PS-2 requirements. There is a "Development Policy" in place, related with training and capabilities needs of the workforce. No

evidence of inductions or communications of this policy.

So, as per detailed in ESAP, the company needs to have policies that follow the International Labor Organization (ILO) conventions, including a management system requirement as per IFC Performance Standard: Labor and Working Conditions.

4.2.c Working Conditions and Terms of Employment

According to Brazilian legislation (CLT - consolidation of labor laws). National minimum wage and category floor according to collective agreements. Police records are requested before to contract a worker. This practice needs to be reviewed in order to verify compliance with PS 2.

4.2.d Workers' Organizations

Workers are organized through the UNICA and labor unions. A strike occurred in 2014, as a result of a claim to change the shifts conditions, among others. Finally, collective agreements were signed between the company and workers at Local Labor Court (Acordão do Tribunal Regional do Trabalho - TRT). Any casualties occurred.

4.2.e Non-discrimination and Equal Opportunity

One of the strategies of the Human Resources area is to invest in the recruitment of gender diversity, based on merit. That is, professionals are recruited regardless of color, creed or gender. Technical and behavioral skills of each professional are assessed. Even with only 11% of its staff made up of women, the Santa Adélia has it women employees in the most different activities, for instance: Planting, Cultural Treatment, Agronomic Development, Maintenance, Mechanics, Expedition, Sugar Warehouse, Administrative, Leadership, Quality and the Environment.

Percentages of women workers participation per operational sectors are as follows: Administrative area: 46%, Industrial area: 10% and Agriculture area: 6%.

4.2.f Retrenchment

In consequence of the intensive mechanization of cane at harvesting process a number of employees were also reduced. However, the company has worked for the continuous improvement of its processes and qualification and professional development of employees in order to give them access to another work positions in the productive processes.

4.2.g Grievance Mechanism

A program called "Almoço com as Estrelas" is in place aimed to encourage communication, direct integration between employees of all areas and company directors, strengthening the exchange of information and experiences about goals, processes and results of the business.

In despite this is a program that promotes dialogue it does not follow the objectives of PS -2 related with grievance mechanism. The program is restricted to the number of invitees, not warranties anonymous participation and there is a list of items (suggested agenda) to which the dialogues should turn around.

4.2.h Protecting the Workforce

4.2.h.i Child Labor

Regular employees are engaged respecting the minimum age of 18 years of age, with exception of youth partitioning program, on which engagement follows specific legislation. In partnership with the Serviço Nacional de Aprendizagem Industrial (SENAI), a practitioner Program called “Programa Aprendiz” aims to qualify young apprentices for industry and automotive maintenance, involving theoretical and practical activities, organized in tasks of progressive complexity, developed in the work environment.

As per the ESAP, a procedure is requested to Santa Adelia, in order to guarantee the correct management of labor related to this point.

4.2.h.ii Forced Labor

There is no evidence of forced labor.

4.2.i Occupational Health and Safety

The company has programs defined by the Brazilian Legislation (Portaria 3214/78), defined by the Regulatory Norms (NR) of the Ministry of Labor NR 07, NR 09 and NR 31. These are annually reviewed: PPRA - Program of Protection of Environmental Risks, PGSST- Occupational Health and Safety Management Program and PCMSO - Medical Control and Occupational Health Program.

For routine tasks, such as work at heights, hot work, excavations, demolitions, drilling, lifting of loads, working with chemicals and electricity, before starting, a preliminary risk analysis (APR) is performed. For non-routine work in confined environments, a risk assessment, monitoring and control of the existing risk is performed and assigned employees receive compulsorily training as Executors (40 hours Entry and Permit to Work training). A Permit-to-Work system needs to be implement to cover the whole tasks performed at Santa Adelia operations (industrial and agricultural).

The company complies with NR 06 (Norma Regulamentadora), which prescribes provision of Individual Personal Protection Equipment (PPE) only approved by the Ministry of Labor. For seventeen years, the company has maintained the Dupont STOP Program, whose purpose is to develop awareness and safety attitudes for all employees, based on education and attitude change. In 2017 Santa Adélia plans to implement another Dupont system, called Risk Factor.

There is an internal commission for Incident Prevention with employees and employer representatives on board: CIPA (Comissão Interna de Prevenção de Acidentes) and CIPATR (Comissão Interna de Prevenção de Acidentes do Trabalhador Rural).

A slightly decrease of around 17% in LTIFR is registered for the last two years.

4.2.j Workers Engaged by Third Parties

The company does not have permanent contractor’s employees working inside the plants nor at the agricultural or administrative areas. However, in the case of occasional contractor’s employees, PS2 needs to be applicable as well.

4.2.k Supply Chain

Santa Adélia reinforces with its contractors good practices involving workers’ occupational health and safety. All agricultural partnership and purchase-and-sale of sugarcane contracts have clauses of commitment to the provision and use of PPE, respect for labor and environmental legislation, as well as prohibiting child labor and slave/forced labor.

Santa Adélia reinforces with its sugarcane suppliers good practices involving workers. All contracts for agricultural partnership and purchase and sale of sugarcane have clauses of commitment in the provision of PPE, respect for labor and environmental legislation, as well as prohibiting child labor and slave / forced labor.

For the hydration of the workers, the plant makes available cold water in all work places in the field and maintains in its first aid kit serum for cases in which a greater hydration is necessary.

The company developed a Environmental Reference Guide (Guia de Referencia Ambiental) in order to help all their suppliers to reach E&S standards, as well as OHS. The objective of this guide is to inform and advice suppliers in best practices regarding cane culture in order to reach a sustainable production. There is no, however, a specific Supply chain policy in place.

4.3. Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The company applies resource efficiency and pollution prevention principles that results in a productive process through which the resultant sub-products are reused in a form of raw material for another process. For instance, the cane bagasse and cane straw are used as combustible biomass for generation (cogeneration process) and the wastewater is combined with the remaining product of the ethanol production (vinasse) to be used as natural fertilizers of the cane crops.

4.3.a.i Greenhouse Gases

Through the cogeneration, the emission of greenhouse gases (GHG) from the production process is reduced. Calculations are made yearly by a third party for the Jaboticabal plant, as part of the BONSUCRO (Better Sugar Cane Initiative) certification reporting requirements. For 2016, the result was 24 gCO2eq/MJ, saving 71,36% for a sugarcane production of 1,163,666.72 tons (according with BONSUCRO 2016 certificate number Bonsucro – CUC – P&C - 818842 issued to Usina Santa Adélia S.A. on 11/31/2016). Pereira Barreto e Pioneiros units are not calculating GHG emissions at the present.

4.3.a.ii Water Use and Consumption

Water required at the three industrial plants is taken from surface sources, only Jabotibacal unit takes water both from surface and groundwater sources Santa Adélia has the permits for this water use. However, in 2016 an effort was made in order to identify several opportunities inside the process that will reduce to the minimum possible water consumption by applying the principle of reuse. A 'hydric balance' for each plant was developed and actions will be applied for the 2016/2017 cane crop period. It is estimated that the consumption at Jabotibacal plant will drop from 591 m^3/h to 502.5 m^3/h.

4.3.a.iii Energy Consumption

Santa Adélia produces by means of sugarcane biomass all electric energy that is consumed by the plants, with the surplus marketed by the National Electric System. The Company maintains an energy conservation program for its industrial units.

· Energy produced (average for the three plants): 60 kwh / ton of sugarcane.

· Exported energy (sent to the National grid): 44 kwh / ton of sugarcane.

4.3.b Pollution Prevention

4.3.b.i Wastes

As it was previously stated, due to the reuse most of the by-products from the production process, the type and amount of wastes are reduced. Santa Adélia has implemented an Integral Waste Management System in the three mills, which takes into account the reduction, reuse, recovery, recycling, withdrawal and disposal of waste in accordance with Brazilian environmental regulations.

The main wastes generated in the industrial facilities are: bagasse; ash; vinasse; ferrous metal; batteries; tires; plastics; glass; paper; oils, fats and solvents, among others. The management system consists of the separation of solid waste, its temporary storage or use within the facilities and final disposal. Domestic solid waste generated at the factory is collected and taken to the final disposal site authorized by the municipal mayor. Recyclable materials are channeled to a duly authorized recycling company. 100% of biodegradable solid waste ("torta de filtro") is used as fertilizer for soil or for cogeneration of energy: i) the vinasse (sludge cake generated during the production process) is transferred to the cultivation fields adjacent to the mill to improve soil quality; (Ii) the whole of the bagasse is used in the factory as fuel material for the boilers and the ash obtained is also available in the fields as a soil conditioner. Santa Adélia meets express requirements through Technical Standard P 4.231 - Vinasse - Criteria and Procedures for Application Agricultural Land, whose revision was approved by the decision of the Board of CETESB Nº. 045/2015C, 02/02/2015. According to this, the company must submit, by April of each year, a Vinasse Application Plan for the crops, including a description of production capacities and waste generation, water balance, as well as the application plan itself.

Volume of liquid effluent produced (wastewater and vinasse):

1. Usina Santa Adélia Jaboticabal 9.000 m^3/day
2. Usina Santa Adélia Pereira Barreto 13.500 m^3/day
3. Usina Santa Adélia Pioneiros Bioenergia 13.000 m^3/day

The total liquid effluents are reused for irrigation of crops and results of surface water samples analysis of are in compliance with applicable Brazilian regulations

4.3.b.ii Hazardous Materials Management

Santa Adélia complies with NBR 1004 (Brazilian norm for waste management) and handles hazardous materials accordingly. Hazardous wastes are of Class I, consisting mainly of: Waste rubber, belt and canvas; contaminated milling oil; miscellaneous wastes contaminated with oil and grease; oil filters; rock wool (matted fiber used especially for insulation); Cans; cans of ink; hydraulic hoses; brake pads & contaminated cloths. These hazardous wastes are sent to a certified contractor for treatment (co-processing in clinker furnace and re-refining for the used oils) and final disposal.

Hazardous materials consisting of a list of 28 products of UN Classification*: #6. Toxic and infectious substances*. The storage of the product is carried out in the fertilizer factory using a pallet and with

strict access control of people, only allowed of authorized persons. However, the preparation of the syrup is carried out by reactors for the mixture of the product, and the loading through connection of hose type fast hitch, eliminating any contact with the Operator, using water repellent clothes, nitrile gloves, respirator with chemical cartridge and safety glasses. Finally, application is performed in the fields, mechanically by tractor coupled with sprayer.

4.3.b.iii Pesticide Use and Management

A good practice applied by the company to avoid agrochemicals is an Integrated Management System for pest control including the biological pest control program, it consists in a laboratory cultivation of i) a fungui (Metarhizium-anisopliae) for the control of the “cigarinha da raiz” (Mahanarva fimbriolata) and ii) a wasp for the control of the “broca da cana” (diatraea saccharalis). Those natural controllers of pests are largely used at Santa Adélia crops.

Pesticides:

The application of pesticides is done through agronomic products recommended for sugarcane cultivation, observing the storage form preparation of the syrup, PPE's required for the application of pesticides, triple washing of the containers and their subsequent collection and re-se by supplier. Santa Adélia handles three pesticide products of UN Classification*: # 6. Toxic and infectious substances*. Pesticides are used for insect control and for regulating the growth of the sugarcane. The storage of the product is carried out in the fertilizer depot on pallets and with strict access control: only authorized persons are allowed entry. However, the preparation of the syrup is carried out in the field at the place where the application will be made, using stainless steel pre-mixers, and loading is made through fast coupling on the tractor-powered containers, using proper PPE.

Chemical fertilizers:

All fertilization is conducted after a soil analysis is performed at a laboratory certified by the National Institute of Metrology, Quality and Technology (Inmetro) at ABNT NBR ISSO / IEC 17025: 2005.

4.4. Community Health, Safety and Security

4.4.a Security Personnel

The security personnel of the company is outsourced and not armed. Rules for security personnel follows a Federal Law and are regulated by Brazilian Federal Policy.

4.5. Biodiversity Conservation and Natural Habitats

4.5.a General

According with the mapping of Secretaria do Meio Ambiente do Estado de São Paulo, Santa Adélia plantations are located at “Adequate areas with environmental limitation” that correspond to the suitable geographical area with soil and climatasKKic conditions for sugarcane cultivation with incidence of i) Environmental Protected Areas (APA)*; ii) Areas of medium priority for increased connectivity and, iii) river basins considered critical.

In order to comply with the Brazilian Forest Code (Novo Codigo Florestal) approved in 2012, Santa Adélia has been taking actions consisting of:

1. The industrial areas of the three plants have already areas reserved for Legal Reserve, and will be formalized during the timeline stipulated in the (CAR) Rural Environmental Cadaster.

2. The agricultural areas belonging to Jaboticabal[1], Pereira Barreto[2] and Pioneiros[3] shareholders have been registered in the CAR, with their respective areas of APPs (Permanent Preserved Areas), fragments and forests.

3. Santa Adélia will evaluate if compensation will occur in the same biome or if it will be offset inside the property itself.

4.5.b Protection and Conservation of Biodiversity

Santa Adélia does not have a biodiversity monitoring program in place. However, in the Jaboticabal plant, there is a survey of fauna, contained in the Biota Project, for the area of influence. In Pereira Barreto, Santa Adélia elaborated the EIA-RIMA (Environmental Impact Study - Environmental Impact Report), in September of 2011, containing results of the biomonitoring of fauna and flora. The Program involves the planting and expansion of native vegetation areas, areas of Legal Reserve, as well as APPs in seven municipalities in the region.

4.5.c Modified, Natural and Critical Habitat

4.5.c.i Legally Protected Areas and Internationally Recognized Areas - No legally Protected Areas are in the Direct Influence Area of Santa Adélia planting or industrial facilities.

4.5.c.ii Invasive Alien Species - No information is available about existence of invasive and/or potentially invasive species in the Project’s area of influence. It should be noted, though, that sugarcane is not considered an invasive species in the region.

4.5.d Management of Ecosystem Services

Santa Adélia has the legal requirement to manage and maintain the APP areas in their direct influence area, this include own and leased areas. Therefore, annually, the areas of APPs are monitored in order to determine reforestation works to be performed.

4.5.e Sustainable Management of Living Natural Resources

All APP areas are accounted for and mapped for the planning and management of planting areas at each harvesting period.

4.5.d Supply Chain

Santa Adélia manages several programs with it suppliers in order to promote conservation of natural resources, regularly maintains an agenda of meetings with the suppliers of sugar cane, with the aim of stimulating the development of good agricultural practices through meetings and technical guidance. Suppliers are also requested to follow the principles of Social Responsibility and to have adherence to the requirements defined by the SA 8000 standard, which can be proven through the Term of Commitment signed by the suppliers with Santa Adélia.

The process of accreditation of Santa Adélia suppliers includes the identification of the risks associated with the provision of materials and services (with impact on quality, product safety, health and safety at work, environmental, commercial, financial and legal). This in order to not jeopardize the quality of product, generate liabilities or damages to the company's image and reputation, in addition to establishing qualification, evaluation and monitoring criteria. Evaluations of the certification and qualification of suppliers are based on customer service and local laws and the principles of international standard FSSC 22000. Qualified suppliers are those whose input or service has direct impact on the quality and/or safety of the final product (white crystal sugar), which may result in damages to the physical integrity of consumers. All inputs used in the process are classified in Class 1, Class 2 and Class 3. In addition, Santa Adélia has published a Manual of Good Agricultural Practices. The use of agricultural pesticides, from their acquisition and application to the disposal of packaging is described in this Manual. Santa Adélia adopts these measures of good practice for agricultural commodities in the cultivation of sugarcane for the production of energy, ethanol and sugar. The manual was developed on the basis of Legislation and Brazilian standards, and its content expresses the conduct that the Company requires from its partners and suppliers. The manual's guidelines are also available through the company's website. Santa Adélia works closely with an NGO (Socicana) which aims to develop small cane producers to adopt sustainable practices.

5. Environmental and Social Action Plan (please see attached document).

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[1] Jabotibacal: 7.88 Ha of own areas, 2005.59 Ha of leased areas for 2016/2017 crop period

[2] Pereira Barreto: 11.11 Ha of own areas, 3.459,52 Ha of leased areas for 2016/2017 crop period

[3] Pioneiros: 18.08 Ha of own areas, 1.492,39 Ha of leased areas for 2016/2017 crop period