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COFCO INTL

Policy

Supplier Code of Conduct
and commodity specific
policies

COFCO International Ltd.'s commitment to sustainable development extends to its suppliers, as they are key partners in securing the supply of agricultural commodities and achieving long term business success. As a result, we actively pursue long-term relationships with these agricultural commodity suppliers¹ based on responsible and sustainable business practices. This Policy outlines the General Principles and Requirements we expect our agricultural commodity suppliers to adhere to, and that will support us in achieving a supply chain that operates with a high degree of integrity and is socially responsible, environmentally sustainable and economically profitable.

The below General Principles and Requirements apply to all our agricultural commodity suppliers. We expect them to uphold and respect these Principles and to disseminate and educate their employees, agents and sub-tier suppliers on the content of these Principles. Should a supplier fail to comply with these Principles, COFCO International Ltd. reserves the right to demand corrective measures to promptly rectify any such failure, which may lead to remedial measures being sought, including for example immediate termination of the business relationship.

General Principles¹

Business ethics and compliance:

- Comply with all applicable national laws and regulations, and conduct business with a high degree of integrity;
- Not engage in any corruption or bribery activities, including – but not limited to - any fraud, bribery, extortion, deception, abuse of power or money laundering. This includes offering our employees travel, frequent meals, expensive gifts or cash equivalents unless if there is a direct link to working arrangements and a genuine business reason can be demonstrated;
- Avoid any relationship with a COFCO International Ltd. employee that might conflict, or appear to conflict with the employee's obligation to act in the best interest of the company; and
- Protect and not share any confidential and/or proprietary information of COFCO International Ltd., unless authorized to do so by agreement or compelled to do so by law. Suppliers shall not attempt to infringe COFCO International Ltd. intellectual property rights in any way.

Human and labour rights:

- Grant employees the right to freely associate, organize and bargain collectively in accordance with applicable laws and regulations;
- Only employ workers who meet the applicable minimum legal age requirement and not tolerate any form of forced or child labour;
- Not tolerate any form of discrimination and/or harassment; and
- Provide employees' pay, including minimum salary, overtime payment, work hours and conditions in compliance with applicable laws and regulations.

Occupational Health and Safety (OHS):

- Provide a safe and healthy work environment to all employees, including migrant workers and seasonal labourers. As a minimum, potable drinking water, electricity access, access to emergency healthcare, essential personal protective equipment, adequate sanitation facilities, fire safety and machine safeguarding must be made available to all employees; and
- Work toward continuous improvement of OHS performance, possibly by establishing and maintaining a management system, consistent with OHSAS 18001.

¹ These General Principles are established by COFCO International Ltd. and contain general requirements for all agricultural commodity suppliers. These General Principles are applicable to all contracts, purchase orders and other commercial dealings unless specifically stated otherwise in particular contracts.

Environmental Management:

- Use good environmental practices that avoid deforestation and protect against conversion of natural and critical habitats leading to a loss of biodiversity;
- Apply good agricultural practices that enhance soil fertility and prevent erosion;
- Use water efficiently by minimizing withdrawal, preventing pollution, avoiding downstream adverse impacts on communities and ecosystem, and taking additional resource efficient measures in water-stressed areas;
- Use agrochemicals consistent with good agricultural practices and based on crop requirements;
- Minimize, re-use and recycle waste where possible and dispose of waste in a responsible way;
- Use renewable and non-fossil fuel energy wherever possible, contributing to the reduction of greenhouse gas (GHG) emissions; and
- Work toward continuous improvement in environmental performance, possibly by establishing and maintaining a management system, consistent with ISO14001.

Land rights:

- Adhere to responsible governance of land tenure and respect land rights of local and indigenous communities, including legal and customary land rights; and
- Obtain Free, Prior and Informed Consent (FPIC) from indigenous and local communities for the use of their customary lands prior to agricultural development.

Supply chain transparency:

Wherever possible and when requested, provide to the extent the commodity value chain allows, traceability of commodity sourcing to site of production.

Reporting misconduct:

Suppliers who believe that an employee of COFCO International Ltd., or anyone acting on its behalf, has engaged in illegal or otherwise improper conduct, should report the matter to COFCO International Ltd. Suppliers can contact the employees' manager or use the available reporting mechanism, following the applicable company procedures. Relationships with COFCO International Ltd. will not be affected by an honest report of potential misconduct.

Commodity Specific Policies

Commodity specific policies are applicable, commensurate with COFCO International Ltd.'s management control and taking into account our suppliers' social and environmental risks. These policies are an integral part of the Supplier Code, complementing its' General Principles. They specifically prohibit the sourcing of agricultural commodities known to be produced in breach of national environmental and social (E&S) legislation or in violation of the IFC Performance Standards' related supply chain requirements. Our Sustainable Soybean Sourcing Policy is currently the only commodity specific policy formalized. We recognize this is a process of continuous improvement in which commodity specific policies will be developed for other commodities and origination countries moving forward.

Sustainable Soybean Sourcing Policy

This Soybean Sustainable Sourcing Policy is applicable to soybean suppliers producing in Brazil with whom COFCO International Ltd. has a direct (pre-financing) contract and whose production areas are located in the environmentally sensitive areas of Brazil Amazon and Cerrado. These suppliers must meet the following conditions:

- Comply with all applicable laws and regulations, including registration in the Brazilian Rural Environmental Cadaster (CAR), when in force.
- Respect High Conservation Value (HCV) areas mapping: soybeans supplied shall be sourced from land that has not been converted from HCV areas to other categories of land-use, applying the following cut-off dates (except if provided for otherwise under national legislation and duly authorized by the competent authority):
 - In the Amazon Biome, suppliers will respect the existing Soy Moratorium and not source from areas cleared of natural habitat after July 2008.
 - Suppliers will respect the cut-off dates for land conversion as defined under national legislation.
- Respect for Indigenous Peoples land, including:

Free, Prior and Informed Consent (FPIC) must be obtained from indigenous and local communities for the use of their customary lands prior to agricultural development, in order to:

 - Ensure that the development process fully respects the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
 - Anticipate and avoid adverse impacts that projects may have on communities of Indigenous People, and when avoidance is not possible, minimize and/or compensate impacts.
- Be absent from the forced labour list issued and made public by Government and/or well-recognized Brazilian organization(s) such as e.g. "In Pacto", to the extent such a list is, in fact, issued and made public.
- Be absent from the embargoed areas list issued by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).
- Implement good agricultural practices as stipulated in the General Principles and, in addition, also implement a no burn policy applicable to all land clearance activities, in accordance with Brazilian legislation, when enforced.



This policy applies to:

The General Principles apply to all COFCO International Ltd. agricultural commodity suppliers¹

This Sustainable Soybean Sourcing Policy applies to all soybean suppliers producing in Brazil with whom COFCO International Ltd. has a direct (pre-financing) contract and whose production areas are located in the environmentally sensitive areas of Brazil Amazon and Cerrado.

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This Policy is available at www.cofcointernational.com

This Policy will be updated regularly, where possible, by engagement with internal and external stakeholders. It will be actively communicated and promoted ensuring its compliance. We expect our contractors and any other third party working on our behalf to uphold the standards within this Policy.