



COFCO International Sustainable Palm Oil Sourcing Policy

Implementation plan 2022-2023

COFCO International shall develop necessary procedures to ensure the thorough implementation of our [Sustainable Palm Oil Sourcing Policy](#). The implementation includes the following aspects:

Supplier engagement

We will communicate our sustainable palm oil sourcing requirements to all our Tier One suppliers, including our [Supplier Code of Conduct](#) and [Sustainable Palm Oil Sourcing Policy](#). We will make it a contractual obligation for suppliers to comply with the standards set forth in these policies or equivalent ones, with a primary focus on Tier One suppliers with whom we have a regular business relationship.

In addition, we will evaluate Tier One suppliers' palm oil supply chain management and performance, in order to ensure volumes received are responsibly produced and in compliance with our requirements on human rights and the environment. Suppliers will be evaluated, engaged, and monitored through Supplier Scorecards which will be updated every two years or whenever there is significant change in supply base that justifies a re-evaluation.

Supply chain traceability

COFCO International will request traceability information from suppliers, as minimum, to oil palm mill level. Due to the highly perishable nature of fresh oil palm fruit, we recognise the supplying mill locations as good indication of our palm oil supply base. We will require suppliers to develop traceability to production level while sourcing in regions with high environmental and social risk exposure.

We will get third-party verification on collected traceability information on annual basis, to ensure its completeness and accuracy. We will regularly disclose our supplying mill lists and traceability level of our global palm oil sourcing on our website.

Supply base risk analysis and mitigation

Based on received traceability information, COFCO International will develop environmental and social risk profiles for our priority sourcing areas. This will help us identify potential risk exposure and define actions for risk mitigation. In identified high-risk areas, we will engage with suppliers for validating that the palm oil supplied to COFCO International meets the criteria set forth in our policies and seek opportunities for collaboration on improving practices on the ground. Furthermore, COFCO International will explore further opportunities around risk monitoring in our supply base, including deforestation and human rights risks.

Landscape and jurisdictional approach

We endorse a landscape and jurisdictional approach in priority areas through collaboration with other stakeholders towards sustainable production transformation at landscape level.

Partnering within the sector and beyond

COFCO International will explore opportunities to further collaborate with other companies and stakeholders of the palm oil sector, as well as support multi-stakeholder initiatives to achieve greater impact and tackle sector issues that cannot be addressed at company level.

Grievance resolution

COFCO International encourages the use of our grievance channels to raise any concerns regarding possible non-compliances with our policies. We maintain open channels for grievances and follow our [Palm Oil Grievance Procedure](#) to register, address and monitor their resolutions. We will engage with Tier One suppliers who have linkages to raised grievances and, wherever possible, work on an improvement plan. COFCO International reserves the rights to take appropriate actions in case of confirmed non-compliance and failure to implement corrective actions, including terminating commercial relations.

Public progress reporting and transparency

COFCO International will regularly report on progress towards meeting our commitments and maintain transparency in our supply chain. COFCO International will publish annual sustainability reports and periodical update reports on our website outlining our key progress on each of the above aspects. We will also remain open to answering stakeholder queries and questions. Please address any queries to: sustainability@cofcointernational.com.

Timeline and milestones

This implementation plan is effective immediately. Its execution, as measured through the progress against each milestone, will be monitored continuously. Recognising that this is COFCO International's first plan, we commit ourselves to reviewing it on a regular basis and as necessary, with this first version being applicable to the period of 2022-2023. We will work towards below milestones as we execute this plan in collaboration with our suppliers and other stakeholders:

Achieve and maintain full traceability to mill level for our global palm oil sourcing.

Regular review of key supply base environmental and social risks.

All direct suppliers with whom we have a regular business relationship assessed on sustainability performance through our scorecards.

All direct suppliers with whom we have a regular business relationship have NDPE policies and implementation plans by 2023.

Adopt and implement the NDPE Implementation Reporting Framework (IRF).

All grievances received through our formal channels¹ are monitored and under resolution process.

¹ Formal channels include those defined in COFCO International's [Palm Oil Grievance Procedure](#).