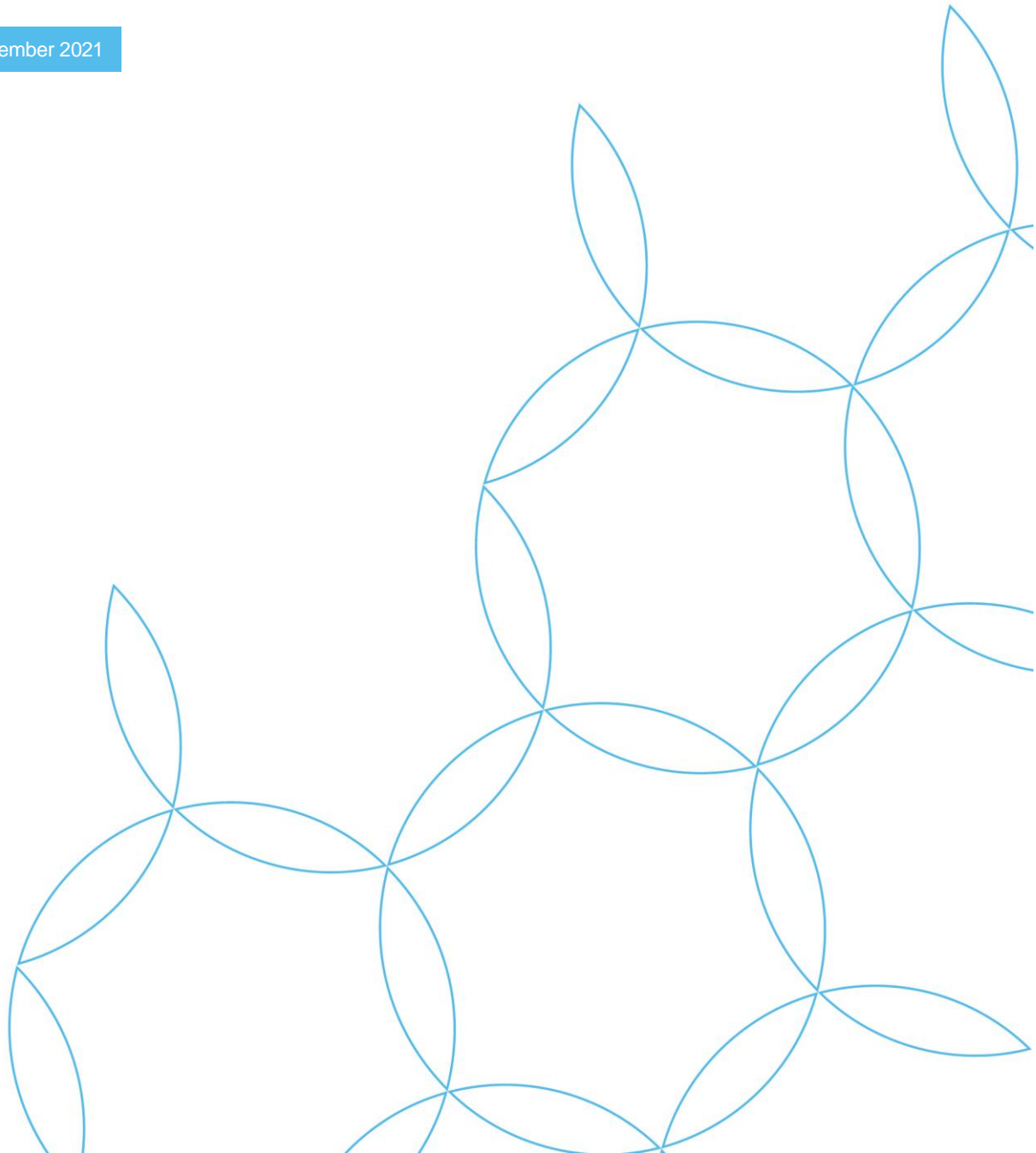




中粮国际  
COFCO INTL

# Sustainable Soy Sourcing Policy

Version 02 | 22 December 2021



## Contents

<b>1/ Key Policy Points</b> .....	<b>3</b>
<b>2/ Purpose</b> .....	<b>3</b>
<b>3/ Scope</b> .....	<b>3</b>
<b>4/ Policy Statements</b> .....	<b>3</b>
Applicable to suppliers in all regions .....	3
Applicable to suppliers in Brazil .....	4
Applicable to suppliers in Argentina, Paraguay, or Uruguay.....	4
<b>5/ Implementation</b> .....	<b>4</b>
<b>6/ Governance</b> .....	<b>5</b>
<b>7/ Non-compliance</b> .....	<b>5</b>
Reporting violations.....	5
<b>8/ Document Information</b> .....	<b>6</b>

## 1/ Key Policy Points

- COFCO International commits to support the sustainable and responsible production and sourcing of soy.
- All our soy suppliers are expected to comply with our Supplier Code of Conduct, as well as the specific requirements set out in this Policy.
- We expect suppliers to respect the rights of people and local communities, including Indigenous Peoples.
- We expect suppliers to collaborate in increasing our soy supply chain traceability, eliminating deforestation throughout our supply chain and transitioning towards soy production free from native vegetation conversion, so as to protect critical ecosystems such as the Amazon, Cerrado and Gran Chaco.
- We will develop procedures to guide Policy implementation and assess supplier performance against this Policy.
- We provide grievance channels for stakeholders to report non-compliance with this Policy and ensure non-compliances are solved in a transparent, consultive and effective manner.
- We will actively engage in key forums that promote sector-wide transition towards sustainable and responsible soy production.
- We will report on our implementation progress of this Policy in our annual sustainability reports, among other channels.

## 2/ Purpose

COFCO International's Supplier Code of Conduct sets out general principles that we expect all our suppliers to adhere to, to ensure a responsible and sustainable supply chain. For our agricultural commodity suppliers, commodity-specific sourcing policies are developed to provide suppliers with specific implementation guidance and support them in mitigating any environmental and/or social negative impacts associated with their agricultural commodity production and sourcing, and whenever applicable, repair any such impacts. This Sustainable Soy Sourcing Policy is one in this set of policies, focusing on our soy supply chain.

## 3/ Scope

This Sustainable Soy Sourcing Policy is applicable to all direct and indirect suppliers of soybean and soybean products to COFCO International and its subsidiaries across all origination geographies.

## 4/ Policy Statements

### Applicable to suppliers in all regions

All suppliers that fall in the scope of this Policy must meet the following conditions:

- Comply with all applicable laws and regulations.
- Conduct business with a high degree of integrity and non-tolerance for any form of corruption, bribery, or fraud.
- Achieve deforestation-free soy production and sourcing in Amazon, while striving to conserve landscapes of high biodiversity and ecological value, such as the Cerrado and Gran Chaco.
- Respect the rights of people and local communities, including Indigenous Peoples. This includes:
  - Respect internationally recognized human rights as expressed in the International Bill of Human Rights and the eight International Labour Organization Core Conventions.
  - Respect the human and labour rights of all workers, including contract, temporary and migrant workers, while complying with local, national, and ratified international laws.
  - Non-tolerance for any form of child labour, forced labour, bonded labour, or human trafficking.
  - Non-tolerance for any form of discrimination, harassment, or violence in hiring and employment practices.
  - Provision of workers' pay, including minimum salary, overtime payment, work hours and conditions in compliance with applicable laws and regulations.
  - Respect workers' rights to freely associate, organise and bargain collectively in accordance with applicable laws and regulations.
  - Provision of a safe and healthy work environment to all employees, including migrant workers and seasonal labourers.
  - Respect the Free, Prior and Informed Consent (FPIC) for the use of Indigenous People and community's customary lands prior to agricultural development.
  - Adhere to responsible governance of land tenure and respect land rights of local and indigenous communities, including legal and customary land rights.

- To the extent possible, provide remedy to correct validated negative environmental and/or social impacts.
- Implement sustainable agricultural practices to enhance soil health and mitigate the adverse impacts of climate change, including responsible use of agrochemicals and water resources.
- Use renewable and non-fossil fuel energy, as well as climate-friendly products wherever possible, contributing to the reduction of greenhouse gas (GHG) emissions.
- To the extent possible, seek to implement measures that contribute to decarbonisation of own operations and supply chain.
- Support for the inclusion of smallholders in the sustainable soy supply chains.
- For suppliers covered by Sustainable Certification schemes, comply with the applicable requirements.
- Wherever possible and upon request, provide information on traceability of soy to production site, to the extent that the value chain allows.

### Applicable to suppliers in Brazil

All Brazil soy suppliers that fall in the scope of this Policy must meet the following specific conditions:

- As minimum, respect land conversion cut-off dates as defined under Brazilian national legislation, including the Law of Native Vegetation Protection 12.651.
- In the Amazon biome, respect land conversion cut-off date under the Soy Moratorium and not source from areas cleared of natural habitat after 22 July 2008.
- In the Pará state, respect the commitment of Green Grain Protocol.
- In the Cerrado biome: strive to achieve deforestation and conversion-free production, in collaboration with and under the support of soy value chain partners and other stakeholders.
- Be absent from the forced labour list (“Cadastro de Empregadores”) issued and made public by the government, to the extent that such a list is issued and available for consultation.
- Respect the embargoed areas defined by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), local Secretary of the Environment (SEMA) and other governmental agencies at federal, state and municipality level.
- Respect protected lands as defined under Brazilian legislation, such as Conservation Units and Indigenous People lands.
- For direct and indirect pre-financed suppliers, provide supplying farms’ registration number (CAR) for identifying the location of the farm and performing environmental and social analysis in accordance with COFCO International internal Credit Policy.
- For direct suppliers, provide supplying farms’ registration number, GPS point, or polygon for identifying the location of the farm and performing environmental and social analysis, if needed.
- For indirect suppliers, provide COFCO International with products within the criteria established in this policy. We encourage our suppliers to disseminate and educate their sub-tier suppliers on the content of this policy, through similar policies and procedures as adopted by CIL.

### Applicable to suppliers in Argentina, Paraguay, or Uruguay

All Argentina, Paraguay or Uruguay soy suppliers that fall in the scope of this Policy must meet the following specific conditions:

- Comply with national and local forest conservation laws and legislations.
- In the Gran Chaco biome, strive to achieve deforestation and conversion-free production, in collaboration with and under the support of soy value chain partners and other stakeholder.
- For direct suppliers, provide supplying farms’ geographical location to assure traceability whenever requested, and performing environmental and social analysis if needed.
- For indirect suppliers, provide COFCO International with products within the criteria established in this policy. We encourage our suppliers to disseminate and educate their sub-tier suppliers on the content of this policy, through similar policies and procedures as adopted by CIL.

## 5/ Implementation

To minimise any negative impact of our future business expansion on the environment and/or surrounding communities, we will conduct environmental and social impact assessments for all new development of facilities and operations in the soy sector, using COFCO’s own and third-party tools.

We will actively engage our current and future suppliers on the requirements set in this Policy and develop clear procedures to assess their compliance against it. Supplier assessment and monitoring will take a risk-based approach and prioritise regions with higher environmental and social risk exposure. These high-risk regions are defined by our geo-rating

methodology, developed in consultation with external partners<sup>1</sup>. All supplying farms located in high and medium risk regions, will be subject to environmental and social analysis with satellite mapping, among other assessment tools.

We will work with suppliers on continuous improvement towards Policy compliance through capacity building, jurisdictional initiatives, facilitating access to financial incentive mechanisms whenever available, among other collaborative means. If any non-conformity is identified, CIL reserves the right to stop any current and future business with the producer until it is resolved. In this sense, if the producer is able and willing to work towards full compliance, we will help them build an action plan so that they are able to engage with us in future business. For producers unable and/or unwilling to work towards full compliance with this Policy, we reserve the right to not engage with them anymore in future business.

We will contribute to the mainstreaming of sustainable soy and soy products and actively promote them in key markets. These include products under various sustainability certification schemes as well as those produced in line with COFCO International's Conversion-Free Soy Standard.

We recognise our responsibility to promote sustainable soy production and sourcing beyond our own supply chain. We will continue our efforts with the following initiatives to support an ultimate sector-wide transition towards sustainable soy production:

- We will work with key landscape actors, including local governments, corporations, farmers, NGOs, among other stakeholders, to support the development of jurisdictional initiatives.
- We will continue to participate in key sectoral and cross-sector collaborative initiatives to advance the sustainable soy agenda.

We will develop clear metrics to measure the implementation of this Policy and will report progress in our annual sustainability reports, among other channels. This Policy and the compliance with its requirements are also subject to internal and external audits, whenever applicable or requested.

## 6/ Governance

The implementation of this Policy is conducted and supported by Sustainability, Commercial, Legal and Administrative departments, and managed by the Global Sustainability department. The Regional Managing Directors of the countries where this Policy is applicable, and the Executive Board have the role of overseers.

## 7/ Non-compliance

### Reporting violations

COFCO International will seek collaboration with our suppliers and other stakeholders to assist the implementation of this Policy. We encourage stakeholders to report potential non-compliances via COFCO International Integrity Hotline ([cofcointernational.ethicspoint.com](https://cofcointernational.ethicspoint.com)).

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<sup>1</sup> Please visit <https://www.cofcointernational.com/sustainability/connecting-supply-and-demand-responsibly/soybean/> for more details.

## 8/ Document Information

### Accountabilities

Responsible Officer	Vice President – Chief Strategy & Information Officer
Contact Officer	Global Head of Sustainability

### Supporting Information

Legislative Compliance	NIL
Supporting Documents	NIL
Related Documents	Supplier Code of Conduct, Sustainable Palm Oil Sourcing Policy
Superseded Documents	NIL
File Number	[GRP-SUS-004]

### Revision History

Version	Approved by	Approval date	Effective date	Sections modified
1.0	Head of CEO Office & Director of Corporate Affairs	08 February 2019	08 February 2019	New document
2.0	Vice President – Chief Strategy & Information Officer	21 December 2021	22 December 2021	New document