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Introduction

Perdue AgriBusiness LLC (“Perdue”) integrates the sustainability principles of economic success, environmental stewardship, and social responsibility into the business every day. Perdue sources, purchases, and processes agricultural products with the goal of helping its customers prosper with flexible, forward-thinking solutions for agricultural-based products. Consistent with that goal, Perdue endeavors to provide the world with access to safe, responsible, and sustainable agricultural products. The 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. 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.

At Perdue, we recognize that the demand for edible oils will only continue to grow, and that with increased consumption, comes increased risk of exploitation. Perdue 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.

Perdue’s goal is to build a supply chain that reflects the principles mentioned in this policy, and moving forward, in consultation with stakeholders, Perdue will review and improve this policy and its approach to encompass the highest levels of transparency.

Scope

Perdue recognizes 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 is committed to ensuring sustainability in its supply chain. Perdue does not own palm plantations, rather, all its palm oil is sourced through other companies.

This policy applies to physical palm oil and its derivatives that Perdue manages, sources, trades, processes and utilizes worldwide, through existing and new suppliers.

Perdue Agribusiness Division expects that all its palm oil suppliers will operate with the same standards to which Perdue holds itself. In this regard, Perdue aligns its palm oil business to the following:

- NDPE Framework
- RSPO Standards
- UN Global Compact
- International Bill of Human Rights
- ILO Declaration on Fundamental Principles
- Rights at Work Compliance with applicable laws

This Palm Oil Sustainable Sourcing Policy is effective immediately, applies to all Perdue palm oil suppliers and encompasses our entire supply chain, including direct suppliers and their parent, sister and affiliated companies.

Strategy

Perdue will work toward engaging suppliers with its commitments to ensure compliance with this Policy.

Perdue will work together with its direct suppliers to deploy this policy, ensure that it is understood and encourage them to trace the palm oil goods through all supply chains, upstream tracing it back at least to mills.

The implementation strategy is further detailed in Perdue's Implementation Policy.

Commitments

Perdue recognizes that the credibility of sustainable production rests on transparent and verifiable supply chains. Perdue has been a member of RSPO since 2011 and is a SCC license holder. Perdue will continuously work with customers and industry stakeholders to develop a more sustainable supply chain for palm oil and their derivatives. Consistent with these efforts, Perdue will build a traceable and transparent palm oil supply chain committed to maintaining the following:

Environment

We respect and protect the environment, managing our operations according to the following commitments:

- No deforestation. No forest areas are cleared or converted for plantations after December 31st of 2015.
- No peatland conversion. No new planting on peat regardless of depth after November 2018 in existing and new development areas.
- Protection of forests, protection of High Carbon Stock (HCS) areas and High Conservation Value (HCV) areas.
- Ensuring Sustainable Agricultural practices: No burning practices, nor use of fires for clearing.

- Being eco-efficient: Reduce waste and being responsible for water use.

Social & Labor Rights

We practice and promote adequate working conditions for all our employees, and we expect all of our (third-party) suppliers to adhere to all the following commitments:

- No exploitation of people or communities.
- Guarantee Human rights and protection of workers, providing adequate mechanisms to ensure an effective handling of complaints.
- Prohibition on any form of child labor.
- Promote a safe and healthy working environment that is free of any type of harassment.
- Assure equal rights for workers. Prohibit any type of discrimination based on ethnic origin, caste, race, social class, nationality, religion, disability, gender, sexual orientation, union membership or political affiliation, age, or any other social condition.
- Legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, childcare leave, reasons for dismissal, period of notice and other legal labor requirements.
- Work is voluntary, and it is prohibited any of the following: (I) Retention of identity documents or passports; (II) Payment of recruitment fees; (III) Contract substitution, (IV) Involuntary overtime; (V) Lack of freedom of workers to resign, (VI) Penalty for termination of employment; (VII) Debt bondage; (VIII) Withhold of wages.

Land Rights

Doing business in crops means doing business with integrity and respect. In that sense, we:

- Require that all plantations respect land tenure rights of indigenous and local communities, including their right to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on land over which they hold legal, communal, or customary rights, prohibit land grabbing.
- Work to ensure a transparent and legal land allocation process.

Anti-Corruption

Perdue is aligned to the UN Global Compact, and we strongly stand for businesses working against corruption in all its forms, including extortion and bribery.

Traceability & Transparency

Perdue is committed to the following:

- Sourcing only through networks that are transparent and traceable. In accordance with Perdue's traceability requirements detailed in the Traceability & Verification Protocol.
- Maintaining a public reporting system updated with clear information on traceability to mills and, where possible, traceability to plantation, and its progress.
- Resolve complaints and conflicts within our supply chain effectively via a transparent grievance process.

Grievance Mechanism.

Perdue is committed to developing a transparent grievance mechanism system to ensure that all grievance and conflicts are dealt and handled in an accountable manner and made publicly available.