

Group Zero Deforestation Policy

Issue number:	01
Owner(s):	Purchasing Division and Market Heads
Approved by:	ESG Committee
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1. Overview

We recognise that forests serve as important carbon stocks, and deforestation causes detrimental impact on global warming. Forests also preserve biodiversity, provide a habitat for plant and animal species, contribute to local climate pattern and maintain livelihoods for people in rural communities.

We are committed to deforestation-free operations and supply chain, developing and implementing measures in line with global agricultural and forestry best practices.

This Policy forms an essential and integral element in complementing our Group Responsible Procurement Policy, Suppliers Responsibility Principles, Group Climate Change Policy and Sustainable Farming Guidelines. The commitments in this policy contributes to the United Nations Sustainable Development Goals (UN SDGs) regarding Goal 13 Climate Action and Goal 15 Life on Land.

2. Scope

This Policy applies to all our agricultural and forest-based raw materials sourced from the value chain, with prioritised focus on commodities that are of highest potential risk on forests, namely, pulp and paper, soy and palm oil. It also extends to relevant ingredients our suppliers use in production of the commodities / raw materials.

This Policy applies to all operations that are of our direct management control. Where there are differences or conflicts with this document and local laws, the higher standard should prevail. We will also work with our joint venture partners and relevant stakeholders along the value chain to encourage the adoption of the same principles. While we recognise that there are different laws, cultures, norms among suppliers in different locations globally, we will work with relevant stakeholders in the value chain to deliver effective implementation.

3. Principles and Commitments

We strive to achieve the following while taking into consideration the stage of development of our business, capability and resourcing, and the availability of relevant supplies in the markets:

- No deforestation and no illegal development in forested areas, areas of high conservation value (HCV) and on peatlands
- No clearance of land and forested land by any means such as burning or logging for new developments or production
- Not knowingly purchase from any suppliers the commodities which directly contribute to deforestation nor from those plantations/farms that have been deforested after the cut-off dates specified by relevant schemes established by credible organisations (e.g. Forest Stewardship Council (FSC), Round Table Responsible Soy (RTRS), Roundtable on Sustainable Palm Oil (RSPO)) for conversion of forests and HCV areas. For commodities with no recognised schemes or cut-off dates exist, we will work with subject matter experts to determine the dates

- Work in partnership with farmers and direct suppliers to comply with this Policy
- Where relevant, work with credible organisations and our value chain partners to support enhanced agroforestry, biodiversity, reforestation or restoration of natural ecosystems

4. Implementation

Responsibility for implementing this policy lies with Purchasing Division and Market Heads, and the team works closely with related functions including Group Sustainability and Corporate Communications, Internal Audit and Risk Management, local operations, and other stakeholders along the value chain as needed to ensure implementation of this policy.

- Purchase from producers / suppliers that demonstrate legal compliance and supply all raw materials from legal and responsible sources
- Incorporate in our supplier's contractual instrument(s) the requirement to comply with this Policy
- Communicate our Policy regularly and expect our direct suppliers to communicate their compliance with this Policy upon our request
- Encourage our suppliers to engage their upstream supply chain to manage and mitigate corresponding forests-related risks
- Give purchasing preference to raw materials from agricultural suppliers in compliance with Vitasoy's Sustainable Farming Guidelines and/or commodities certified with relevant credible certification schemes (e.g. Forest Stewardship Council (FSC), Round Table Responsible Soy (RTRS), Roundtable on Sustainable Palm Oil (RSPO))
- Conduct forests-related risk assessment to identify deforestation risk of raw materials we purchase, and understand the impact to ensure we remain focused on the materials and regions requiring prioritised actions
- Set targets and integrate into the sourcing practices to ensure progress on implementation
- Monitor our progress and report transparently with updates at least annually

5. Review of the Policy

The ESG Committee will conduct a periodic review on this Policy every three years and whenever deemed necessary.

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