



INDUPALMA Social Balance 2008|2009

The private sector is committed with the Millennium Development Objectives

The Greater the Trust, The Better the Results.

Indupalma's work force speaks

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“One cannot be demanding if one does not think about others”... many times the companies are not managed with the heart but with the head. But... all entrepreneurs should have a sensitive part,... look how you can help people, because one can not be demanding... if one does not think about others... That one’s actions do not harm anyone. Loving oneself but always thinking of others.”

The above was said by Jesús Zapata, now an owner peasant, when commenting the experience regarding how to better treat the young helpers in the oil palm plantation. He used to be a day laborer and now he is an entrepreneur peasant associated with his peers to obtain a loan and buy the land that they work in the sun... In the sun and satisfied, Jesus works in his own things, but thinks about others. He gave us an exemplary social responsibility definition: think about others, think of the people.

INDUPALMA AS TRUST GROWS, THE RESULTS ALSO GROW

Trust. This is the answer when one thinks which is the ever present incentive, thinking in Indupalma's social and entrepreneur human transformation. Trust must be present in order to have ambitions; trust to count on people and planning the future; trust to train the people, in the conviction that they represent a world of skills; trust to be demanding and to demand ourselves to work better; and lots of trust to overcome fears and to think big.

Delivering and receiving trust is to have in one's hands the best encouragement to act with responsibility and commitment. This is the way changes, decisions, agreements, challenges and projects have been branded in Indupalma. Furthermore, as in any organization created by human beings, we have seen conflicts and problems, when trust has been lost for certain moments and we had to work to regain it.

The diverse actions based on confidence and described in the Social Balance, are tuned up and in some cases they go beyond the Millennium Development Objectives, humanity objectives universally agreed and based on the greater social needs of the current world. But beyond showing interest in the compliance with these objectives, this Balance sheet shows us how confidence can lead to act big. This can be seen through the illusions, in the people's attitudes, between lines or through direct expressions of those representing the work force; it is in the results of the company and in the progress of those who surround it and it is seen in the peasants themselves that now trust as entrepreneurs and wish to copy or reproduce the social responsibility with their own people. All this has been possible thanks to the decided confidence of the organization's shareholders

and its presidents Carlos Haime and Daniel Haime.

The company's logo has changed to be in line with this process to build up trust that we have been creating for more than ten years. It reflects the decision of giving a hand to others, being demanding and generous, believing in their capabilities, giving them the tools, demanding quality and making them allied parties. It is worthwhile to extend someone the hand. It is like opening the heart to support, encourage and be able to be demanding with our people. Extending others the hand so that we all win.

Rubén Darío Lizarralde,
General Manager

01. OUR COMMANDMENTS

Indupalma's commandments are a joint construction of its staff. It was inspired in all their experiences of overcoming obstacles in difficult times and those strengthening experiences which result has been Indupalma's safe growth. It will continue being a guide for all the challenges it will face in the near future.

- Other always matter.
- I decide over my acts.
- I can also be an entrepreneur.
- My conscience is my guide.
- In training first take values into account.
- From thought to action.
- Communication is for understanding.
- Good is always the best.
- All aiming at the same purpose: peace and development.
- A good intention defeats fear.
- We work for the country.
- Progress is for all.
- I think about the future: I work for the environment.

Caption. Right. Indupalma's world is also the world of many ornamental palms brought from several places of the world to its botanic garden at the San Alberto plantation.

02. INDUPALMA'S WORLD: HERE WE ARE

The 8.589,59 hectares oil palm plantation of Indupalma with its extracting unit are located in San Alberto, Cesar. It is located in an important geographic axle of Colombia. Its strategic location is a transition central point between the center of the country and the Atlantic coast; between the West and the East of the country. It is an open, luminous savannah region with minimum temperatures of 22.9°C and maximum of 34.6°C in average, and good ground to plant oil palms. (See map page 22, English version).

Caption. Right. Location of Indupalma's plantation in a strategic site in the country. Below. Cooperated woman working at the green house.

2.1 IT IS EASY TO ARRIVE TO INDUPALMA'S WORLD.

Its plantation is framed between the important Pan American Highway going to the Atlantic Coast and the main highway to the city of Bucaramanga. By air one flies to Bucaramanga, the closest capital city and by road, from Bucaramanga to the plantation via Lebrija or El Playón, with distances of 160 and 100 km respectively.

INDUPALMA'S WORLD TODAY

8.589,59 hectares directly planted by Indupalma in its own plantation.

9.600 hectares planted by allied parties.

Total planted hectares: 18.169,59.

Indupalma's Extracting Plant: processes 55 tons of fruit per hour.

New Extracting Plant for the year 2010. It will process 60 tons per hour. In this plant Indupalma's allied parties shall be partners in 30%.

Caption. Next page. Variety of a palm garden planted by the Company more than 40 years ago, in its San Alberto facility.

2.2 OUR NEIGHBORS ARE FROM SAN ALBERTO, THE FIRST MUNICIPALITY WHERE INDUPALMA WAS SETTLED.

We call San Alberto the first municipality of Indupalma, because it was in here where the company's

facilities were built since its foundation, more than 47 years ago.

Indupalma's arrival marked the municipality. But in this decade, the growth of the palm activity promoted by the company, has generated an accelerated San Alberto's economic and commercial growth.

It is a typical hot weather municipality. It has 19.656 inhabitants: 9.944 men and 9.712 women, according to the last census made by the Statistics Department of Colombia in 2005. Because it is located in the way of such an important highway as the Pan-American highway, this town in Southern Cesar has an intense transportation and trade activity, promoted by the agricultural and cattle demand. San Alberto is noisy due to its activity and its people coming from hot lands, from neighboring regions and states. (See map page 23, English version).

2.3 INDUPALMA'S INFLUENCE ALSO ARRIVES TO THE NEIGHBORING MUNICIPALITIES.

As a promoter of the oil palm plantations, the company has partners and allied members that contribute to generate more fruit to produce more oil.

Thus, the company's area of influence reaches Aguachica (Cesar) and Sabana de Torres (Santander), where Indupalma will build a new extracting plant.

Caption. Above. Indupalma's area of influence in the states of Cesar and Santander. Right. San Alberto is a noisy town due to its activity and trade and due to its people from hot lands.

Businesses started to grow

"Now San Alberto's businesses have grown a lot... I have grown, with new customers, many of them working at Indupalma. I have always said, when one leaves but two more arrive, new customers have arrived... I can not complain: my business is successful. My husband has been Indupalma's

contractor.. We have what we have thanks to Indupalma." Omaira Rincón Patiño, owner of "Oranger" beauty shop.If there was no palm...

"... You hear the noise in the streets: if there was no oil palm tree, we would be a total desert... Actually, we owe many things to the oil palm tree, and agriculture: trade has grown and is growing even more, I would dare to say that about seventy percent... My business is benefited from the cooperative members, from the union, from the workers. Indupalma has been our great support." Owner and founder of "Motopacho" store and workshop, existing 16 years ago in the municipality of San Alberto.

2.4 HOW IS THE PEOPLE IN THIS ZONE.

In this region of neighboring municipalities, accents from the Coast, from Santander or from Antioquia are accepted as native, with a great gastronomic variety, with a country flavor rather than a regional flavor. Due to their geographic and strategic situation between Cesar, Santander and North Santander, people from San Alberto represent a point of encounter for ethnics, ways of thinking and behaving from these and other neighboring states, from the Coast and the interior.

Caption. Below "Mototaxi", typical transportation in San Alberto.

2.5 SAN ALBERTO A YOUNGSTERS TOWN

Something that calls one's attention in San Alberto is that according to the 2005 census, the largest population is comprised in the first place, by youngsters between the ages of 10 to 14, precisely born at the resurgence of the company, followed by the category between 15 and 19.

They are proud youngsters whose intention is not to leave the town once they graduate from high school. They have hopes because they have seen the progress. They have an illusion and are willing to study a profession or trade in

San Alberto. This is a subject for reflection for them, for the new oil palm growers in the zone and for Indupalma.

Caption. Below. Students in the new municipal library donated by the Japan Government. Right. San Alberto high school graduates.

2.6 IN SAN ALBERTO YOUNGSTERS WANT A UNIVERSITY: THE HIGH SCHOOL STUDENTS SPEAK.

"It is amazing that a town that has resources, intelligence to study does not have a university... And you have to go other places and the youngsters who leave the town do not intend to return. We think that with Indupalma it is easier, because it has access to private universities... People's development occurs thanks to education and if there is not a good education we simply can not ask for anything".

"One of the careers to be implemented here, is Industrial Engineering since it is directly related to Indupalma. We need to know how to renew, change equipment, find forms or mechanisms to implement the product quality... Another career I consider should be studied would be business administration, because we should be young entrepreneurs... leaders."

"... People here are able to progress and govern their own town."

Caption. Left. Student from Indupalma school.Below. In San Alberto one sees youngsters and students everywhere.

2.7 BECAUSE OF THE PALM, THE NEWCOMERS HAVE STARTED TO STAY.

San Alberto starts to have a stable population, willing to adopt this land as their home. The 2005 census shows that 88.6% of the current population has been living in the municipality for more than five years. The town has reactivated its economy, it is a buying and consuming municipality that needs supplies. This shows why 59.4% of the establishments are dedicated to trade.

2.8 SOMETHING TO THINK ABOUT.

It is a reason for reflection for Indupalma to see how in the consolidation of an identity in the zone and the growth of this social group, there is an abundant human potential that has seen how the oil palm grows among them and with a greater role, it is an important socio economic motor for the region and the country.

In spite of these good figures, the region still needs greater opportunities for the young population to achieve its ideal to stay and not having to migrate to the cities to find their own life Project.

03.INDUPALMA'S WORK FORCE AN OPEN COMPANY THAT GREW WITH THE PEOPLE

The chain value around Indupalma is comprised by its direct collaborators or employees and by its allied members or strategic associates. The allied members are the associated work cooperatives supplying agronomic services and cooperated owners that grow palm and harvest the fruit in their own land, also with Indupalma's advisory. Direct officials and allied members work together, contribute with each other to increase productivity and profitability that favors all and to have the best fruit from where the Company extracts oil.

This is the reason why in spite that Indupalma's land did not grow, production has increased and many peasants at the zone have changed their uncertain situation being poor workers, becoming self-managing peasants who progress and build up their future and at the same time receive motivation, training and guidance from Indupalma's officials. In that way the company broadens the palm's zone of influence and their positive and promising social impact grows.

Caption. Below. Cooperated women using their typical hats and handkerchiefs to

protect themselves from the sun, are in charge of Indupalma's immense green house. Right. Country worker. Pages 22-23,group of officials from the Agronomic area, direct cooperators of Indupalma who plan, direct and guide the agronomic task executed by the associated work cooperatives with their permanent coaching. Pages 24-25, group of direct cooperators of the Company, in charge of the extracting plant operation.

3.1 INDUPALMA'S VALUE CHAIN.

Workers hired as employees.

This group is comprised by supervisors from the Agronomy area, Agronomy engineers, technicians, engineers and operators of the extracting plant, researchers, administrative support staff, professionals in the strategic area and directive staff, guiding the tasks of the whole company.

TOTAL: 376
113 Administrative staff of the plantation and the Bogota Facilities
89 Workers at the extracting plant.
1 Maintenance assistant in the Industrial Department.
3 Supervisors at the industrial plant
71 Agronomy Workers.
1 Research and Development Technician.
39 Agronomy Supervisors
59 Directors staff.

Caption. Above. Officials of the Company at the San Alberto, Cesar administrative facilities.

Associated Work Cooperatives

This team is comprised by 18 associated cooperatives of work with close to 1,000 persons, supplying their agronomic services to the company.

The New Owners

280 associated to 5 cooperatives and one association, they are now palm growers and owners and with Indupalma's orientation and coaching in all the tasks, have bought, directly plant, crop and harvest the fruit they sell to the company, out of the land they bought with their own effort.

Peasants, Former Owners of the Land, are Now Palm Growers

75 peasants owners of their land. As the former ones, they receive Indupalma's orientation and coaching in all its tasks to directly crop oil palm in their land, to sell their fruit to Indupalma.

Small and Medium Size Peasants that have Entered the Palm Growing Sector

3.2 THE RETIRED PERSONS.

Today Indupalma responds to 750 retired former employees with a timely payment, which will reach 1.002 persons in 2016. In this way it complies with the labor commitment established by law, to do a direct payment of the pensions to the work force they had until 1991. In that year the legislation changed and the contributions started to be paid to the "Seguro Social Institute".

The considerable amount for pension retirement paid by Indupalma at the time of crisis, more than 15 years ago, and continues assuming it in a responsible way, respects the former workers and complies with the labor regulations stipulated in International Treaties ratified by the country, such as the Labor Bargaining Convention.

The company expects to negotiate this labor liability with a pension fund that assumes this task, as agreed in Clause ninth of the Labor Bargaining Convention. The idea is that the pension's liability may be assumed by a third party before October 31, 2011.

Caption. Indupalma's collaborators.

"To promote equality between the genders and women's autonomy"
Second objective of the Millennium.

Caption. Below. Indupalma Plantation.

3.3 THE RESPONSIBILITY TO DIRECT THE PLANTATION AND INDUPALMA'S

EXTRACTING PLANT IN SAN ALBERTO, IS IN THE HANDS OF A WOMAN.

A woman is in charge of directing all the agronomic and industrial operation at Indupalma. The agronomics executed by the cooperated members and the industrial operation done by the staff directly linked to the Company.

"We are building up the future at Indupalma and when we talk about building up our future, we talk about commitment, team work, communication, building up confidence among all the actors that comprise the Company, the workers, cooperatives, the contractors and our palm grower partners. The idea is to work together so that at the end of the day confidence in the future increases and in that way continue writing our history, among other things. We aim at improving the performance and results, valuing and optimizing the capabilities of every participant in the entrepreneurial community through permanent training, facilitating in this way the execution of our strategy for the benefit of all". Delfina Morales, Director of the Plantation.

3.4 ANOTHER WOMAN DIRECTS THE AGRONOMIC OPERATION.

Indupalma orients and gives advice on agronomy work to its allied members. Thanks to this direction it has been possible for the associated members to operate under the required efficiency and quality processes, to have a prosperous, productive and sustainable plantation for their own benefit.

"I am very fortunate to be part of this historic stage of the company, of having a committed and proactive team in the administration of the crops and processes under their responsibility; to be able to participate in the changes generated and most of all, having this learning and life opportunity". The Projects' Agronomy Operation is the area with the greatest growth of the company

in the last years. We went from having 11.465,89 hectares established in the year 2003, to having in the Logistic Operation 15.115,89 hectares distributed in 9 projects, one of them owned by the company and the other 8 owned by third parties. And we shall continue growing, with projections of 5.000 hectares per year starting 2010. This growth has meant new opportunities and responsibilities for all.

Employment, training and learning opportunities to new professionals, supervisors, suppliers of goods and services as well as for the region in general.

Responsibilities of timely assistance to new customers, compliance with the logistic operation contracts, social, environmental and economic commitment, with the persons that have trusted us for the orientation and/or administration of their crops". Gloria Amparo Escobar, Agronomy Director of El Palmar, El Horizonte, Coopsabana, Coopalmag, Empalmar, La Elsa and El Futuro de la Palma Projects. (See graph page 23, English version).

"To eradicate extreme poverty and hunger"

First objective of the Millennium.

0.4 WORKERS IN THE AGRONOMY WORLD

The field of action or Indupalma's productivity territory is located in three neighbouring states, precisely in the municipalities of San Alberto, Cesar; La Esperanza, North Santander; Sabana de Torres and Puerto Wilches, Santander. There, in plots located very closely one from the other, the plantations owned by the Company are located, as well as its oil extracting plant and the plantation of the cooperated owners.

Caption. Below. Ready to be processed in the Oil Extracting Plant. Right. Women that give life to the palm trees.

4.1 COOPERATIVES THAT AS COMPANIES INCREASINGLY PROGRESS WITH THE

ENCOURAGEMENT AND GUIDANCE OFFERED BY INDUPALMA.

Indupalma promoted since 1995, the conformation of associated work cooperatives or associated companies, as a productive labor force in the agronomy area. Since that time 24 cooperatives have been created with a total of 1192 affiliated members, directly supplying their services to Indupalma, or to the projects that were started with the allied members. 99 women and 1.093 men are in charge of the agronomy front throughout the whole process. All of them work directed and oriented by Indupalma through the supervisors and agronomy and environmental engineers and technical directors.

It may be said that the cooperative owners or associates know the entire process of palm cultivation throughout its different stages. The following are the tasks accomplished by them, which make them knowledgeable in this field, while Indupalma provides them with administrative support and technological information for the sound management of their projects: Industrial pollination assisted with pollen sprinkling • Drainage • Sowing • Circles • Splashing with the feet • Fertilization • Pruning • Greenhouse • Preparation (cutting and accommodation of palm trees, drilling, injection and drying) • Seeds (seeds peeling) • Civil works (preparation of 4-wire fences) • Harvest • Fruit recollection • Transportation. (See graph page 23, English version).

Caption. Below. Early in the morning the agronomic cooperative associates go to their carriages with their buffalos, indispensable working companions. The buffalos are suitable to drag the carriages in the plantations where palm trees have acquired sufficient height.

4.2 WITH THE COOPERATIVES THE COMPANY REORIENTED AND INCREASED ITS SOCIAL RESPONSIBILITY COMMITMENTS.

The cooperatives have operated and grown in experience, autonomy, and knowledge. Indupalma's Entrepreneurial Development Department is exclusively in charge of such commitment. The cooperative workers systematically and in a sustained manner receive from the Company, education, accompaniment, advice, and a sound preparation to be the best in this field, and to be efficient and profitable in their administrative management. As autonomous entrepreneurs, the cooperative associates negotiate their services with the Company; they have their own remunerations; and they operate abiding by all protection and social security provisions. But, undoubtedly, Indupalma's accompaniment and orientation makes them work, become reliable persons and be deemed trustworthy as members of a family.

Caption. Above. Members of the 20 de Julio Cooperative, in a street of the neighborhood where they live with their families. Below. Cooperative associates before initiating their tasks in the morning.

4.3 THE WORK WITH THE COOPERATIVES GENERATED A NEW BUSINESS ALTERNATIVE FOR INDUPALMA.

Such results led the Company to design an open work structure with the associates through the service of Investment Banking and Palm Projects Operation. Indupalma IBIO.

Caption. Below. They know how to coexist: The 20 de Julio Cooperative is an entire "small town" where they are united to work, live, and help each other. The persons from the village got together and established their Cooperative to provide services to Indupalma. The Cooperative's members are mostly young, and the reason for this is expressed by them:

"My husband became a better worker since he joined the Cooperative and began to work in the palm oil field." Amira Montenegro, wife of an associate of the 20 de Julio Cooperative.

"Indupalma provides many opportunities; not only with regard to work, but also with regard to education... this is why the youngsters are so enthusiastic to participate in the cooperatives." Luis Alirio.

4.4 THEIR WISH IS TO BE MEMBERS OF THE COOPERATIVE TO WORK IN THE PALM OIL FIELD FOR INDUPALMA.

"According to my viewpoint, at this time palm trees are the main source of work for this region."

"Indupalma is one of the places where you are better paid, and you live better with Indupalma." Esneider Hernández, member of the 20 de Julio Cooperative.

"The future of the palm oil field is to expand inasmuch as possible... Any existing small plot of land could be sowed with palm trees... The more palm trees are sowed, the more jobs there will be, and that is what we want." Wilmer Amarís, member of the 20 de Julio Cooperative.

"I have been a member of the Cooperative since 1996 when the cooperative process that revived Indupalma was started and we, the settlers of San Alberto, also benefited from this... I am the legal representative of a Cooperative and I like to work... I feel that one day the cooperatives of San Alberto will become prosperous enterprises that will contribute to the country's development". Jose Ángel Ortiz, associate and teacher of cooperatives, member of the Bonanza Cooperative.

"To promote equality between the genders and to foster female workers' autonomy" - Second objective of the Millennium

Caption. Below and right. In the Mano Amiga Cooperative ("Friendly Hand Cooperative") nobody gives its back to anybody"; it is the only Cooperative made up only by women who sow and grow palm trees in a greenhouse with installed capacity to sow 2.250 hectares in the field.

4.5 "O.K. GIRLS: IT IS NOW TIME FOR YOU TO JOIN AND SHOW YOUR CAPACITY. THIS IS WHAT DR. RUBÉN DARÍO SAID TO US..." HEREIN BELOW THEY TELL THEIR STORIES.

"We were twenty women who worked in different mixed cooperatives and we were always discriminated by men. There was a lot of "macho" attitude; there was a lot of inequality... So that is why we decided to unite ourselves."

They do not stay home because they want to go back to their families with their hands full: *"As women we have all the capacity to succeed; we can make a company progress, and we can make a family go well; ... we are the axis of a family ... And we are capable of managing any enterprise. That is the invitation. Let us not restrict ourselves... Just because we are women we are not going to stay home"*.

They learned to manage things and today they have achievements, projects, and aspirations:

"I was very immature; life has not been economically easy for me but when I joined that cooperative I obtained many benefits, and I begun to progress; I am studying, my children are well... We all help each other and take all fellow workers into account for everything."

"We are women that know very well to manage this cooperative. We are very strict."

"...Our interest for the moment is to open a supermarket. That is a new project that we have in our heads and God willing, it will become a reality. Since Indupalma is giving us the opportunity to succeed, we are going to benefit from this. What we most want is to have a land of our own; and have our own machinery..., because that is thinking in ourselves."

Caption. Pages 42-43. Indupalma's workers receive the "cones" containing the fruit from where palm oil is extracted.

4.6 THE NUMBER OF WOMEN BELONGING TO THE

COOPERATIVE INCREASES.

The expansion of the palm oil plantations promoted by Indupalma is increasingly growing, and such growth demands a greater labor force to assume this challenge, which provides new job opportunities for the people of our region.

An example of these opportunities is the one given by 33 women who started the process of initiating a new cooperative. This female group makes part of the new labor force, the main objective of which is to accomplish the tasks to start a new greenhouse for Indupalma, with the goal of providing the necessary seedlings to plant the lands of new projects.

"This is the best thing that has happened around here: This happiness means that thanks God we both have this work; we work together to look for a better life for our children." Elida Castillo, member of the greenhouse cooperative and wife of a cooperative member.

"To guarantee sustainability of the environment"

Seventh objective of the Millennium.

05. PEOPLE AT THE PLANT INITIATIVES WITH THE HELMET WELL PLACED ON THE HEAD **Health and industrial and environmental safety.**

The initiatives that the workers of Indupalma's extracting plant have contributed to the rigorous industrial safety policy of the Company are efficient and safe, and have saved money. It shows awareness and expresses how social responsibility also comes from the workers towards others and towards the Company.

- 90 workers of the extracting plant.
- 3 supervisors in the industrial plant.

Caption. Below. Night view of the extracting plant at San Alberto.

Heat and steam, very high temperatures in the boilers, and the smell of oil, are some of the environment characteristics of an Extracting Plant where the red oil of the fruit that has been harvested from the oil palms is extracted by those who work in the agronomic area.

That is why industrial safety and occupational health of the personnel are vital at the Plant. This is also essential in the agronomic area where special provisions protect the members of the cooperatives, the agronomic supervisors, and the contractors of the area.

As opposed to “the agronomists”, those of Indupalma’s Extracting Plant are employees directly hired by the Company. They manage the industrial process and the machinery for the extraction of the oil. In their tasks, they have been important protagonists of the adjustments and rigorous industrial safety discipline defined by the Company, and their industrial safety initiatives have evidenced to be committed, efficient, and valuable.

“Today industrial safety has been given a nine (Grading reference from one to ten): this involves the safety of mechanic workers, and includes the safety of people that visit our facilities. The Industrial Department is very strict in its safety measures and this is also the responsibility of each one of us...” Marcos Pérez, industrial mechanic. He supports preventative and corrective maintenance.

5.1 WE EXCEEDED THE EFFECTIVE SAFETY STANDARDS.

The following are safety measures that respect the environment, health and safety of the persons working in the plant and the community around us:

<ul style="list-style-type: none"> • Assessment of the risks magnitude, with qualitative measuring techniques to determine their real danger.
<ul style="list-style-type: none"> • Opinions are given on the work projects, industrial facilities, and equipment in general, to determine the risks that may be generated.
<ul style="list-style-type: none"> • We inspect and evidence efficacy and good performance of the safety equipment and risks control.
<ul style="list-style-type: none"> • The required control systems are studied and implemented (Industrial automation equipment) for the existing risks at the industrial plant.
<ul style="list-style-type: none"> • We implement preventative maintenance programs for the machines, the tools, the premises, the lighting and electric networks.
<ul style="list-style-type: none"> • We design and implement actual protection means, required by the power transmission systems and points of operation of the machinery and working equipment.

Caption. Below and to the right. Cooperators of Indupalma’s Extracting Plant.

5.2 INITIATIVES RESPONSIBLE FOR INDUSTRIAL SAFETY.

Within the policy of learning from the experience of its people, the Company has had one of the best experiences by listening to the initiatives of its workers. They have given important contributions for processes improvement in order to increasingly attain more industrial safety, savings, and efficiency in the plant. The concern of the workers of making their best contributions to Indupalma shows their awareness of their responsibility towards the Company.

5.3 WE OBTAINED NTC-OHSAS-18.001 CERTIFICATION.

Indupalma is a Company certified with ISO 9001 and ISO 14.001 Standards and it now has OHSAS 18.001 certification for occupational health and accidents risk management. Indupalma not only complies with the legal regulations but it has imposed safety controls for the safety of its workers and visitors that go beyond those demanded by law.

5.4 THE ACCIDENT THAT SOME YEARS AGO CONSTITUTED A LESSON FOR THE PLANT WORKERS.

“We had an experience: Sterilizer number six burst; a tremendous leak took place and the welding began to expand ... the pressure was very strong... It was a failure of worn out material... Now we have had more confidence in all the equipment because a lot of improvements have been made... I gave an idea to avoid having all the condensates around the floor”. Víctor Julio Sierra Ortega, worker of the industrial area, at the battery, sterilizers number four, five and six.

Caption. Below and right. Collaborators at Indupalma’s extracting plant.

Doctor Velasco’s participation circles: Initiatives of the workers. It is worthwhile making them a reality.

The dynamics of the Company focused on promoting good initiatives from the workers for better results at work and, in particular, those initiatives originated in the extracting plant were derived from a good teacher and instructor, Doctor Carlos Alberto Velasco. Together with its co-worker Lucía Posada, he taught the methodology of the Quality Circles or Participation Circles through which the workers currently formulate their valuable proposals. This is why the Company and the workers wish to offer him special appreciation recognition in this Social Balance, for the time he generously spent during several days working with the plant workers, and to express him our admiration and gratitude for all the things he taught us. The result is specially seen in the Extracting Plant. Don Carlos Alberto and his co-worker sowed and they are now harvesting.

5.5 DON CARREÑO, THE MAN RESPECTED BY THIS PERSONALITY. THE MAN OF THE PRIZES.

It is not possible to think of a mechanic having everything in order in his workshop. Don Ernesto Carreño does have everything in place. Due to his special personality and appeal he has been awarded several prizes: he is a knowledgeable technician, a man of initiatives; and he is also an ordered man.

He was awarded the first prize “for having placed certain special valves in the presses and in the digesters reducing engines, to be able to take samples and send them to Bogotá”... The second prize was awarded to him for the cleanliness of his work site.

“Yes. One should be clean. The work site should also be clean ... My site contains oil and there is not one spill ... There is no dirt, everything is clean and that is why I have been awarded the cleanliness prizes from the Industrial Department...”

...Every day I say: I believe in God, and in Indupalma, because everything I have I have got from Indupalma... Here they call me “Don Carreño”, because I have always been a serious and not talkative man; and I have always had that attitude towards people. I have respected them and they have respected me”... Ernesto Carreño, mechanical lubricator at Indupalma’s Extracting Plant.

5.6 WHEN THE BOSSES ALLOW THEMSELVES TO LEARN AND LISTEN.

At the time of the interviews the group was also making an automation improvement, which will bring forth approximate annual savings for the Company amounting to 120 million pesos.

“Today we are being trusted and we receive support. We have been given the opportunity to show our experience as mechanics... It is an enormous satisfaction to have the support from the Industrial Engineering Department ... It is wonderful to see that we can give ideas that are implemented and put into operation and currently

we realize that some ideas have been very successful..." Víctor Raúl Jiménez, Processes Supervisor in the Department.

"... Both, engineers and workers go hand-in-hand... And that has helped us a lot ... We have shown not only to the Industrial Department, but to our entire country that we, as workers, have a lot to contribute to our Company. Indupalma appreciates team-work.

Our workers are better persons today... They are happier with their work; they greet people; they know they are taken into account, and these factors yield savings and improvements. It is a human nature engineering program... based on listening, benefiting from the expertise of our workers... and we have developed with them a methodology whereby we involve ourselves in the problem, we analyze it, we apply problem analysis techniques, and with this we find the roots to make improvements..." Diego Eleuterio Palacio Pérez, is now the new Director of Indupalma's Extracting Plant after having been Production Head at the Industrial Department of the Company.

5.7 NEW EXTRACTING PLANT: WITH THE ALLIANCES OUR RESULTS GREW.

Indupalma shall now build a new plant. This is a clear evidence of how the fruit production results have grown due to alliances with associated work forces. All this demands greater processing capacity, where the workers' expertise shall be applied.

"... We are going to build a 60-ton per hour plant, which means that we will double the corporate processing capacity... It will be a state of the art plant and very environmentally friendly". Diego Eleuterio Palacio Pérez, is now the new Director of Indupalma's Extracting Plant after having been the Production Head at the Industrial Department of the Company.

"Before, we had to do what the boss said. Today we, as heads, give a lot

of support to the people. We have to benefit from our experience, and sit to talk with the workers, give them feedback, and make decisions. In the "Spaces for Dialogue", people feel appreciated when we analyze problems with them, aiming at finding solutions for the plant. Before there was no team work but now it exists and there is also trust". Carlos Andrés Vargas was Diego Eleuterio's predecessor and today he is the Extracting Plant's Director at Indupalma's conglomerate. At present he is in charge of assembling the new plant that is being built in Sabana de Torres. He explained, in his own terms, how was the positive change of the workers achieved at the only Extracting Plant that has operated up to the moment.

"Promote a worldwide association for development". Eighth objective of the Millennium.

06. PEOPLE IN BOGOTÁ LEADING A MODERN AND COMPETITIVE COMPANY

As a Company that trades both the oil and the seed and which today is considered a Project Investment Banking and Operation to promote sowing of oil palm within the country and abroad, Indupalma has professionals that work in its commercial, financial, logistics, strategic planning, legal, I.T., and technology areas, in Bogotá.

Such professionals have led the Company to meet the needs of the country and of other markets, and have made Indupalma develop and implement avant guard projects and offer services for the dynamic palm oil economics chain, and has made contributions for the development of adjacent communities, where we see improvement, education, and progress within their families. Such professionals are to support and accompany the entrepreneurial mission expressed in today's new slogan: "Indupalma's business in the palm of your hand".

Caption. Bottom. Training and work with technology as well as the frequent realization of video-conferences between the San Alberto plantation and Bogotá happen every day at Indupalma.

Caption. Esteban Saldarriaga, Administrative and International Acquisitions Head. Orieta del Pilar Prieto, Strategic Planning Head at Indupalma.

"Technology is vital in Indupalma to act face to face with the clients, the employees, the suppliers, and the community. We want to reach them all with timely and transparent information. If we are acting between Bogotá and San Alberto and if we offer oil, seeds, advice, and orientation to palm oil plantation associations through Investment Banking and Projects Operation, we have to be always connected offering our best software and knowledge to our clients and projects". Elsa Julia Mazo, Indupalma's Technological Area Engineer.

6.1 LATEST TECHNOLOGY. This agro-industrial Company has always done its best efforts to permanently innovate and be up-to-date in technology issues. Indupalma has increasingly improved its technological processes in an integrated manner, and the Company has been able to respond to the quality demands that accredit it today. Technology has also been the basic support for systematization of all processes within the agronomic and industrial operation of the employees and their associates. It is also the support of open communication between Bogotá, San Alberto's plant and all the projects.

"From the times well before the 90s, I observe a great change in the Company: its recovery, open mind towards new businesses, leadership focused on attaining a position nationwide and internationally, and commitment to its people. I see Indupalma with a very prosperous future due to the new businesses that we generate, the education we foster, the companies and stability in the work that we have encouraged within the oil palm growers and new owners that are being trained,

organized, and are receiving assistance to establish themselves.

Indupalma has helped me to grow as a person, providing me with self assurance and training me for the execution of my functions, and it has made me feel satisfied and with a great sense of accomplishment". Martha Cecilia Hernández Castillo, General Management Secretary.

"I specially perceive two things in Indupalma: the first one is that for a young person like me and with the profession I have chosen, it is very interesting to see how the Company has developed and promoted its strategic associates, which are the cooperatives, and its corporate responsibility with them and other persons of the community. This provides welfare and growth.

Another thing that encourages you is to see the efforts for training the employees. And it is not just training; this is carried out in the best places, the best universities, and best seminars. In addition, they give us the time and the space to learn". Rocío Saiz, Management Assistant.

"While the Company, through its Manager determines "what" is to be done, i.e. which are the actions it intends to carry out to comply with its corporate obligations, and which are the objectives, the Legal Department determines the "legal manner" in which actions are to be developed to attain such objectives. Proposals and legal contractual structures that support, for example, "inclusive associative projects" for the sowing of palm oil with associated peasants, emerge from this dynamics.

These projects with associates constitute evidence of Indupalma's high entrepreneurial social responsibility and enormously contribute to social welfare and to the development of the surrounding community". Gonzalo Fajardo, Head of Indupalma's Legal Department.

Caption. Pages 60-61. The Company in Bogotá.

6.2 THE CHALLENGE IS ALSO FOR ATTORNEYS, VIS-À-VIS THE AMBITIOUS ENTREPRENEURIAL INITIATIVES.

In Bogotá, Indupalma's Legal Department has the daily challenge of solving issues and providing legal support to the changes, new businesses, new markets, and ambitious projects with the associates. Projects with which the Company has created an entire palm-growing community that works in an integrated manner and backs its mutual commitments of commercial, financial, environmental and labor nature, complying with all applicable laws, in addition to generating certainty and a legally sustainable environment.

"Extreme Poverty And Hunger Eradication"

Millennium's first objective.

07. INDUPALMA'S NEW ALLIED MEMBERS

Aperture, leadership, coaching, education and quality demands continue consolidating Indupalma's alliances. Now the Company supports the cooperative owners that progress towards big things as an active part of the productive chain of palm.

Caption. Below. Recent palm plantation carried out by an allied members' project. Right. Juan Moreno, cooperative owner.

"My name is Pedro Rodriguez, Rodriguez". If you ask me what my work is, I say "I am a palm grower; I have ten hectares of African palm in El Palmar Project, there at Sabana de Torres". Pedro Rodriguez, cooperated owner.

"Happiness is looking at one of these plantations in full development, beginning to produce... There is going to be a future, not only for me, but for my children, for many people..." Juan Moreno, cooperative owner.

"Many people have congratulated me, that my palms are very beautiful and I feel happy about that... and

I pray to God, He may allow me to clean them as many times as it is possible for me to do it... and may He bless them". Juan Crisóstomo Mesa, A farm owner, now a palm grower associate.

Between the years 2000 and 2002 the stage of Indupalma's allied members started with their own land. In this stage social responsibility expressed in the promotion and education of prosperous labor cooperatives advanced with a more secure and audacious pace: the cooperated peasants could become owners of the lands they worked.

Indupalma successfully achieved this. Six years later, the new owners of the land and palm growers are already harvesting, gaining and proudly paying the loans granted with the guarantee of their own work, thanks to Indupalma's intercession. The mutual trust made it possible that "they became owners, just by presenting their Id card" and today they have self esteem and an equity for them and their families. Today close to 320 cooperative members grow palm trees in their own land.

Caption. They never dreamed about growing oil palms, a task they carried out in other farms receiving a salary, now they do it in their own land which they bought with their effort... Indupalma has sealed a strong alliance with them.

7.1 THE PROJECTS BEGAN TO HARVEST.

With the projects of the allied members, in the year 2009, 9.600 hectares will be completed including Indupalma's plantations. To these peasants, its best allied members, Indupalma is proposing to be partners in 30% of the largest and most modern extracting plant in the country; it has a process capacity of 60 tons per hour and 30 tons during its first stage. The allied members shall also be allied in the plant, being an integral part of the palm productive chain, giving value to the palm activity, the land and the plantations that they have acquired with a very big effort.

El Palmar Project Sabana de Torres, Santander
• 150 Cooperative Owners
• 2.256 hectares acquired
• 1.500 hectares planted
El Horizonte Project Puerto Wilches, Santander
• 130 hectares Cooperative Owners
• 1.460 hectares acquired
• 1300 hectares planted
Coopsabana Project Sabana de Torres, Santander
• 39 owners, now palm growers
• 1300 hectares
Coolpalmag Project Sabana de Torres, Santander
• 1700 hectares
• 37 participants
Empalmar Project, San Alberto, Cesar
89,9 hectares
La Elsa Project Sabana de Torres, Santander
120 hectares
El Futuro de la Palma Project, Sabana de Torres, Santander
380 hectares

(See map page 24, English version).

Caption. Left and above. Cooperative peasants and Indupalma's allied members in the farm they own.

7.2 AND HOW DID THEY DO IT?

Indupalma designed feasible projects so that the associated peasants could buy the farms to grow palm and convinced the banks into giving them loans guaranteed only with their work. This was the manner FINAGRO and Megabanco joined the project. Currently they are Trustor owners. They have co-ownership and tenancy in common. Each of them owns 10 hectares.

As leader, promoter and the project's logistic operator during all these years, the company offers day by day technical orientation, education, training to the cooperative palm owners; the company gave them small palms to

plant, paid for their work while the palms grew and crop. Nowadays, Indupalma buys their production and is welcoming them to become shareholders of a new extracting plant.

7.3 ONLY WITH THEIR ID CARD THEY BECAME LAND OWNERS. NOW THAT THEY OWN LAND THEY TALK ABOUT THEIR FINANCES:

Working in the land they own, these Colombians are making an effort to produce well, they are improving the administration and profitability of their corporate company and comply with financial liabilities.

7.4 IT IS TOO GOOD TO BE SO ABUNDANT. THE BANKS GRANTED LOANS AND THE COOPERATIVE MEMBERS HAVE BEEN RIGOROUS WITH THEIR PAYMENTS.

"... Many persons, including me, say, man: it's too good to be so abundant, there must be something hiding behind because... only with your ID card the banks give you a loan for 13 million pesos, man, that's impossible. During this year, important amounts of money have been credited, we have deposited almost 1 billion pesos ... therefore, when you make those deposits, where there was nothing, everyone begins to believe". Jesús Zapata, cooperative owner.

7.5 BEING ASSOCIATED THEY BECAME OWNERS OF A BIG PROJECT, TO COMPETE.

"Before, we would not believe this could be self-sustainable; ... currently after having repaid two deposits..., one for 978 million pesos... and the other for 610 million pesos... we are more confident that in reality, this Project (El Palmar) is truly ours".

"Indupalma has given us confidence, they have given us the opportunity to be trained, to know the clients, to meet other people, to visit other cooperative models; today we are aware that we have not been deceived, and in reality we haven't

been anybody's puppets..." Currently we are mayor entrepreneurs in the oil palm business. One of the most flourishing business here in the country". **Adán Fuentes, cooperative owner.**

"We have paid this with all our efforts; with the production, because they pay for our living and with the remaining balance, the accumulated, we pay the debt we have with the bank". **Héctor Mateus, cooperative owner.**

When Indupalma says allied members, it is true. Indupalma is concerned about training them, to open the world for them. With these criteria Indupalma took many cooperatives who are now owners, to visit the well known experience of the Mondragon cooperative in Spain.

Now it is inviting the associate peasants to participate as shareholders of the new extraction plant; as they did with the land, they shall offer the model in order to finance their investment.

Meanwhile they have learned to be confident because they have information, they understand the palm business, because they are important allied members for the company.

"Take a look, this will be paid, let us not become desperate, just see how much a ton of fruit costs in the international market, ... let's check the trust balances each month, to see the story we are on. Indupalma is giving us, at this time, the opportunity to be participants of an oil extracting plant, where we may have 10 to 20%. If we are able to enter into this extracting plant project, it will be different for us, the opportunity to grow and not being stagnated. Not being small producers but big entrepreneurs.

... One of the things that makes you grow or to gain maturity is self-confidence. I have acquired lots of responsibility. I would say to all those peasants to be united, to get trained. United and trained they may obtain

any goal they pursue for their lives..." God willing, I shall be here until I can work and we manage this project to be hundred percent free from bank debts, from the existing loans". **Juan Moreno, cooperative owner.**

"Currently I feel I own my 10 hectares. To take me out of here it has to be with money, they will not take me out without security, just like that. Indupalma as a excellent partner, up to this time we haven't had any problem. We have to continue, "man" and... forward; ahead with Indupalma".

I'm happy, as well as my complete family, my children, that's what I mean, the future is here. As I said the first time, the first palm I planted, that was the seed for my children. I had to sacrifice myself a lot, but I mean my children, will have to buy more land, generate more, to enlarge the project, to make it bigger". **Pedro Rodríguez, cooperative owner.**

"I've liked the thing of administrating the resources yourself, sometimes organizing the work, the tasks, to work effectively, being more efficient. We don't have the same nature, moods ... that's always difficult, but one begins knowing people, you know the temper and one learns how you get along with them. As friends we make mistakes but we have the same easy way to understand and respect ourselves. Team work is very beautiful." **Guillermo Pardo, cooperative owner.**

"What motivates me is how the production is going on and what was budgeted, will apparently be paid before it was projected, that makes you enthusiastic and maybe, that's what gives you the strength to continue progressing." **Luis Anibal Lozano Vergel, cooperative owner.**

7.6 THEY FEEL SAFE BECAUSE THEY ARE SUPPORTED.

"People are very proactive; always thinking about what might be happening at the plantation, how is the crop evolving, how is the production evolving... It is worth mentioning the role that is played

today by those who are in the Trust Committee, where they have representatives who are looking after the figures; or the financial condition of the plantation...

...This is their life project. Therefore the results are contributing to everybody's well being... **Carlos Urrego, Engineer in charge of the expansion projects at the palm boundary at Indupalma, Technical Director of the plantation.**

"My work consists in giving technical support to the cooperatives which participate in the projects. Before, we found individualistic decisions, today we make strong collective decisions 'moving forward', as we say, with great enthusiasm. This makes me very happy and proud... They reach an agreement and they know their goal". **Samuel Duarte, Indupalma's Director of the Corporate Development Department.**

7.7 THEY ARE SURPRISED BECAUSE THEY BELIEVE IN THEM.

These peasants are surprised because the banks talk to them and believe in them like in any other Colombian entrepreneur. Their wives and families believe in them. Other peasants believe in them, who want to join a new project presented by Indupalma.

"Today, the way of thinking has changed... To be able to demand one must have moral authority... I can not demand compliance from my staff if I am not the first one to comply. First of all I must comply. When the staff does not come to work, we have several rules created by ourselves... we have sanctions, we charge fines etc. Everything is organized through the rules of the game that we have followed.

Wherever I go I take the chance to tell people that I study Industrial Production Techniques at Universidad Tecnológica de Bucaramanga." **Jesús Zapata, cooperative owner.**

"When somebody asks me how I feel in the farm where I am, I feel as

if I am at home. That is to say, that everything that is carried out has to be done well... At present I have a great knowledge about human relationships, about plantations.

Six years ago, my knowledge was not developed as it is nowadays, therefore I am happy. One grows individually and I feel that I have grown one hundred percent. **José Palomino, cooperative owner.**

7.8 WHEN DIFFICULT TIMES HAVE ARRIVED, CONVICTION, WORK AND SOLIDARITY ARE THE BEST SUPPORT TO KEEP GOING.

Heriberto Higueta and Bernardo Garnica are two important cooperative managers and allied owners. They also mention their difficulties; they were appointed to the Management office because their colleagues wanted it, even though at the beginning they were not prepared. Heriberto was a strong decision maker to bring forward the project but he had no aspirations.. However an accident in the field lead him to the Manager position.

Bernardo was a leader, but he had not finished grammar school. Both of them are now important and convinced managers, trained by Indupalma in the management of their cooperative projects.

"His wife almost kicked him away" Heriberto states:

I had been just two months in the cooperative when they invited me to El Palmar Project and immediately I accepted. Thus, we started successfully when we planted in a good area and lost a lot at a given bad time. It was then when we did not have any income for almost one year. And my wife told me "get out of there". And I told her: I am not going to leave there, and somehow I raised the money for my 5 children because I have always liked and I believed in the future of the palm industry. Imagine, the first harvest did not give us any money. Indupalma gave us the work, but we had many expenses and

the income did not give us enough to distribute amongst the associates for all our needs. Therefore I purchased a scythe but to purchase it I sold our house and my wife was about to send me away. After that, 10 of us decided to work with the scythes and the money we earned was distributed amongst the other associates. Then we were 20 and I started looking for a new house, I took my wife to see it and she calmed down.

What is interesting about this?
 "As a manager, to learn how to handle and deal with people, assume a big responsibility and keep the colleagues happy".

The best: "To work in solidarity and have the opportunity to progress".
 Heriberto Higueta, Manager of Cooperative Siglo XXI and one of the owners of El Palmar.

"When the guerrilla threatened them". Bernardo Garcia recounts:

"They arrived to our plantation; they gathered us and asked to pay them \$600 million per year, between el Palmar and Horizonte, that is to say, \$90.000 twice a month for each associate worker and owner (both farms purchased by the peasants of the cooperative with a bank loan). With the excuse that they had mines in the fields, they told us "everyone has to leave the field" manipulating us and saying that someone had to pay the amount requested which they call "vaccination". We answered that everything was the fruit of our work".

The owner peasants and allied members of Indupalma, continued with their work and the guerrilla did not return.

When the financing failed in the terms that were foreseen: We also had bad times due to changes in the financing "We contributed with work and we did not receive anything because we had to pay the debt. Then the Cooperative started to be undercapitalized and could not help its associates".

The change: What was most important for me has been to go from

being an employee to become the owner of our own company. When you are an employee you are only interested in the daily happenings. As an entrepreneur you think about the company and about the future. You know that you are building up to have a stability. Everything has changed my life. Bernardo Garnica Bautista, Manager of El Topacio Cooperative and one of the owners of The Horizonte.

"Experience while giving assistance has been very enriching for my personal life, because I have met many persons..., persons with great desires to work, to go forward and who have currently placed all their objectives in these plantations... and with the coaching work that we carry out, the target is that they may achieve their goals in the future".
 Ruben Darío Rodríguez Martínez, Indupalma's special projects assistant.

"Entering the palm business means many things, it is a cultural change, an economic change and even a change of friends. It is something to make you think, plus a crop that will last forty years. We have the cooperative to be associated with them. One day we made the decision, why don't we do team work?. One day we work at a friend's plantation, once we have finished we go to another friend's plantation and so on, until we finish the work ...

A palm project generates many things, amongst others, employment: in this zone, where we have suffered violence; it is necessary to have the people occupied doing something and this is a way to have crime. José Presentación Hernández Barajas, owner of land and now an associated palm grower.

7.9 THE INVITATION TO GROW PALM IS ALSO FOR OTHER PEASANT OWNERS, BECAUSE IT REFERS TO GREATER PRODUCTION AND PROGRESS.

Indupalma's goal to increase the labor force to grow oil palm, has

also generated commitments of responsibility with very humble peasants who have been invited to progress, grow as persons and become palm growers.

The company offers a hand to the new associates through training, so that they grow palm with quality, it offers them the "seeds" and pays them while the palms are ready to produce.

Juan Crisóstomo Mesa, as other peasants, had received a plot from Incora where he grew corn, banana, yucca and small warm climate crops which allowed him to survive. At present he is a palm grower and member of the Coopsabana Cooperative that gathers small land owners who now became palm growers.

Indupalma provides technical assistance to these new palm growers through specialized officials. Rubén Darío Rodríguez is one of them.

"They told me that it was a pension for someone... who had nothing, that it was a pension for the future and to be able to educate the children, I had no doubts, because we have a neighbor owner of 10 hectares of palm and at this time he is already harvesting the fruit, and he is fine" ... Right now we are partners of Indupalma, thirty persons who had land... Many persons have congratulated me and have told me that my palms are beautiful. I have a partner, Jesus Christ, I ask him to bless them". Juan Crisóstomo Mesa, Owner of a farm, now associated palm grower.

08. LET US TALK AT DAWN.

Half past five in the morning, it is dawn, a warm sun just appearing. Fortunately it is not very warm yet. Workers and managers are starting to arrive to the place agreed, where they have been invited in advance, to celebrate de "Indupalmera dawn". The meeting starts with a special snack and music.

Caption. Human and Social Management team.

"I have found new expectations in this place, a gift that I did not know I had, which is communication... and I have invented an information means called "Amanecer Indupalmero" a media that everyone reads through the e-mail. I do it every day and I have been doing it for 6 years Additionally I feel very proud because the company has supported me in this regard... I did not know that I had those gifts." Alejandro Arroyo "El Cacha" creator of the newsletter "El amanecer Indupalmero".

"There has been a tremendous change with ... the musical dawns. It is a very good recognition for the workers and a motivation that they are grateful for. Communication is very good and everyone is happy because they learn about everything." Jose Dolores Vargas, Maintenance Assistant at the Extractor Plant.

Caption. Officials of Indupalma's Plant at la Alborada.

"Dawns" are a true opportunity to communicate within a suitable and professional atmosphere. Those are invited by the company and its managers, to share first hand information, how is Indupalma doing, its improvements, its changes, its decisions. In this way they all share the same information early in the morning while they are very fresh.

At these Dawns for example they learn about the price of oil or why Indupalma is now a promoter of palm businesses. They also receive accurate information about labor management or training offers from the company or about quality and how to become more productive. These sessions do not take long because they all have to work.

"Indupalma is a constantly communicating company, it is a daily task, it communicates through its collaborators, its cooperative associates, its suppliers, in general Indupalma is a company people talk about, hear about and see.

Therefore, for Indupalma thinking of communication has always been an endless task, from the decade of the nineties when communication was used to generate trust and the necessary commitment to save the company and overcome the crisis; later in the year 2000 communication allowed to unite all the region around a great challenge which was the expansion of the palm growing boundaries which is a reality today. At present communication continues being for Indupalma a vital instrument to continue growing, to continue positioning oil palm as a crop with the greatest projection in the country, but without setting aside all its social project, consolidated through communication, building that reputation that talks about an expanding company, but expanding under social responsibility. The challenge continues and every day its audiences continue growing, diversifying, challenging communication, demanding to grow with it." Daniel Ballesteros, Communications Head.

Having people like this is permitting us to impulse the human and social Management processes we have been working on within the corporate strategy, strengthening and orienting the individual contribution of people to the objectives, focusing its development and creating a culture towards the future that allows us address in a mature way the challenges we have proposed for 2020 or, as we have called them, Mega Goals. I have known wonderful people at all levels of the company, their warmth, kindness and respect in their relationships are evident and recognized within and outside the company. The affection of the school students is the best motivation for personal effort. The nature of the plantation inspires creativity, admiration for the environment, the enjoyment of activities different from work, that allow us knowing and finding ourselves. Whoever values the human beings and the greatness of the details shall be able to fully enjoy his/her work at Indupalma." Harold Linares, Human and Social Management Director.

Directors of Human and Social Management in the last 12 years

- Harold Linares Garzón
- Piedad Echeverry Solanilla
- Víctor Jiménez
- Lily Sardi Herrera
- Nelson Tirado
- Helmer Lizarralde Montoya
- Claudia Cristina Celis
- Tyrone Siachoque
- Jorge Echeverry
- María Cristina Joven

Caption. Members of the cooperatives in the Agronomic Dawn.

09. EDUCATING IS KEY FOR TRUSTING

The idea is that Indupalma's work force trusts itself. And Indupalma's work force knows it: If they can assure the daily bread for their families with their own income, with education they guarantee self-esteem, aspirations and progress. That is right. They have to educate themselves and have knowledge to understand and propose.

At Indupalma all have been trained: operators, administrative staff, directive staff, women, cooperated plant growers and cooperated owners.

Caption. Right. A place under the shade in their own farm is proper for these entrepreneur peasants to rest and learn.

During the day they take the shovels, hats and helmets. In the afternoon, the books and notebooks with their notes.

More than 10 years ago education became an activity with strategic priority at Indupalma and has become the progress leveler for its direct employees and allied members. Thus, with their own experience, the Company has tuned up their actions to encourage education in the different fronts. Today it is specially supported in the performance assessment to know the learning and knowledge needs.

The design of the Training Plan is structured based on the following fundamental pillars:

• **Development of the human being.** Where training that allows development and improving their competencies according to the Performance Assessment and the measurement of the Organizational Climate is carried out.

• **Technical Training.** Focused on improving the necessary knowledge for the good performance of the position and the technique contained in the task they are executing.

• **Corporate and Organizational Training.** Focused on reinforcing the knowledge of the company, considering the new business structure. This includes the internal tools used by different areas such as SII and Corstrategy.

• **Entrepreneur Spirit.** It is also taught to the collaborators and suppliers to manage the company, to develop an entrepreneurial mentality. Also to have access to tools contributing to the best results of their entrepreneurship.

• **Support Tools.** This type of training shall facilitate our management but are basic for the labor performance, such as knowing other language, proper knowledge of Excel, Access and other informatics tools, etc.

• **Formal Training.** We encourage all our workers to finish their grammar school, high school and assuming the challenge of a university career and a specialization or master degree. More than 10 years ago education became an strategic priority activity in Indupalma and is a progress lever for its direct collaborators and for its allied members. Thus, with their own experience, it has refined its actions to encourage education in different fronts. Today it is specially supported in the performance assessment to know learning needs and to acquire knowledge.

Caption. At night the Cooperative members study at Indupalma's union facilities. Here they are doing a team exercise during their class.

TRAINING IN FIGURES
• 438 people, workers among them as well as cooperative members and the community in general have been benefited in the last three years from the night shift at Indupalma School.
• 103 workers have received Indupalma's support to do their undergraduate career since 2001.
• 43 workers have been supported by Indupalma to do graduate studies while working at Indupalma.
• During the first semester of 2008, a total of 978 cooperative members received training in different topics such as the human being, technical and entrepreneurial by Indupalma.
• Every year the Company offers accounting, administration, finance courses to stimulate the entrepreneurial spirit among cooperative members, associated, operators and workers hired by the Company.
• In their trainings all the workers are prepared to contribute with quality to the Company.
• Education provides to their own personal growth and contributes to their best family and social relationships.

9.1 THEY THINK AND MAKE REFLECTIONS ABOUT THEIR OWN THINGS, THEY MAKE DECISIONS WITH GREATER SELF ASSURANCE.
They dare to plan their future and their families' future by building it up since now. That model can only be realized with education. With education projects are understood, improved, obstacles are overcome, problems are dominated. With formation men and women feel very confident and may have better relations with others.

9.2 EMPLOYEES HAVE A CAREER PATH AT INDUPALMA.
The Company has not ceased being surprised with the people's request for more and more training. Now the demand for graduate studies stands out and for specializations in topics like management and leadership of groups and enterprises. In undergraduate studies the labor force is interested in agricultural industries, mechanics and administrative issues, specially

cooperatives, since they are part of associated companies which management they must understand in order to advance.

The mottos Indupalma issues have been assimilated to my life: When I joined Indupalma it was said "Indupalma continues advancing"... and I said then "Yolanda continue advancing"... To bring up all these children for whom I had to be a life example. Empiric knowledge is not enough. Education gives us professionalism and in that way people relieve and know that what you are saying and transmitting is coherent with what you do and with what you contribute with." Myrian Yolanda Betancur. She is one of the two supervisor women at INDUPALMA. She is a technologist in Industrial and Technical Management, professional in agricultural and cattle business administration. Business Administrator from Universidad Abierta y a Distancia (UNAD).

"What Indupalma does with education is an investment. Because those results are seen, as I said before, in our work and in the quality that we can give due to the training they give us... The results are seen in the competitiveness at national and international level." Ely Roble, works in Human and Social Management at Indupalma and she studies Psychology.

"Training has a lot to do with team work development, creating ideas, creating thoughts, new alternatives for the company... The person that wishes to study is supported by the company and the support is great, because the individual receives both economic support and time." Lázaro Barón López, Agronomy area, recently received his title in industrial production from Universidad Industrial de Santander.

"The company at this time has been concerned for the workers formation. Not only the direct workers but also those from the cooperatives. Today the worker has all the possibilities to study." José Anibal Alvarez, Works

at the Sanity Sub-Division of the Agronomic Department for sanitary management of plagues and diseases at the plantation.

"I am a Systems Engineer and started studying in 1995, sponsored by Indupalma: I graduated in 2002 as Systems Engineer and in 2005 I started a specialization in Human and Social Management, which I finished in March, 2007.s

Dealing with people is complicated, but you must learn to understand people. You have to know how to approach people, so that they also get to you. You have to inspire confidence to people and then people looks for you... I learned that through the studies and practice." Eduard Kennedy Contreras Rojas, Technical Assistant Human and Social Management Department.

"Thanks to Indupalma, I became what I am. I studied to be an electricity technician, later they gave me a permanent contract at Indupalma. I am a graduated Electro mechanic Engineer and I have always wanted and desired to have the best..."

...One sees the future that oil palm has in Colombia and worldwide. Then one says: Darmed, if I leave Indupalma I will not be part of that process. And that makes you go back and say "I better stay still, to see where we reach". Pedro César Mancilla Lémus, Industrial Department Supervisor.

Here at Indupalma, one indicates what one wants to study and the company makes an assessment and sponsors you, according to the area where you are focused working..."

Thanks to Indupalma's cooperation with its workers, it plays a "Win-Win" game: it invests and we provide the knowledge acquired at the university." Henry Barrera, Logistic Management Department soon he will graduate as Electro mechanic Engineer.

9.3 AT NIGHT, THE AGRONOMIC COOPERATIVE

MEMBERS ARRIVE TO THE UNION TO STUDY, IN ORDER TO DO THEIR PRODUCTIVE TASKS EVERY TIME BETTER.

"The company started giving some training ...because the vision was that you have to be prepared if you think of the future... It has dictated several courses. I am an accounting assistant; I studied a diploma course in finance. SENA has also hired me... and today I earn directly from the classes I teach to my peers about labor competencies." José Ángel Ortiz, member of the Bonanza Cooperative.

"We are seeing... The rules required for pruning,... We talk about the stereotaxia cutting in the palm. I am a technologist. Thanks to Indupalma's courses. We not only want to have knowledge... But also to apply such knowledge to advance in our living quality. And the truth: to be Owners of our own palm processing industry. It would be excellent." "Paco" Sanabria. Youngster affiliated to the Bonanza cooperative.

"¿Training?: Well, to work, for your employment because if you are not trained in any company, in any job, you will have problems to be hired. ¡I need training for everything! it teaches me to do things right, better and with greater quality, and that is important." Ubeimer Lázaro Martínez, Associated Cooperated member at Cooperativa Bonanza.

"Frankly, one admires the sacrifice and spirit they have to be better and try to improve their daily tasks... They are seeing in the labor competencies process an improvement in their daily activity: more economic benefits and also at education level, at family level and they will do their tasks with greater functionality." Jorge Ernesto Serrano, Agronomist Engineer, instructor, labor competencies Counselor.

"I like the training I have received... because frankly, some times one is shy to communicate with other persons and training makes you aware of yourself: that one has to

speak and express what one feels and not to be quiet. That is what I like about trainings. That is, they teach you to self asses oneself and not to be hiding there." Wilmer Amaris, 20th of July Cooperative.

**"To promote equality among genders and woman's autonomy".
"Reducing infantile mortality".
"improving health care to mothers after they give birth".
"Fighting HIV / Aids, malaria and other diseases".**
Second, third, fourth and fifth objective of the Millennium.

9.4 HURRAY FOR WOMEN AND LET'S ALLOW THEM TO HAVE A BETTER LIFE STYLE. Indupalma's interest in the progress of women does not remain in the promotion it has desired to give them, developing their cooperative or in the appreciation it has for their professional performance as directors and collaborators of the company. It has also wanted to do it with the women from San Alberto. Indupalma has invited them through the radio for eight years already, to participate in the ANSPAC Program. This program enriches their values, skills and self esteem. It teaches them home economics and works with them on personal and family improvement mechanisms and leadership with values in their families. The Program has been working for six years for the physical, emotional, spiritual welfare of women. The Company understands that they are extraordinary makers of their own living quality and of those who depend on their human wealth.

In average 26 women attend once a week the training offered by the program.

"ANSPAC is very important in a town like this, for those women who have been housewives since very young... I have now two daughters and I have learned to appreciate them because as a mother one commits the error of insulting them, of saying bad words to them, some times you can not stop that, but I have learned that children

are treated with love, teaching them things, as we were taught at home.

... God willing ANSPAC shall continue next year. This year we have been treated as we are, they have respected and taught us many things. Eventually we would like that next year we had classes twice a week."
Judith del Rosario Medina, Participant of the ANSPAC Program.

They teach you many things, for example, not to be frightened before people, to speak with all the expression, without fears. They teach you the values at home as a woman, to have your husband.

... For example, with my husband, teach him that he has to respect me. As he deserves to be respected I must be respected as well.

...That is what ANSPAC has taught me, not to allow any man humiliate me; also that the same way I deserve to be treated, I should treat others. With patience and love you teach them. And I have taught him about the values that one should have as a human being and how to treat others.

ANSPAC teaches us to feel secure, when we are going to speak with someone, not to be nervous at all, to feel confident about what we are doing."
Ludis Marcela Zambrano, participant in the ANSPAC program.

9.5 WE ARE THE ECHO OF THE GOOD "SECRETS": THE "SECRETS TO BE TOLD".

Six important and charming books from the series "Secrets to be told" open the doors to the Colombian country people to know what is beautiful, good, what has to be known and learned regarding interesting, kind and valuable topics. The books are distributed with enthusiasm by Indupalma in the municipalities of San Alberto, San Rafael, 20 de Julio, Tropezón, Minas and Sabana de Torres and in general all the zone of influence of Indupalma.

The books come from the Antioquia Foundation "Secrets to

be Told" which one day supported education with intelligence, generosity and interest; it saw how important it was to give in the best way possible certain knowledge to our people in the country. Under that concept the books were born, and are distributed today by Indupalma to give happiness and teach people from all ages. Books that invite the peasants to be interested in reading as a possibility to acquire culture, which awake the interest to know, which accompany them in their daily life and in their free time. Books made to create an interest in the reader and to be responsible for others and for their natural and social surrounding.

Caption. After they were delivered with previous animation made by the Human and Social Management cooperators at Indupalma in San Alberto, it is a pleasure to see out in the streets and home patios many parents sitting down with their children rading any of these books, taking some space from their work journey to "let go" with these secrets.

Caption. Some titles of the "Collection Secrets to be Told" made by the Foundation with the same name. Indupalma has delivered 1.296 collections.

The following are the titles of the collection which authors summarize with great wisdom that "what is beautiful, good or true are the paths that should be walked by the individual in his/her different formation and growth stages".

HOME AND THE COUNTRY. Talks about the secrets of daily life in the country. It has cooking recipes, tricks to seed and raise animals, medicinal plants and how to handle garbage among other things; those are the topics in which the book is focused.

EVERY DAY READINGS. This is an anthology that proposes adventures in several literary styles: poetry, short tales, essays and word games, which are interlinked strengthening values to be shared with the family.

STORIES AND SITES. It reveals the mysteries kept in the earth and how they have passed throughout time. From the cosmos up to

Colombia geography, from the first civilizations up to our times, inventions, and successes are narrated in this book.

STORIES AND PASTIMES. It is a collection of games, riddles, tongue twisters and tales that are woven in an invitation to share daily life with the family.

LIVE PLANET. It is homage to all the beings coexisting with us in the earth. Beings with roots and spores, with wings, feet and fins, organisms and micro-organisms, are special guests in this book that tries to create awareness and responsibility with the world around us.

MAN AND ITS CULTURE. It is a journey through different cultures of Colombia and the world in their rich and diverse manifestations. An invitation to its recognition, respect and valuation.

10. WE HAVE A DIPLOMA ON OIL PALM

Education and training are a fundamental basis of the new economic and social development model Indupalma has built up in San Alberto and other municipalities in its influence area in the Magdalena Medio region. Education and training that comprise human development, the administrative and corporate formation and technical knowledge.

As part of the technical training, the agronomy engineers of the company have taught for several years the "Diploma on Palm", periodical courses that cover different topics related with oil palm crops; its history, botanical aspects, pre-green house and green house, soils and plantation, fertilizing, pollen fertilization, vegetal health, harvesting and transportation, processing and industrial uses.

Caption. Below. Fruit of the oil palm ready for its extraction. Right. Oil Palm

Caption. Above. Green house at the plantation, supplying the small palm trees

to the company's plantations and to the projects' plantations.

The "Palm Diploma" is an open program where workers from the company and the associated work cooperatives may participate, as well as officials and outside public. The idea is that all, including those with direct contact with the plantation, up to the people that do administrative tasks or who live in a region where oil palm is a constant reference, better know and understand their work and their surroundings.

With this series of booklets, Indupalma aims at leaving a didactic and enjoyable record of each of the courses dictated, for permanent information, not only for those who are taking this specialization course but also for many other people that wish to know more about oil palm today. This crop, due to its characteristics, is currently offering the best results for the recovery of the Colombian country side.

Caption. Palm Diploma Collection with which the company has generated a thorough technical specialization around this crop, to achieve the best agronomic results with environmental sustainability.

"To achieve the universal primary teaching".
Second objective of the Millennium

11. BASIC EDUCATION SCHOOL AT INDUPALMA DOES NOT REST.

The classrooms are always occupied by the 226 grammar school children in the day shift and by the adults and 10 workers that with tenacity are being prepared to have the high school diploma in the "night shift".

Indupalma school offers several emphases to the children:

- The promotion of the cooperative spirit, by encouragement and orientation to the children by the company.
- The development and application of the mechanism for conflict solution among the children.

- The use of electronic technology for teaching and learning.

Caption. Below. Adults enjoy studying high school at Indupalma with their computers. Right. School student in the classroom with the computers.

Caption. Above and right. Mediator children that beside the cooperative children acquire awareness on responsibility and solidarity.

11.1 THEY ARE NO LONGER THE "PITUFOS" ("SMURFS"), BECAUSE THEY GREW UP: THE CHILDREN'S COOPERATIVE HAS GROWN IN AGE, SIZE AND MATURITY.

Now the school children cooperative has become Coopremender Cooperative, after 10 years of work of the school children. Their experience and good handling of the administration and the pre-cooperative books by the children reflect its maturity. Coopremender Cooperative has grown greatly in amount of members; it has associated adults and has broadened its social object to services to the community and the regional cooperative sector. Its main asset is a Kodiak dump truck valued in COP \$50 million.

Members of the Children's Cooperative: COOEMPREDER

132 children associated to the school (79 boys and 53 girls)

138 youngsters graduated at the school

13 Indupalma employees

Total : 283 associated members

"I joined 'Pitufos' because I liked their events and because I felt that it was to progress, in spite of being children".

I am very enthusiastic with COOEMPREDER, because I feel that it gives us values. I want it to grow in the future and that we may study and strengthen it to help the children that will study at the school in the future. "We should buy more things; but things that generate money for the Cooperative and buy another dump truck, a tractor and a house, so that we all know that it is ours, that it belongs to the cooperative".

Angie Lorena Gutierrez Marin, 10 years old, 5th grade. She is the governor and second authority after the "personero" and member of the Board of Directors of COOEMPREDER. Her father is a simple man that administers a booth in "Amarillo", one of the many zones in the municipality.

"Helping the students resolving their problems without aggression: For that purpose we have those from the seeding area and us the experts. I remember when Jefferson was the "personero" and two 4th grade boys were fighting. Very serious and before witnesses. When one insulted the other, he responded with his fist and the other hit back with a rock. When everything calmed in good terms and I told my mother, she congratulated me and gave me a present.

Once at home, my sister had a fight with a cousin because he grabbed a letter from her boy friend and read it. I acted, they followed my advice and everything was solved. When I remember that, I feel happy." Edward Javier Pérez, son of an associate member at Cooperativa Siglo XXI; he is 11 and is in the 5th grade.

11.2 MEDIATING CHILDREN: THEY EDUCATE THEIR MIND TO BE ABLE TO ADDRESS CONFLICTS NOW AND IN THE FUTURE AND THEY ARE AN EXAMPLE TO ANY COLOMBIAN.

"Would you like to go to the mediation room to resolve the conflict?" That is the question you hear every day when expert mediators, not older than 12, solve the differences arising in each of the classes of Colegio Indupalma. It is a Conflict Mediation Program.

The Program provides the students the betterment of their human condition, pacific coexistence, through proper conflict management, based on the dialogue that impacts the school, social and family environment and finally, the development of

citizens' competencies. The conflict mediation process at school has irradiated to the parents who participate in it and it has been especially important in this violence zone with constant intra-family conflicts and it takes place from grade 0 up to the fifth grade.

11.3 CAUSES AND CONFLICTS THAT LEAD TO THE CHILDREN MEDIATION.

Nicknames • Bad words • Lack of respect • Destructive Criticism • Loss of objects • Misunderstandings • Gossip • Aggressiveness • Foul language.

11.4 ACTIONS TO BE ALWAYS PERFORMED.

- Reinforcing the mediation program.
- Determining in each case or type of conflict which is the persistent student in each class and be able to have an individual follow up, either to send him to the psychologist or to start working with his parents.
- Strengthening the mediation shifts at breaks.
- Working jointly with the school governor for the generation of directed recreation activities achieving in this manner to propose alternatives so that there is no time for conflict gestation, but that those free time spaces are occupied with recreation and rest.
- Discussions and recommendations at the team directions.
- When being in line, they are reminded of the importance of the mediation program and its philosophy, as well as the task the mediators have in the classroom.

11.5 WHAT IF THE COLOMBIAN ADULTS WOULD DO A MEDIATION EXERCISE OF OUR CONTROVERSIES, LIKE THE ONE DONE BY THESE KIDS?

"What satisfies me the most about being a mediator, is to learn not to be aggressive with my peers; and help them so that when they grow up, they do not follow ...a violence path. One does not force them to go to the

mediation room; one simply asks them if they want to go, if they want to settle the conflict. Most of them come for help. Student and Mediator of Indupalma School.

Caption. Teachers at Indupalma School.

11.6 SCHOOL PERSPECTIVES IN THE SHORT, MEDIUM AND LONG TERM.

The school goal in the short term is to contribute with the educational development in the region, implementing a pedagogic model, based on the integral formation of its students, involving the family in the educational development of children, in such way that the social scope of our company can be broadened.

In the mid term, the goal is to develop a curricular model, based on innovation, crossing through and handling the information and communication technologies (tics) as an integration axle, for the teaching and learning process of our students.

In the long term, continuity of the educational process shall be consolidated, widening it towards the basic and medium vocational education and in this way guarantee the offer of our services and the social impact in the region.

"To achieve primary education for the universe".

Second objective of the Millennium

12. TRUSTING IS NOT BEING SILENT AT INDUPALMA'S UNION

The Bargaining Convention signed for 10 years in 2006 and extendable until 2016* has been a daily lesson of understanding for union members, managers and officers. Today Indupalma is the first company of the country to have signed a Bargaining Agreement with the union for so many years.

* The Collective Bargaining Agreement between Indupalma and its Union shall be extendable until 2016, if the company is able to negotiate its current pension

liabilities. Otherwise the Convention shall be negotiated once more in 2.012.

With the signature of the last Convention where confidence has been projected towards the future for many years, it should be also highlighted the "credibility index" agreed by the Union and the Company, years before upon the signature of this last Convention.

These notable achievements are even more meaningful if the difficult and complicated relationships between Indupalma and the Union Sintraproaceites between 1977 and 1993 are remembered, where the absurd labor demands almost finished with the company.

What have the Company and the workers done to reach these joint collaboration achievements? It can be stated that they have implanted transparency in both parts, promoting personal and professional development of all the workers through training and education, and having dialogue spaces, which have been fundamental to build up the confidence Sintraproaceites and Indupalma are standing.

Indupalma union was created in 1972 as Asintraindupalma and became Sitraproaceites in 1985. During all those years it made huge demands that the company had to accept; these lead the company very close to bankruptcy. After seeing how the company almost came to an end with the risk of destroying the productive motor in the region, the Union accepted reflection when Indupalma's directors, with figures in their hands and reasons to be shared in the future, invited them to jointly rebuild the company.

12.1 PARTICIPATIVE CULTURE, PERMANENT CONSTRUCTION.

Confidence build up requires time, but mostly, an immense potential to recognize the other within his spiritual dimension, within his life expectations, his interests as an individual within a community,

which at the end of the day are translated into one simple word but with a great meaning: friendship.

It can be said that Indupalma has a friendship with its union that permits to create every day those dialogue and proactive spaces where ideas are valued and where the opportunity to discern is converted into a future construction exercise.

The "dialogue spaces" are opportunities to recognize the human being. To be able to openly discuss all the topics which are part of daily life in the company, allow daily improvement.

Dialogue spaces, the Workers Corporate Committee, the Pensions Committee, the Occupational Health Parity Committee are the daily expression of the relationships with others, aiming at the possibility of understanding, agreeing and giving support.

12.2 THE COMPANY SPEAKS.

"Acquiring trust is not easy. Confidence is gained but it takes time. In our case we achieved it year after year. Indupalma's most important roll has been to be coherent between what you do, what you say and what you believe. One can not arrive to the Negotiation Table to say something and do the opposite. And when we make mistakes, we have to recognize it, precisely to solve, to continue building up confidence which allows us to advance safely. This also applies to the relationships we should have with other cooperatives projects." Orieta del Pilar Prieto, Indupalma Planning Director and in the last decade a participant on behalf of the company at the bargaining table for the signature of collective bargaining agreement with Sintraproaceites.

12.3 INDUPALMA'S UNION PRESIDENT SPEAKS.

This is not a Union to destroy the company.

"I want to leave it very, very clear, that the union does not aim at leading the company to bankruptcy, but rather at finding the formulas: seeing how

we recover this company and that it is even better...

Simply, we had an extensive Bargaining Convention because we have confidence on the owners and on the directors of this company. Well, we learned to understand each other with the company, mainly due to the trustworthiness the directors have inspired on us to understand each other among ourselves...

...In the "future" chapter of the Convention it says: "Being human is thinking about others" and we act in a human way. One leaves aside egotism, even our own personality and one is in the hands of the other person, so that such person assumes what one is and tries to change. One has to start with the first steps, so that the other person says: "He/she is giving me the support I need to change.

"We must think that the Company needs to do investments".

When the collective bargaining conventions start being negotiated in the short term, the companies have a problem and soon what will happen in the labor environment and there might be a risk of strike, becoming an international problem because the strike is known internationally and that effects the commercial relationships with other countries".

A Union that gives solutions

... A union should be tolerant, a conciliating union, which is the most important thing, where the parties do not sit down to discuss but to find solutions to the problems that arise.

The agreement was to make the company successful.

... We all started the task of turning this company successful: the confidence that one gave to the officials and the confidence given by the officials to the workers gave us one result... a way to get closer without many problems.

How important it is that the information is in everybody's hands.

... What you notice is that .. in the past, information was closed, ultra-secret. Based on the trustworthiness and responsibility we have built up to gain confidence, the company has also handed out information on what will be done and now the workers are told and communicated which will be our direction and where we are going."

Caption. Below. At the table, the Manager, Officials and Union members of the Company.

"We loose" to win.

"One has to understand that one can not win them all, consequently one has to see the possibility that the other party also needs your cooperation so that it functions. The balance is a win-win. Santos Aguilar Muñoz, one of the Union leaders, he is a Supervisor and has been 30 years with the Company.

12.4 REGARDING THE SIGNATURE OF THE BARGAINING COLLECTIVE CONVENTION: "HERE WE DO NOT HAVE LOSERS".

"I must state who I am, what I think and believe, but also I should understand my colleagues, my counterpart, so that there is an understanding, how we coexist every day.

... It is a company that has given me the opportunity to be prepared, to grow as a person, I have matured through all this time." Hermes Enoc Robles, Security Guard of the Company.

"Here we did not have losers. Both the company and ourselves were the winners. Because there was an understanding between the parties." Albeiro De Echeverri Valencia, Union member and clarification operator at the Extracting plant. He has worked for 24 years at the Company.

12.5 THE CREDIBILITY INDEX IS LIKE AN INDEX OF SENSITIVE RESPONSIBILITY WITH THE OTHER PARTY. Beyond having achieved

progressively the extension of periods between the collective bargaining agreements that were signed, the Union and the Company agreed in an extraordinary way and outside the Convention, to have a Credibility Index evidencing the value the parties give to their word and to mutual trust, in commitments related to the respect for the other party and the actual improvement of the human relations, around the labor commitments.

12.6 "THE MIRACLES OF HUMANITY", IN THE RELATIONSHIPS BETWEEN THE UNION AND THE COMPANY.

"Every time I am asked which was the "formula" as a lawyer to contribute in the construction of coexisting relationships with the union at Indupalma, I always answer ;Acting from the heart!

I know this does not seem as a lawyer's answer and far less as a labor lawyer... but it is true.

Through my experience at Indupalma I learned that, when one reads article 1 of the Labor Code and finds that the purpose of this code is to "achieve justice in the relations arising between employers and employees, within an economic coordination spirit and social balance" the idea goes beyond beautiful words and focuses on understanding and making that others understand that the work contract and everything dealing with it, including the fees, regulations, the collective bargaining agreement, instructions, procedures and goals, have a sense as a pretext to promote a lovable vision of my life with the other, in the execution of a productive task interesting to all.

Acting from the heart is recognizing one's own fragility, recognizing in the other a human being like one self, understanding that the other is important to build life, giving dialogue a value as a fundamental tool to harmonize and translate the law into an instrument to promote

human capability and not to materialize egotistic interests.

By developing this "formula" I learned that the figures are an important argument when they are made to generate better living ways; that the regulation has sense inasmuch as it helps to build coherent social networks and the arrogance and pride of having a title is not what allows to materialize justice aspirations, but rather the simplicity in the application of the knowledge and experience.

At Indupalma I have learned that the miracles of humanity are possible and that the Law, specially Labor Law goes even beyond the code, it is life in the universe of productive human action as a foundation principle of a Social State of Law that gives us the opportunity to connect looks and perceive, in the kind look of the other, the goodness of responsibly setting goals that allow the construction of economic universes where man is the cause and purpose of the collective effort, as it has happened at Indupalma and we desire it to continue happening". Julio César Carrillo, labor attorney, Indupalma advisor during the last fifteen years."

"To guarantee sustainability of the environment"

Seventh objective of the Millennium".

13. RESPECT FOR NATURE IS ENFORCED

The Botanical Garden of the company: Indupalma has an environmental surrounding carefully kept during 40 years of operation.

Freshness and shade these are the characteristics that you observe when you get to Indupalma's facilities in San Alberto. A beautiful site with exuberant tropical vegetation to defend itself from the intense heat and strong sun there. When you speak about environment in Indupalma, a rich natural environment stands out enthusiastically kept and taken

care of where their people work beyond the plots dedicated to the oil palm. It is a botanical garden that started during the 70's consisting of a variety of 400 ornamental palms, with approximately 3.000 species and 250 genders which may be found along the plantation. Since the beginning this characteristic place which gives shade, beauty and freshness to workers and visitors generated the guidelines for environmental care throughout the company.

At this tropical site it is frequent to see amphibious, beetles, reptiles, and snakes, mammals such as monkeys, bats, birds and butterflies.

INDUPALMA'S ISO 14001

Indupalma was the first palm company to obtain the ISO 14001; this commits the company to develop sustainable processes for the plantation and the extracting plant. Obtaining the certification implied an internal organization of the company regarding solid waists, emissions management within the plant through a boiler specially designed for environmental care; power, water saving and recycling actions and campaigns, environmental protection practices favouring the communities living close to the company and optimizing the available economic resources for environmental management. Currently Indupalma generates 100% of the required power from boilers fed with organic waist material.

The company's interest to lead environmental certification to a palm growing company provided an important recognition in the sector and generated confidence among external investing entities (Midas).

Caption. Indupalma is continuously looking for new techniques and measures to constantly improve and to impact our environment as little as possible.

Indupalma continuously carries out environmental actions in self sustainability and organic practices such as:

ORGANIC FERTILIZATION: made with by-products generated both by the plantation maintenance (pruning and harvest) and during the oil extraction process (fiber, husk and cob). These products improve the soil's physical-chemical qualities. Therefore very little chemical fertilization is used. The company also develops biological control techniques for plagues, with field culture of fungus stumps which control the various organisms that cause the palm's diseases. Consequently chemical products and pesticides rarely enter into the plantation.

When there is need for fertilizers in specific kinds of soils, the company is extremely careful with their use, applies them in very accurate doses and uses the proper techniques to avoid washing.

PLAGUE CONTROL: it is performed with manual and biological techniques. When necessary Indupalma uses products which have been approved by The Pesticide Evaluation Report and Safe Action Plan (PERSUAP) and have little environmental impact; application goes hand in hand with the staff training regarding use, management and application. **WASTE MANAGEMENT PROGRAMS:** With trained staff and knowledge, Indupalma takes advantage of its purest organic plantation waste in order to improve its soils and therefore avoid the use of chemical products.

ENERGY OPTIMIZATION. SELF-GENERATION. ORGANIC BY-PRODUCTS USED AS FUEL: the slogan is optimization in the use of electric power based on savings by using saving equipment which complies with the UPA Energy Star (USA). Additionally, the company's Primary Benefit Plant has a co-generation turbine supplying power for the functioning of 100% of the Extracting Plant. Even more: the turbine's mobilization is carried out with the steam generated by the boilers which at the same time, use fiber and husk, two by-products

of the extraction process. We do not use fossil fuels that are the ones increasing the greenhouse gas emissions.

SOIL MANAGEMENT: Most of the soils currently used by Indupalma for oil palm plantations were used for extensive cattle growing and they have gained environmental, social and physical conditions after oil palm is grown there. Because of the agricultural use they have improved their physical and chemical properties due to the addition of organic matter and compacting prevention. The plantations have brought back to this soil different species of insects, mammals and birds. On the other hand, the oil palm captures more CO₂ from the atmosphere reducing global heating due to the greenhouse gas phenomenon. Additionally, forest protection rounds, which increase the water level regulation, protect the superficial water and their hydric offer.

WASTE WATER MANAGEMENT: In the company's plantation no waste water spilling is done. Indupalma's industrial plant has an industrial waste water treatment system consisting of anaerobes and facultative lagoons, which improve the quality of our effluents in 90% through the biological degradation of the organic matter. Thus, the lowest impact is caused to the final receiver. Currently, Indupalma is also designing a program to capture methane gas generated through this process and to contribute to cleaner production processes.

ENVIRONMENTAL PLANS AT THE PLANTATION: Coopsbana one of the new projects for oil palm growing developed by Indupalma with its associate allied members has the support of USAID under the MIDAS (Alternative Development Program) program, that requires a very restrictive Environmental Management Plan to handle the plantation in each of its stages. The established measures are oriented not only to prevent, mitigate or compensate the possible generated

impacts, but also to guide the peasants on the establishment of organic plantations and the prohibition of pesticides not approved by The Pesticide Evaluation Report and Safe Action Plan (PERUAP).

13.1 UNDERNEATH THE PALMS A BEAUTIFUL ALMOST PREHISTORIC LANDSCAPE. This is the way it is perceived because the company protects and respects moss, lichen beneficial for the palm's productivity, not competing for the nutrients. The protection and development of an environmental criterion throughout the labor force and the allied members is constantly performed through instruction awareness campaigns.

"To guarantee environment sustainability".

Seventh objective of the Millennium.

14. QUALITY IS CONFIDENCE FOR CLIENTS AND ALLIED MEMBERS

Searching the product's quality and the management quality are social responsibility acts with the clients and the market. Today the Company has the most important certifications and the Colombian Award to Management Quality, as follows:

- ISO 9001 Certification: obtained on April 6, 2000. Certified again on February 21, 2002, on June 24, 2005 and June 16, 2008.
- Environmental Certificate ISO 14.001: obtained on June 24, 2004 and certified again on June 16, 2008.
- OHSAS of Industrial Security and Occupational Health: Obtained in 2008.
- Colombian Award to Management Quality: obtained in 2006.

... Certification is the first step you give; we also obtained the national prize for quality management and from then on, what we want is to

improve our processes, not only to receive the national prize for quality management, but also the Ibero-American prize, we are already talking about, at South American, Central American level." Dalila Bibiana Moya, economist, assistant to the IMP Division, Integral Management Processes.

"Currently we are working in two completely differentiated business units: INDUPALMA Investment Banking and Project Operation, and Agro-industrial INDUPALMA. The above causes that we handle two different definitions about quality. One regarding to our agro-industrial products and the other one regarding our investment banking services.

Our Agro-industrial unit should aim at the product's quality. The company belongs to the first link of the oleaginous, oil and grease chain, which is considered within the commodities range in the world market, that is to say, our products (palm oil, "palmiste" oil and "palmiste" cake) are characterized for not being differentiated. Our challenge is offering quality to the client regarding the permanent availability of its raw material assuring the delivery of oils and cakes in time.

Simultaneously our Investment Banking is centered in the service provided to our clients.

At the same time our Investment Banking is centred in the service provided to our clients as to oil palm agro-industrial project structuring and operation. Quality is therefore understood as the complete satisfaction of the investors that contract Indupalma for their project's management, which may be palm plantations or benefit plants. Here we have to make an effort to manage the agro-chemical, industrial, financial, juridical, labour, environmental and social processes required by the projects we handle to be successful. Indupalma is committed managing the quality at the organization's interior." Lina Hoyos, Finance and Marketing Director, Indupalma.

14.1 AFTER TRYING FOR FOUR YEARS, INDUPALMA OBTAINED IN 2006 THE COLOMBIAN AWARD TO MANAGEMENT QUALITY: ¿What do you mean by trying? For the company the participation in this type of processes is a corporate motto that permanently encourages it to do intense improvement processes with great motivation. That is what happened with the Colombian Award to Management Quality that represented a joint reflection opportunity, around a model, an excellence reference it had to reach.

14.2 INDUPALMA REACHED IT. HOW?

Indupalma had to do its improvement in the 8 components supporting the Management Quality Award, such as: Strategy and Strategic Management *Leadership and Management style, *Human Talent Integral Management* Market Knowledge and Satisfaction of clients and final users* Process Management *Knowledge and Information Management, Social Responsibility* Creation of Value and Results. All of them have in their spirit human talent development, social and environmental responsibility, responsibility with the clients and the society.

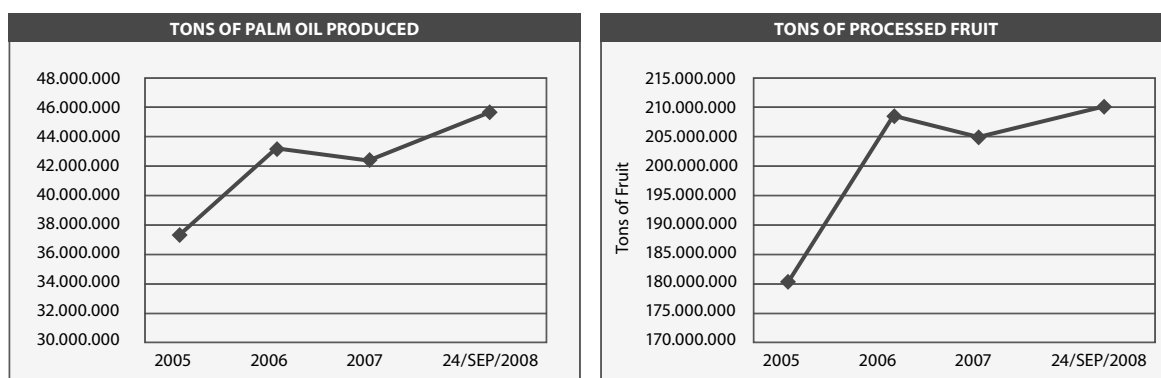
The Award is granted by the Ministry of Trade and Industry and Tourism and the Quality Corporation, to promote innovation and betterment of the integral management. Now, in line with its motto, the Company is being strengthened to participate in the Ibero-American Quality Award. Therefore it wants to measure Indupalma's solidity and competitiveness at international level.

"In the last postulation the company made all the organization to participate. We all contributed from every one's perspective. There was team work and desire to show the company we have." Orieta del Pilar Prieto, Director.

Graph page 29, (Spanish version).

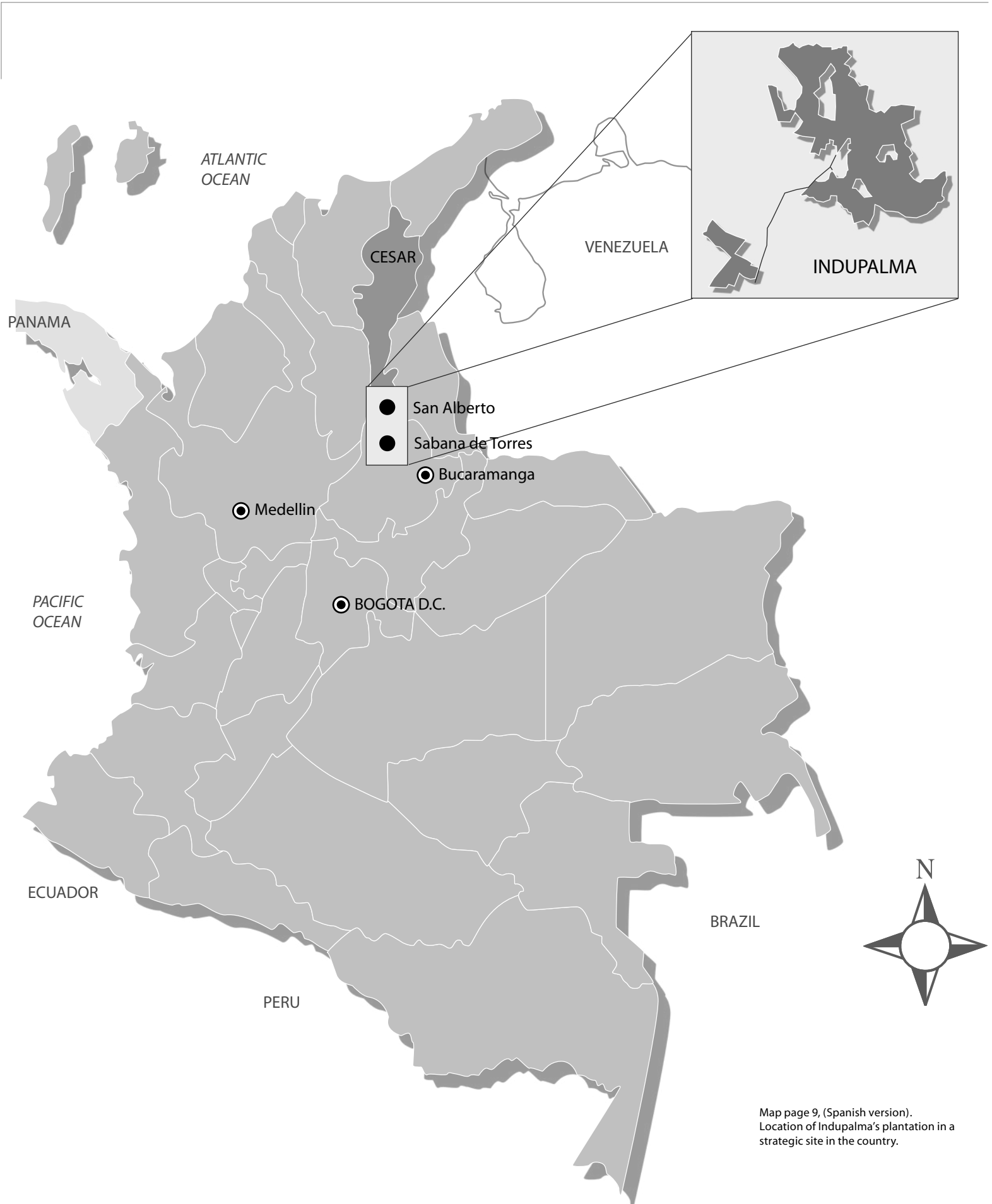
YEAR	2005	2006	2007	24 /Sep/2008
Processed fruit	179.387.928	207.684.068	205.416.003	210.324.501
Oil produced	37.248.058	43.195.780	42.800.389	45.869.555
Oil extraction	20,76	20,8	20,84	21,81
Palmiste (palm by-product produced)	6.831.587	7.822.664	8.806.567	9.176.162
Palm cake	4.020.552	4.335.720	5.072.386	5.118.270

Graph page 29, (Spanish version).



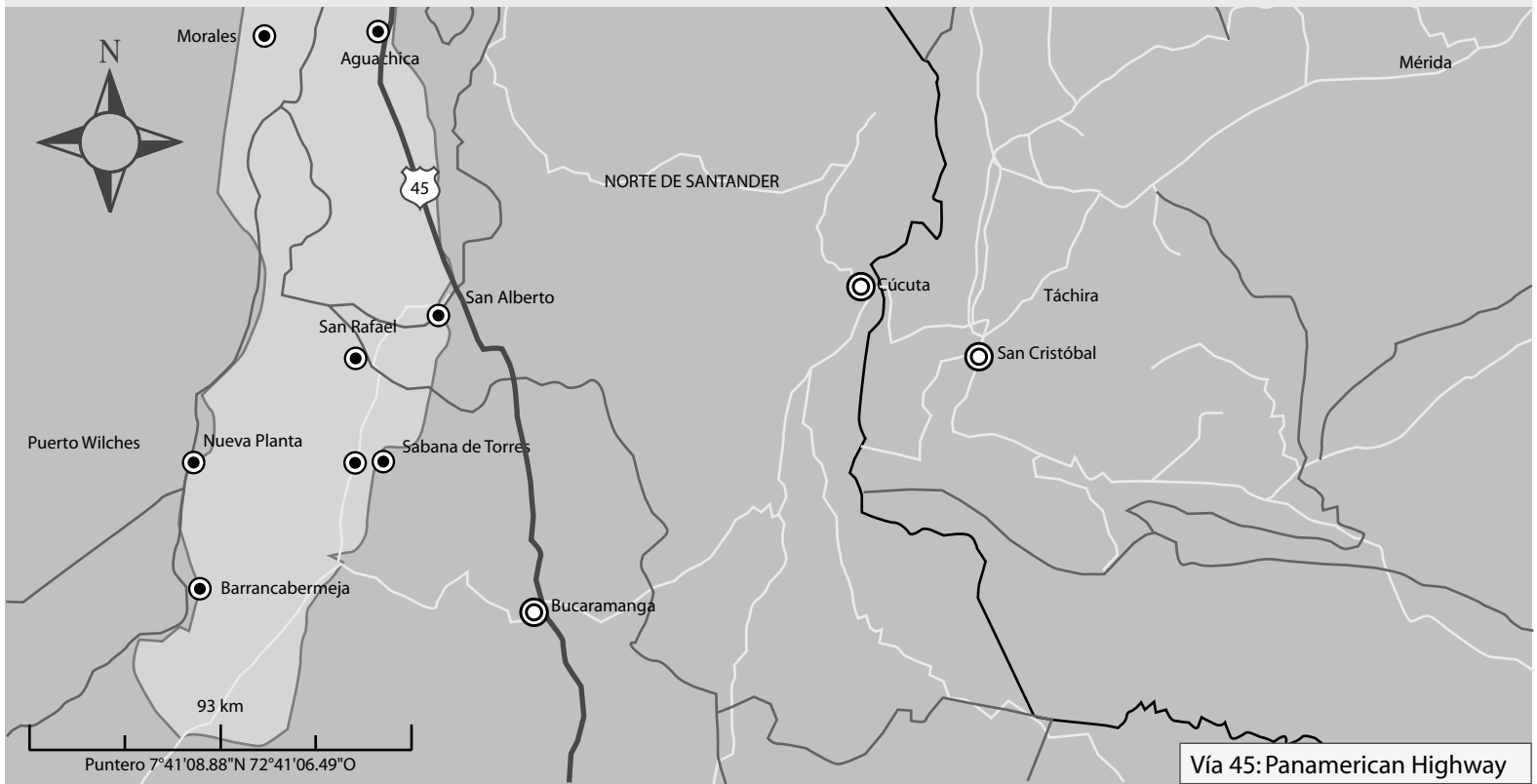
Graph page 33, (Spanish version).

HISTORIC DATA ON COOPERATIVES			
Year	Amount of cooperatives	Number of associated members	Contracting value with Indupalma in Colombian pesos
1995	1	41	\$ 36.216.000
1996	12	463	\$ 1.171.000.000
1997	16	585	\$ 3.711.000.000
1998	16	672	\$ 5.258.000.000
1999	19	841	\$ 7.610.000.000
2000	20	872	\$ 7.546.000.000
2001	20	905	\$ 9.123.500.410
2002	20	944	\$ 10.324.502.243
2003	20	996	\$ 10.427.027.499
2004	19	948	\$ 10.155.875.076
2005	17	808	\$ 10.914.665.434
2006	17	789	\$ 11.419.026.954
2007	19	789	\$ 11.994.225.485
Accumulated			\$ 99.691.039.101



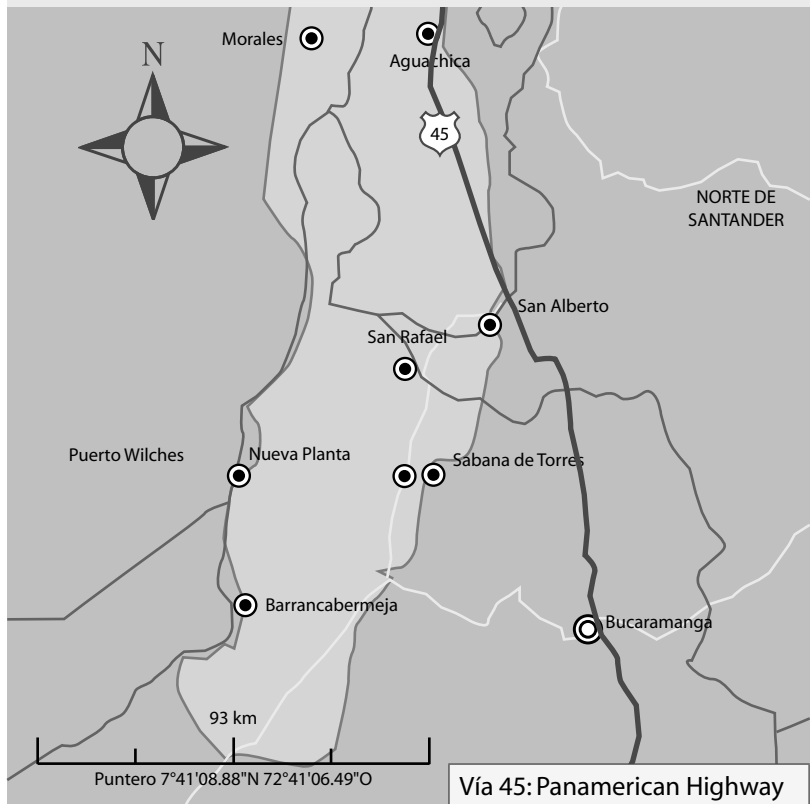
Map page 9, (Spanish version).
Location of Indupalma's plantation in a strategic site in the country.

HIGHWAYS AROUND INDUPALMA'S PLANTATION

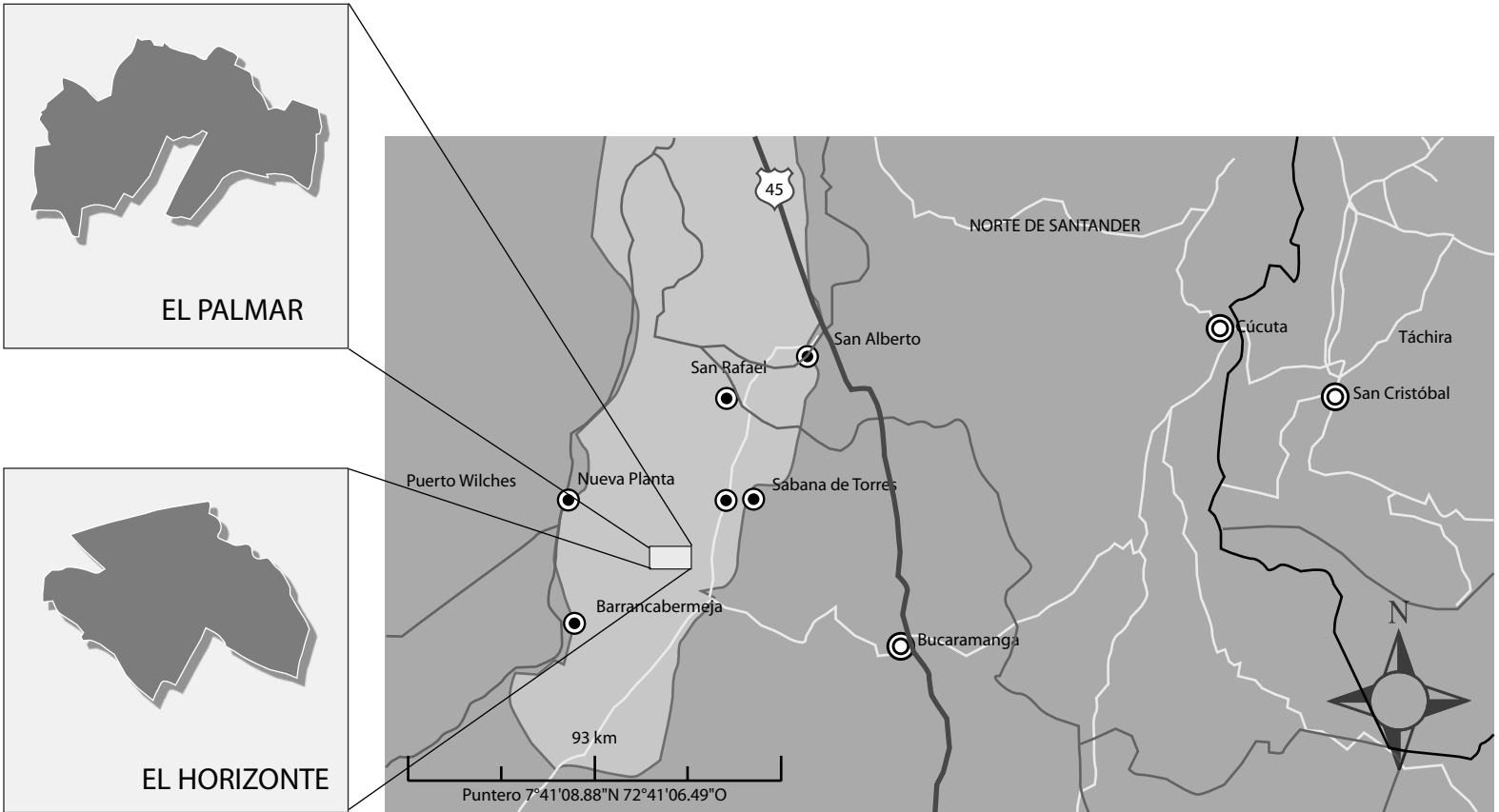


Map page 10, (Spanish version).

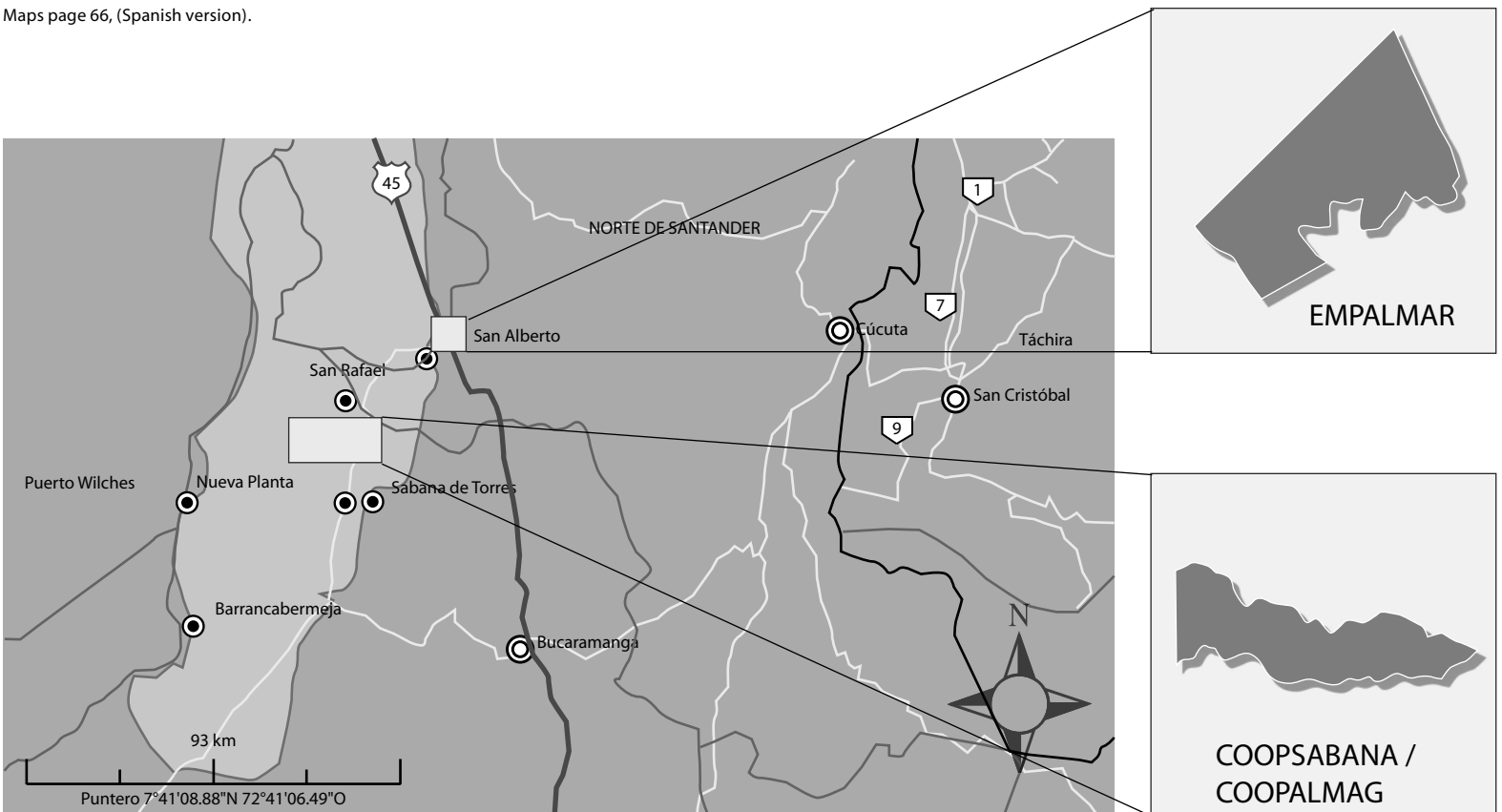
HIGHWAYS AROUND INDUPALMA'S PLANTATION



Map page 10, (Spanish version).
Indupalma's area of influence in the states of Cesar and Santander.



Maps page 66, (Spanish version).



“It is worth giving a hand.
It is like opening the heart to support,
encourage and be able to demand from our
people. Giving a hand so that we all can win.”

Rubén Darío Lizarralde, *Indupalma General Manager.*