



Perdue Agribusiness LLC Palm Oil Sourcing Policy

At Perdue Agribusiness LLC, we integrate the sustainability principles of economic success, environmental stewardship, and social responsibility into our business every day. We source, purchase, and process agricultural products with the goal of helping our customers prosper with flexible, forward-thinking solutions for agricultural-based products. Consistent with that goal, we endeavor to provide the world access to safe, responsible, and sustainable agricultural products. Our mission is to be recognized as a leader in sustainability achieved through continuous improvement.

Palm oil is widely used by millions of people in the world, and for many, plays a critical role in supporting their livelihoods. It is grown mainly in the equatorial belt where abundant sunshine and regular rainfall contribute to palm oil having the highest oil yield per hectare of cultivated land than any other edible oil. As a result, palm oil cultivation has grown into a significant global industry with plantations now covering an estimated 27 million hectares.

Due to its natural advantage, palm oil cultivation remains an attractive investment for investors. Rising demand has meant that, in some areas, rainforests are being cut down to make way for new planting, which drives climate change and biodiversity loss. In addition, the expansion of palm oil plantations has led to a range of human rights abuses and issues between plantation companies and local communities. It is important to keep these challenges in mind and find ways to sustainably meet the growing demand for edible oil using the lowest area of arable land and uplifting the livelihoods of smallholders in the local communities.

At Perdue Agribusiness LLC, we recognize that the demand for edible oils will only continue to grow, and that with increased consumption, comes increased risk of exploitation. Therefore, it is vital that palm oil cultivation is done in a sustainable manner, utilizing its natural advantage to contribute to responsible and positive development for all stakeholders, current and future. Perdue Agribusiness LLC will work independently and with industry partners and other stakeholders to improve the quality of crops in the global supply chain, the lives of farmers and communities that grow them, and the environment we share.

Our Commitments for Palm Oil Supply Chains

We recognize that the credibility of sustainable production rests on transparent and verifiable supply chains. Perdue Agribusiness LLC has been a member of RSPO since 2011 and is a SCC license holder. From cultivation to consumption, Perdue Agribusiness LLC is committed to ensuring sustainability in its supply chain. Perdue Agribusiness LLC does not own palm plantations, rather, all of our palm oil is sourced through other companies. We will work closely with customers and industry stakeholders to develop a more sustainable supply chain for palm oil, palm kernel oil, and their derivatives. Consistent with the above, Perdue Agribusiness LLC will build a traceable and transparent palm oil supply chain committed to maintaining the following standards:

1. No deforestation of high carbon stock (HCS) forests or high conservation value (HCV) areas and protection of peatlands, regardless of depth
2. No exploitation of people and local communities

Perdue Agribusiness LLC commits to working with our suppliers to ensure compliance with the above commitments. To that end, we will source our supply only through networks that are transparent and traceable. In addition, we commit to using our resources to help smallholders adopt best practices for sustainability and to facilitate their inclusion into our supply chain. We will also work with relevant stakeholders to endorse and encourage the adoption of these commitments by our direct suppliers to ensure that the palm oil we purchase, process, and sell is consistent with our policies. Lastly, we will cease to do business with any suppliers who breach this policy and do not take immediate action to correct their violation. We will not do business with serious repeat violators of this policy, regardless of any remedial action taken.

No Deforestation and Peat Protection

Nearly 20% of the deforestation observed in Indonesia and Malaysia in the 2000s was a direct result of the palm oil industry's expansion. At the same time, deforestation is occurring ever more frequently in peatlands. Perdue Agribusiness LLC recognizes the areas that must be protected from deforestation, and views the protection of HCS forests, HCV areas, and peatlands as important business.

- HCS forests as defined by the High Carbon Stock Approach to include primary or old-growth forests; high-, medium- and low-density forests as well as regenerating forests
- HCV areas as defined by the HCVRN to include areas containing resources of exceptional or vital biological, ecological, social and/or cultural importance that must be preserved, including rare and endangered species and their habitats
- Peatlands as partially defined by the RSPO to include soil that contains more than 65% organic matter

We believe that an effective approach to address deforestation and peat protection will require strong collaboration between governments, civil society, and the private sector. We will continue to actively engage with stakeholders to identify and protect HCS forests, HCV areas, and peatlands within our supply chains, and work with suppliers, governments, producers, and other corporate and non-governmental organization partners to achieve this commitment. In furtherance of the above, we make the following commitments:

1. Require a credible approach to the protection of HCS and HCV areas that is based on field trials, expert and scientific recommendations, while further taking into account any societal considerations/recommendations
2. Require conservation of the existing biodiversity, riparian, and high conservation value areas of importance to the social and cultural values of communities
3. Require no use of fire for the purpose of clearing land for palm production
4. Strict enforcement of a "zero-burn" policy in all operations and actively engage in initiatives of fire/haze mitigation
5. Require no new development on areas of peatland, regardless of the depth of peat, for palm production

No Exploitation of People and Local Communities

Perdue Agribusiness LLC recognizes that indigenous people and local communities living in or near forests are often vulnerable to human rights violations and that their livelihoods, food security, resources and other rights greatly depend on their right to use or own land. Perdue Agribusiness LLC is committed to engaging with our suppliers and to working through partnerships and collaboration to scale up efforts and drive the implementation of improved working and living conditions, particularly by protecting vulnerable workers (including women, migrant, temporary and informal workers), eradicating forced and child labor, and safeguarding land and community rights. Perdue Agribusiness LLC therefore requires stakeholders in its supply chain to meet the following commitments:

1. Comply with all applicable laws and regulations
2. Respect human rights according to the UN Guiding Principles for Business and Human Rights
3. Apply the principles of Free, Prior and Informed Consent (FPIC) to ensure protection and promotion of the rights of indigenous peoples and vulnerable communities, including respecting legal and customary land rights and prevention of land grabbing activities
4. Respect indigenous and local community rights to land and resources in accordance with the UN Declaration on the Rights of Indigenous Peoples
5. Respect labor rights as set out in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work
6. Facilitate the inclusion of smallholders into the supply chain
7. Work collaboratively with stakeholders to improve working, environmental and safety conditions in our supply chains
8. Strictly prohibit child labor in any operations
9. Condemn any form of sexual harassment and abuse, especially to women; support protection of reproductive rights
10. Respect the right of all workers to form or become the member of labor union on their free will and the right to collective bargaining
11. Practice a fair treatment policy where employees, values, and rights are respected including contract, temporary and migrant workers
12. Consider and ensure the food security of local community is strengthened to maintain their land use choice and future food security options
13. Work in a fair and transparent manner to resolve verifiable complaints and conflicts with all parties

Implementation and Reporting

This policy is effective immediately. We understand that our palm suppliers may need time to implement the provisions described. We therefore expect our suppliers to develop action plans to achieve compliance by December 31, 2022. While Perdue Agribusiness LLC will engage with its direct supply chain

partners to ensure compliance with this policy, we recognize there may be instances where stakeholders or the public would like to bring matters of non-compliance to our attention. As such, Perdue Agribusiness LLC commits to promptly investigate all allegations of non-compliance, resolve any grievances, and provide transparent information regarding any remedial actions.

To be clear, we will not knowingly source from suppliers who are not in compliance with this policy. If there is continued failure to address or remediate the verified non-compliance in a timely manner, Perdue Agribusiness LLC will take steps to remove those suppliers and/or producers from our supply chain. If you would like to report a violation of Perdue Agribusiness LLC's Palm Oil Sourcing Policy, you may do so by sending an email to: RefinedOilSales@perdue.com. We will develop and further define the verification, measurement and reporting process for palm oil as needed.