



Responsible Agriculture Charter

Version 3, 2024

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PREAMBLE

The Responsible Agriculture Charter ('RAC' or 'this Charter') outlines the implementation of SD Guthrie's Beyond Zero sustainability plan and our approach to move beyond mitigating our impacts, to restoring nature and transforming lives and livelihoods. We will do this through both our activities and influence – embodying our purpose as a business that Cares to Nourish and Dares to Flourish. Through the RAC, we align our operations with the pillars and targets of Beyond Zero, which are designed to meet the challenges facing the world today, and in the future, while supporting our growth as a business.

We remain committed to advancing climate action, with science-based targets to reach net zero. We will further reduce our impacts on the planet and people by achieving a deforestation and exploitation-free supply chain, preserving resources through circular approaches to waste, and aligning with robust standards on labour and human rights.

First launched in 2016 and now in its third revision, this Charter reinforces our commitment to No Deforestation, No new development on Peat, and No Exploitation of the rights of indigenous peoples, workers and local communities (NDPE commitments) and our responsibility to our workers, communities and the environment. Our focus has shifted from reducing our environmental footprint to actively cultivating positive impacts on people and the planet, allowing us to adapt to an evolving external landscape. In line with our NDPE commitments, we strive to eliminate deforestation from our supply chain. Our Responsible Sourcing Guidelines (RSG) ensure our suppliers adhere to the same standards, supported by enhanced traceability measures to track our global supply chain.

Embracing the call for businesses to cultivate more positive outcomes for the natural world, we will conserve, restore, and regenerate nature within and beyond our operations in the next few years and with the support of strong partnerships. We will also chart credible pathways to enhance protection of biodiversity and apply regenerative agricultural practices in our operations, where feasible.

Building on our work to uphold the rights of people and communities in our supply chain, we will continue to use our influence to advocate for and advance human, land and labour rights in the palm oil sector. We will work to positively transform the lives of our people and communities and uplift livelihoods, especially those of smallholders, within our operations and supply chain, as outlined in our Human Rights Charter.

We are guided by leading sustainability certification schemes as the baseline for determining compliance with our commitments and we continuously look for holistic and practical systems to better protect people and the environment. The implementation of these commitments is guided by policies and guidelines designed to ensure consistency and standardisation across our operations and businesses.

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SCOPE

We are committed to meeting the different aspects of this Charter in all our operations and business units across the world. Where challenges and limitations impede the immediate implementation of these proactive measures, especially in our non-core businesses, we commit to minimising instances of non-conformance by imposing timely and appropriate corrective actions as soon as possible. We will strive to fulfil all our commitments in the future.

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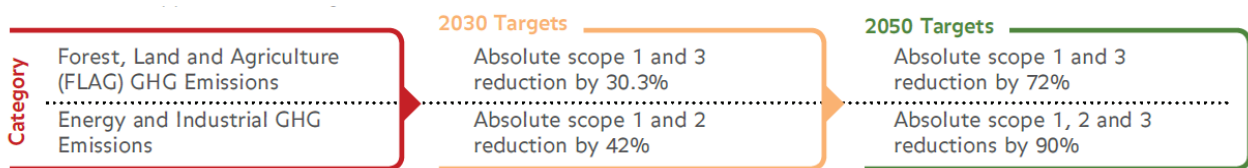
COMMITMENTS

We recognise the inherent value of forests and the biodiversity they contain, as well as the scarcity of natural resources and threats from climate change. All our activities will be guided by a precautionary approach and our NDPE objectives. We recognise the limitations of individual company commitments in this area and seek to work with all stakeholders, including competitors, to deliver long-term positive conservation results.

3.1 Accelerate our transition to Net-Zero

We strive to advance climate action and promote climate resilient agricultural practices to ensure the sustainability of our own business and the ongoing success of those in our supply chain and beyond. We are committed to:

3.1.1 Net-Zero emissions by 2050, as per targets approved by Science Based Targets Initiative (SBTi)



We are committed to ensuring that 79% of our customers and suppliers, who account for emissions from purchased goods and services, capital goods, fuel and energy-related activities as well as upstream and downstream transportation and processing of sold products, will have science-based targets by 2027.

3.1.2 Mitigate climate change impacts by focusing on accelerating renewables, land use transformation and enhancing supplier engagement.

3.2 Commitment towards No Deforestation, No new development on Peat, and No Exploitation (NDPE)

We remain committed to eliminating deforestation across the primary deforestation-linked commodities in our supply chain by continuing to apply our NDPE commitments and Responsible Sourcing Guidelines for suppliers by:

3.2.1 Eliminating deforestation¹ and conversion² of natural ecosystems³ in our operations and supply chain.

3.2.2 No new development of 'potential high carbon stock area' forests as defined by the High Carbon Stock (HCS) Approach.

3.2.3 No new development of peatlands, regardless of depth or location. Existing planted peat areas shall be managed according to best management practices or rehabilitated based on the outcome of drainability assessments.

3.2.4 Zero use of fire in land preparation for re-planting, new planting or any other development. Furthermore, recognising that haze is a transboundary issue, we have established a fire monitoring system and developed fire prevention measures through engagements with relevant stakeholders.

¹Accountability Framework's definition of deforestation, including "gross deforestation"

²Accountability Framework's definition of conversion, including "gross conversion"

³Accountability Framework's definition of natural ecosystem

3.3 Enhance supply chain traceability

We are committed to ensuring the traceability of raw materials and products we use by:

- 3.3.1 Working towards a 100% traceability to mills and plantations across the supply chain and achieving 100% NDPE supply chain.
- 3.3.2 Ensuring that 100% of our third-party suppliers of raw materials meet or exceed the expectations set out in our RSG and supplier codes of conduct.
- 3.3.3 Promoting the adoption of the RSPO standards and use of RSPO certified products, as outlined in the Shared Responsibility requirements.

3.4 Promote responsible consumption and production

We strive to ensure that activities within our operations do not harm the ecosystem, and that we minimise pollution, other hazards and the production of waste. We commit to:

- 3.4.1 Comply with all legal requirements and Best Management Practices on chemical usage, and minimising chemical use by adopting integrated pest management programmes in our plantations.
- 3.4.2 Eliminate the use of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by Stockholm or Rotterdam Conventions. We also ensure that paraquat is not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.
- 3.4.3 Identify sources and impacts of all our activities that may pollute the environment (air, land, waterways and others) by instituting appropriate control measures, regular monitoring, and adopting initiatives to reduce environmental impacts from waste generated from our processes and operations.
- 3.4.4 Working towards protection of natural resources through optimisation of water extraction, robust water management initiatives and implementation of water quality improvement plans.
- 3.4.5 Where possible, the business units will strive to opt for renewable resources and recycled materials.
- 3.4.6 Maintain 100% recovery, recycling, or reuse of all biomass waste produced in upstream palm oil facilities.
- 3.4.7 Maintain compliance with regulatory thresholds on regulated waste streams.

3.5 Protect and restore nature and biodiversity within our operations and beyond

To conserve biodiversity and protect ecosystems, we aspire to rehabilitate and/or conserve 100,000ha across and beyond our supply chain by 2030, which is further outlined in our Group Biodiversity Policy Statement. In addition, we will:

- 3.5.1 Adopt an integrated High Conservation Value - High Carbon Stock (HCV-HCS) Assessment using the applicable Manual and Toolkits for areas to be protected, prior to new land clearing or acquisitions (see 3.2.2).
- 3.5.2 Implement best agricultural management practices in our operations, including erosion control of vulnerable soils by protecting steep slopes and river reserves, and restoration initiatives both within and outside our boundaries, when applicable. This includes no new planting and extensive⁴ replanting on steep terrain.

⁴RSPO P&C 2022's definition on extensive replant on steep terrain: any individual, contiguous planted area on steep terrain (>25 degrees) greater than 25 ha within the replanting area.

- 3.5.3 Implement best management practices for the maintenance and management of all identified conservation areas and to enhance where possible, the conservation value of such areas.
- 3.5.4 Address human-wildlife conflicts within our plantation boundaries by prohibiting illegal hunting through the implementation of evidence-based practices and building tolerance to promoting coexistence.

4 APPROACH

- 4.1 We will follow best practices and are guided by the best available science and consultation with our stakeholders. We prefer structured guidance developed in multi-stakeholder contexts and follow the latest developments of such initiatives.
- 4.2 We commit to monitor our progress in implementing this Charter and to develop, where appropriate, performance indicators and other measurements that assist in determining our progress.
- 4.3 We maintain proactive engagements with relevant internal and external stakeholders to better understand and then respond to environmental and supply chain related issues and concerns. We seek to learn and share best practices through engagements within local and international networks.
- 4.4 We maintain and will continuously improve robust and effective systems to avoid and counter bribery and corruption in all its forms through the SD Guthrie Code of Business Conduct (COBC).

5 IMPLEMENTATION

- 5.1 The commitments in this Charter are effective immediately for all our own palm oil operations, both upstream and downstream. Meanwhile, the RSG outlines the expectations of this Charter on our third-party suppliers for the sourcing of Fresh Fruit Bunches (FFB), Palm Oil, Palm Kernel and their derivatives as well as other agricultural commodity crops.
- 5.2 The commitments in this Charter were embedded in our long-term development strategies supported by business and operations plans and implementation measured through defined Key Performance Indicators.

6 RESPONSIBILITIES & REPORTING

- 6.1 The oversight of this Charter lies with the Board of Directors, through its Sustainability Committee. The implementation and administration of this Charter is the responsibility of the management within SD Guthrie.
- 6.2 We report performance and progress to the Sustainability Committee on a quarterly basis and disclose progress to external stakeholders through our Annual Integrated Reports and Sustainability Reports.
- 6.3 This Charter has been approved by the Sustainability Committee. It will be reviewed at least every three years.
- 6.4 This Charter will be made available to all stakeholders and players in our supply chain.