

Sustainable Farming Guidelines

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Owner:	Purchasing Division
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1. Overview

The Vitasoy Sustainable Farming Guidelines (the “Guidelines”) is one of our tools in responsible procurement. It aims at defining and implementing sustainable and responsible sourcing in our value chain. Reference shall also be made to Vitasoy’s related policies including but not limited to Group Environmental Policy, Group Responsible Procurement Policy and Supplier Responsibility Principles.

2. Scope

This Guidelines covers contract farms (“Suppliers”) of Vitasoy including all Vitasoy’s subsidiaries and joint ventures for which the Company has management control. A supplier is considered as a contract farm if it has the rights for direct management control on the farmland where it grows the crops and Vitasoy has direct influence on the supplier’s production processes with regular audit(s) conducted by Vitasoy as stipulated in the contract with the supplier.

3. General Requirements

Suppliers shall respect and comply with all national and local legislations applicable to their businesses, including, but not limited to, corporate governance, anti-corruption practices, agricultural standards, labour standards, environmental protection and health and safety standards.

To support effective implementation of this document and agricultural practices, Vitasoy will work in partnership with suppliers to arrange training (in any format) for all relevant personnel. A training for the supplier will be conducted at the start of the commercial contract, and a refreshment training in the beginning of each crop cycle, follow by an audit at the end of harvest period.

Corresponding training/audit plans, materials and records will be maintained by Vitasoy. Relevant documentation and records shall be maintained by suppliers as specified by Vitasoy for regular audit.

If suppliers subscribe to a voluntary sustainability assurance program where identical or similar requirements applied and recognised by Vitasoy, such as ‘Round Table on Responsible Soy (RTRS)’, ‘ProTerra Standard’, ‘SAI Farm Sustainability Assessment (FSA)’ program, then those relevant requirements herein contained will be considered as compliant. Suppliers shall provide all relevant certificates and Vitasoy will work with the suppliers to avoid duplication of effort in meeting the requirements in this Guidelines.

Shall a supplier fail to meet this Guidelines, a remediation plan for each breach must immediately be established by the supplier and communicated to Vitasoy. Where any critical non-compliance of this Guidelines persists, Vitasoy will consider termination of the business

relationship with the supplier concerned. Similarly, suppliers who actively seek to continuously improve their sustainable farming practices will be considered for further business opportunities with Vitasoy.

4. Fertiliser Management

A Fertiliser Management Plan shall be in place which takes into account needs of the crop and the environmental conditions (soil and weather) in the application of fertilisers (including but not limited to fertiliser type, method, quantity, frequency, equipment). The process shall be carefully evaluated, developed and implemented with the specific objective of minimising the risks of contamination and pollution to the surrounding environment and people.

Regular soil and/or tissue testing shall be conducted and recorded, which shall be used to adjust the fertiliser application rate. Application concentration, timing and frequency of fertiliser shall follow local industry or country standards. Care should be taken when matching crop fertiliser requirements with farmland production history to avoid environmental contamination to the atmosphere, run off or deep leaching.

Silos, augers, trucks and any other equipment used to handle materials (e.g., fertiliser or treated seeds) other than produce shall be thoroughly cleansed before use to handle produce to prevent contamination due to residues from previous uses for other purposes.

5. Pest, Weed and Disease Management

The supplier shall demonstrate that an Integrated Pest Management (IPM) Plan is in place based on the IPM principles (Prevention, Observation, Monitoring and Intervention). Priority shall be given to preventive measures. Intervention should be the last resort. The plan shall include the recommended thresholds or triggers to apply Crop Protection Products (CPPs)¹.

- Prevention: Biological and physical control approaches in preventing pest shall be included in the IPM Plan, which shall include the selection criteria of suitable growing areas, the practice of field/crop rotation to avoid the building up of pests and diseases often seen in repeated monocultures and the use of a variety of crops including non-GMO disease resistant ones.
- Intervention: Biological or chemical CPPs to be applied shall be registered and approved by local authorities, which shall comply with local/country regulation and Vitasoy requirements. For examples, in Mainland China, suppliers shall comply with the requirements in restricted lists of pesticides, and to avoid exceeding the residue limits. The toxicity and persistence of CPPs should be considered before use. In Australia, only Australian Pesticides and Veterinary Medicines Authority (APVMA) approved chemicals for each specific crop may be applied in order to comply with Food Standards Australia and New Zealand (FSANZ) and their Maximum residue levels (MRLs).

Priority shall be given to the use of CPPs that are target organism specific, no/low toxicity to beneficial organisms, lower risk to human health and environment. Testing of pesticide residue shall be conducted to ensure a level complying to regulation and no prohibited CPPs are used.

Any person applying CPP's shall have appropriate training with records made available upon

¹ Crop Protection is the practice of managing weather, weeds, pests and diseases that can damage or inhibit the growth of crops. This may be crop specific and discussion should be arranged with the farmer of particular crop during training for the corresponding thresholds or triggers.

request. All CPP's shall be applied in accordance with the local laws for chemical applications and protection of food products, human health and environment.

Suppliers must adhere to crop best management practices so as not to contaminate food produce, protect neighbouring sensitive areas such as waterways. Records of all CPP's applied from preparation for planting through the harvest of the produce shall be recorded and made available for review.

6. Land Management

A Land Management and Conservation Plan shall be in place, which shall be prepared and/or informed by competent persons or organisations to reduce the risk of erosion or waterway contamination of chemicals or nutrients.

The plan shall include the identification and management of potential risks (such as compaction, erosion, flooding) to soil and the suitability of the land for its intended use based on the biological, physical and chemical properties of soil. Regular soil monitoring shall be done to verify the adequacy of the land management practices.

Soil shall not be taken from important local ecosystems, such as local nature reserves and national parks to be used on farm. Wetlands, endangered and threatened species should be preserved using best possible conservation practices.

Crop rotation should be encouraged with appropriate selection of crops, which improves soil properties and regulate soil fertility and beneficial to soil nutrient uptake. It also reduces the risks of pest, weed and deceases.

The level of soil organic matters should be maintained or enhanced after farming practices. Minimum or no tillage should be encouraged to help increase organic matter, retain moisture, reduce compaction and erosion, water and nutrient run off, and reduce energy use and associated operation costs.

Deforestation, clearing of native vegetation, wetlands or grasslands shall be prohibited for planting of produce.

7. Water Management

Water conservation and efficient use of water resources shall be practiced. Ways in reducing water use and water loss, such as set-up rainwater catchment, re-use of water and water-saving irrigation practice should be adopted in farm wherever feasible.

Drains should be constructed in such a way that soil erosion is minimised during drainage. Water infrastructure and equipment should be maintained in good working condition through regular inspection to prevent unnecessary water loss.

Surface and ground water shall be protected from direct and indirect pollution (including sewage, waste and wash water) arise from agricultural activities.

Direct water withdrawn from water bodies shall be abandoned if not legally allowed. If no licence or permit is required for water withdrawal, the rates of abstraction shall reach acceptable level that would not cause adverse impact to the surrounding environment, allowing water to be withdrawn sustainably, this shall be evaluated and confirmed by competent person(s) or organisation(s).

Irrigation water and surrounding groundwater quality shall be regularly monitored to make sure its compliance with local legal requirements.

8. Waste Management

A Waste Management Plan shall be in place, designed to minimise waste, in particular food loss and waste, due to improper agricultural practices, handling, storage and transportation. This includes waste prevention, minimisation, re-use, recycling, energy recovery and safe disposal operations for each type of waste. Value creation from waste shall be investigated from time-to-time.

All on-farm disposal and discharge shall be listed in the waste management plan. The waste disposal facilities, composting areas or sanitary landfills should be carefully planned to prevent land and groundwater pollution.

Waste generated during the agricultural processes (such as litter, crop protection products and packing, untreated sewage) shall not be disposed of on the agricultural land, but properly stored and handled off-site.

Hazardous waste shall be stored and disposed properly in compliant with local legal requirements.

All off-site waste disposal contractors and service providers shall have the appropriate licenses or legal approvals to handle the types of waste involved.

9. Energy Management, Climate Change and Greenhouse Gases Emissions

An Energy Management Plan shall be in place to detail the measures to be adopted in reducing energy consumption and improving energy efficiency, such as the use of energy saving facilities and equipment, use of renewable energy, efficient farming practices and streamlined logistics.

Local sourcing of raw materials, equipment and staffing is performed where practical, in order to reduce emissions through transportation.

Activities that could result in atmospheric pollution such as setting fire for land preparation, in-field disposal of harvest residues or burning waste shall be avoided.

Fuels shall be stored with handling procedures that meet regulatory requirements.

Suppliers are encouraged to develop targets on carbon reduction and neutrality and to monitor annual greenhouse gases emissions in alignment with applicable national standard(s) and internationally recognised protocols. Relevant data shall be reported to Vitasoy.

Natural disaster and emergency management should be in place to mitigate and adapt the impact of climate change including acute physical risks such as flooding or drought and chronic physical risks such as warming trend and heat stress on outdoor workforce.

10. Biodiversity

A Biodiversity Action Plan shall be in place to identify and assess the biodiversity of surrounding areas, maintain the stability of the ecosystem, establish procedures and actions for the conservation. Suppliers are also encouraged to have a Biosecurity Action Plan that may include signage, staff training, surveillance for introduced species, reporting and visitor

registers. This could be combined with the Biodiversity Action Plan as one single document.

The conversion of high conservation value or high ecological value areas to farmland, deforestation for agricultural land use expansion, which alters the valuable ecosystems and habitats, and hunting, fishing or gathering of rare, threatened or endangered species at the agricultural lands are prohibited.

Suppliers shall take all reasonable and practical steps to minimise risks associated with invasive plants and animals under their control, refer to regional, state and national biosecurity legislation if available and applicable.

This includes control of declared and noxious weeds. Suppliers shall adhere to regulatory requirements when transporting machinery or produce across regional or state boundaries.

11. Social Aspect

Suppliers shall pay employees at least the minimum wage required by local laws and shall provide legally mandated benefits. In the case that there are no local legal requirements on minimum wage, wages should be able to meet employees' basic needs.

Working hours of employees of the suppliers shall not exceed the legal limit in the country of operation. Time off for rest days, public holidays and annual leave shall be granted. Any overtime work is to be non-obligatory and compensated accordingly.

Suppliers shall not use any forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.

No person shall be employed under the age of 14², or under the minimum age of employment specified by the law of the country where the supplier and its manufacturing and field works are based, or in manner which conflicts with completion of compulsory education.

Suppliers shall ensure that no person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Every employee of the suppliers shall be treated with respect and dignity. No employee shall be subject to any form of harassment or abuse. Avoid actions of making requests of employee or contractors that may create safety risks of resulting in breaking the law.

Suppliers shall provide a safe and healthy working environment in compliance with all applicable laws and regulations to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the suppliers' facilities.

Employees shall be provided with and use Personal Protective Equipment (PPE) for free whenever necessary to reduce risks to a reasonably practicable level. Suppliers are to ensure machinery and equipment is appropriate for its use and is maintained. Training records for safe use of machinery instructions shall be maintained for all machinery, for all employees and contractors.

² In the absence of applicable minimum working age legislation, Vitasoy's definition of a minimum working age is consistent with ILO Minimum Age Convention No. 138 which specifies that the basic minimum age for developing countries is 14 years old.

12. Value Chain

Suppliers shall follow specifications and requirements for crop inputs and technologies that they use and respect relevant plant breeder rights and chemical label statements.

All input materials (including seeds, mulching film, CPPs, fertilisers) must be purchased from approved or industry recognised vendors to avoid fraud and to control input quality. For the cultivation of agricultural products that are to be delivered to Vitasoy, 3rd party Identity Preserved pre-certified seeds shall be used, this applies to other edible raw material that requires non-GMO certification/declaration as required by our Group Non-GM Policy.

Suppliers are to ensure any product input is labelled, traceable, and treated appropriately (e.g., pre-treatment of seeds to prevent disease or insects) and records are maintained for batches, varieties, source of seed, and contractors if using. This also includes cleaning operations before and after use.

Harvest equipment, trucks, screening and conveying equipment, shall be cleansed in accordance with Vitasoy's requirements in order to prevent contamination. Complete cleansing records shall be kept for Vitasoy's review. Harvest and storage movements shall keep varieties, plots and seasons separated with corresponding records on production yield. Each load or packaged produce must be clearly labelled, labels are to be in line with Vitasoy's specification. Suppliers shall obtain and retain representative samples correspond to relevant growers and send samples to Vitasoy for quality tests for each grower of each region.

Produce supplied to Vitasoy shall meet Vitasoy's specifications. Any treatment to stored or transported produce must be declared and delivered to Vitasoy's specifications.

Storage facility with grain stored shall be regularly monitored and recorded for temperature, moisture, mould, insect, pest control, bird or rodent contamination or damage to the facility or site hygiene. Records shall be kept for auditing purposes.

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