Sustainable sourcing implementation plan

Palm oil

Updated November 2023

VITERRA THE AGRICULTURE NETWORK

🌱 COP27 commitment

Viterra connects producers with end use customers. We recognise the need for the sustainable supply of agricultural products for the increasing food, feed and renewable fuel demands of a growing global population.

In collaboration with other agri-commodity businesses we have committed to achieve no-deforestation and no-peat palm oil supply chains by 2025.

We will work to deliver this through adopting reporting under the NDPE Implementation Reporting Framework, increasing traceability to plantation and conducting third party verification.

We will continue to increase the transparency of our performance towards our final objectives in 2025 through annual progress reporting.

This commitment forms part of our decarbonisation roadmap and responsibilities related to climate action.

Geography

This implementation plan applies to palm oil products supplied from all origins. Viterra commenced physical trading of palm oil in 2021, and currently procures volumes from Malaysia and Indonesia.

Business operations

This plan applies to trading only. Viterra does not own any plantations, mills, refineries or assets along the palm oil supply chain, but has the opportunity to influence sustainability upstream through its sourcing approach.

Supply arrangement

This plan applies to indirect supply, Viterra procures from third party suppliers for trading of palm oil, and does not own any assets along the supply chain.

Cut-off dates

Viterra will adhere to NDPE Policy commitments for deforestation and peat development cut-off dates as adopted pre-2020, including earlier sectoral standards already in place (eg 2005 for High Conservation Value areas for RSPO members).

Risk statement

Palm oil is the world's highest yielding and most widely consumed vegetable oil. The sector is considered high risk for deforestation, with 80% of the world's palm oil originating from Malaysia and Indonesia.

Viterra's palm oil sourcing accounts for 0.1% of palm oil sourced globally, and <0.1% of the company's commodity purchased volumes annually.

Achieving NDPE commitments relies on collaborative approach within the sector and transparency through the supply chain. Through our COP27 commitment, RSPO membership, and working with the Palm Oil Collaboration Group, Viterra will contribute to delivering deforestation-free supply chains.

Time bound implementation plan

Element	Actions	Responsibilities	Targets	Time bound
Governance	1. Publish palm sourcing policy 2. Introduce supplier code of conduct 3. Comply with all applicable local laws and regulations 4. Maintain RSPO membership 5. Conduct annual independent assurance on palm oil traceability	1. Global sustainability committee 2. Global sustainability committee 3. Regional management teams 4. Regional management teams 5. Regional management teams	1. Policy published 2. Code of conduct published 3. Zero breaches 4. RSPO Annual Communication of Progress Report published 5. Annual assurance statement completed	1. 2023 2. Complete 3. Ongoing 4. Ongoing 5. Achieved
Land use change emission reduction	1. Commit to setting emissions reduction targets including LUC based on science, in line with a 1.5°C pathway 2. Measure and publicly disclose Scope 3 emissions 3. Establish mid-term Scope 3 emissions reduction targets including specific LUC component 4. Annual emissions disclosure and progress reporting	1. Global sustainability committee 2. Global sustainability team 3. Global sustainability committee 4. Global sustainability team	1. Commitment established via endorsement of COP27 roadmap 2. Scope 3 emissions baseline established in accordance with GHG protocol 3. Publish third party validated LUC emissions reduction target 4. Publish emissions and reduction progress reporting in annual reporting suite	1. Complete 2. Q2 2024 and ongoing 3. July 2024 4. Ongoing
Supply chain mapping and traceability	1. Adopt reporting under the NDPE IRF 2. Achieve and maintain traceability to mills 3. Establish geospatial capability to overlay traceability data 4. Extend traceability to plantation level for areas with high environmental and social risk exposure	1. Regional management teams 2. Regional management teams 3. Regional management teams 4. Regional management teams	1. Baseline current IRF performance of our supply chain and maintain ongoing reporting 2. 100% traceability to mill, with mills list published on website 3. 100% geospatial traceability 4. Traceability to plantation data published	1. 2023 and ongoing 2. Ongoing 3. 2024 4. 2024 and ongoing
Deforestation monitoring and response	1. Continue to source from suppliers with NDPE commitments, and engage on implementation progress 2. Increase RSPO certified volumes of palm oil products 3. Palm oil products verified as meeting NDPE commitments 4. Develop a non-compliance, and remediation process for any identified deforestation linked product, including a public grievance mechanism	1. Regional management teams 2. Regional management teams 3. Regional management teams 4. Global sustainability committee	1. 100% suppliers have NDPE commitments and RSPO membership 2. Monitor and report % RSPO certified palm oil 3. 100% of palm oil sourced is verified NDPE 4. Non-compliance process and grievance mechanism in place	1. 2024 2. Ongoing 3. January 2026 4. 2024
Verification and transparency	1. Establish verification protocol in accordance with NDPE IRF verification protocol 2. Report annual progress of palm oil implementation plan, performance metrics and outcomes of independent verification activities	1. Global sustainability team 2. Global sustainability committee	1. Verification protocol implemented 2. Global sustainability report published annually with necessary content	1. 2023 2. Q2 2024 and ongoing

Definitions

Deforestation	Loss of forest (see below) as a result of: • conversion to agriculture or other non-forest land use; • conversion to a tree plantation; or • severe and sustained degradation.
Conversion	For palm, conversion is interpreted as "no new development on peatlands regardless of depth".
Forest	High Carbon Stock and High Conservation Value.
GHG	Greenhouse gas.
NDPE	No Deforestation, No Peat, and Exploitation.
NDPE IRF	NDPE Implementation Reporting Framework. A reporting tool that provides a shared and consistent view of progress towards NDPE commitments across the full supply base of companies throughout the supply chain. It has been designed to help companies to systematically understand and track progress in delivering NDPE commitments in their palm oil supply chains.
NDPE IRF Delivering Category	The NDPE IRF allocates mills to five different categories to show progress in the implementation of NDPE initiatives (Known; Awareness; Commitment and starting actions; Progressing; and Delivering). The Delivering Category is defined as: the mill can demonstrate that all supply to the mill (directly managed and third party) is meeting NDPE requirements.
LUC	Land Use Conversion. The conversion of one category of land-use (eg forest) into another (eg cropland) through fire, draining, clear felling or soil preparation.
RSPO	Roundtable on Sustainable Palm Oil. RSPO members aim to influence change through initiatives that bring industry participants together to elevate the protection of human rights and ensure the sustainable production of palm oil.