



# Our Soy Policy

## ESG3

October 2022 | Version 2.0



## 1. Overview

The use of soy as an ingredient in food products is diverse. At Upfield, some of our products contain soybean oil, one of the most widely consumed plant oils due to its versatility and reported health benefits.

Soybean oil is the primary ingredient that we use from soy. It is a by-product of soybean protein processing. We believe our use of soybean oil maximises crop productivity and efficiency, avoids potential waste and minimises environmental impacts.

Of the soybean oil we use, over 85% is grown in North America, and is compliant with local environmental regulations. The remaining volumes are sourced by suppliers who comply with the Amazon Soy Moratorium.

Society has rightly become more aware of the impact of ingredients and sourcing. In relation to soybean oil, these concerns include CO2 emissions from land conversion, deforestation, groundwater depletion, land rights for indigenous peoples and loss of biodiversity (due to growing soy crops in monoculture). Upfield shares these concerns. Our sustainability platform ensures that the soybean used in our products is sustainably sourced.

## 2. Our Principles

- Upfield's sustainable soybean oil position is underpinned by our belief that as a global food business, we have a responsibility to ensure the soy used in our products is sustainably sourced. At Upfield we primarily use soybean oil in our products, which is largely a by-product of soybean processing.
- Specifically, Upfield will not contribute to any new deforestation or conversion of natural ecosystems, and no land clearance by burning or clearcutting in its soy supply chain.
- Upfield requires suppliers to comply with the Amazon Soy Moratorium.
- We conduct risk assessments to determine the prioritisation of supplier risk with regards to deforestation.
- We seek to implement viable projects with soy farmers to protect soil integrity by supporting the planting of cover crops between seasons.
- Our Responsible Sourcing Policy reinforces our specific commitments on the adherence to rule of law, human rights, employee working conditions, and the environmental stewardship role we aim to play directly or through our supply chains.
- We require adherence to Upfield's Responsible Sourcing Policy, which stipulates mandatory requirements on human rights and protection of workers, with particular attention to be paid to migrant, and other vulnerable workers on farms, in line with the UN Guiding Principles, ILO Core Conventions, the UN Global Compact Principles, and Universal Declaration of Human Rights.
- We require our suppliers to apply the principles of Free, Prior and Informed Consent (FPIC) to ensure the protection and promotion of the rights of indigenous peoples and vulnerable communities, and to address and eliminate any potential violence and threats against Forest, Land and Human Rights Defenders.
- We require that our supply chains comply with all applicable local laws and regulations.
- We will support non-compliant companies to develop an action plan to avoid future non-compliances. We expect non-compliant companies to provide restoration and/or compensation. We monitor the progress of these action plans closely before deciding whether to continue sourcing from companies who have violated our Principles.

### 3. Implementation Plan

We aim to ensure compliance with these guidelines and will maintain transparency in our operations, by periodically publishing a report of our direct non-North America soybean oil suppliers.

### 4. Grievances

We handle grievances related to our soy supply chain via our grievance process. Grievances are logged on our Grievance Tracker (Commodities).

### 5. Governance

Upfield's Chief Procurement Officer and Director of Sustainability & ESG are responsible for implementing our Soy Policy.

The Compliance Committee includes representatives of Upfield's Board and Executive Committee is involved in the approval process for our Soy Policy. The Compliance Committee is accountable for Upfield's policy framework.

### 6. Related Documents

- Responsible Sourcing Policy
- Human Rights Statement
- Grievance Tracker (Commodities)

|                            |            |
|----------------------------|------------|
|                            |            |
| <b>Policy Number:</b>      | ESG3       |
| <b>Policy Ratified on:</b> | 01/10/2022 |
| <b>Version</b>             | 2          |