



INFINITE POSSIBILITIES.  
ONE FAMILY.

# Rich's Deforestation and Conversion Free Policy

## Preamble

At Rich Products Corp. ("Rich's") we are committed to sustainable practices that prioritize the preservation of forests worldwide. Our forest policy aims to minimize the impact of our operations on forest ecosystems, promote responsible sourcing, and contribute to global efforts in combating deforestation through prioritized supply chain policies and time-bound action plans.

## Scope

This policy extends to Rich's United States, Canada, United Kingdom, and Mexico operations encompassing every facet of agricultural supply chains, spanning from direct and indirect sourcing to processing and physical trading. Effective immediately, this policy sets the standard for our operations.

## Purpose

Rich's suppliers are particularly important in the success of our aspiration to transform our supply chain to be deforestation and conversion free (DCF), (fully traceable from farm/forest/plantation to first point of purchase) in our supply chain by 2025 and beyond (as defined by the Accountability Framework Initiative (AFI)). We collaborate with suppliers and others to inspire positive change throughout supply chains and to help achieve ethical supply chains that protect forests, natural ecosystems, and human rights.

## Approach and Governance

Rich's aspires to source deforestation-free and conversion free ("DCF") raw materials and/or products and has developed requirements to articulate our expectation of



**INFINITE POSSIBILITIES.  
ONE FAMILY.**

suppliers in support of that aspiration. The following priority commodities and regions are addressed by this policy:

- Palm oil, palm kernel oil, cocoa, fiber-based packaging from any region sold directly to Rich's or used as ingredients or raw materials in Rich's branded products;
- Beef from the Brazilian Amazon and Cerrado or the Gran Chaco of Argentina and Paraguay ("Priority Regions") sold directly to Rich's as ingredients or raw materials in any finish good products;
- Soy from the Brazilian Amazon and Cerrado or the Gran Chaco of Argentina and Paraguay ("Priority Regions") sold directly to sold directly to Rich's as ingredients or raw materials in any finish good products.

New suppliers or partners enter Rich's supply chain, they will undergo a risk assessment, which takes into consideration the brand, size, production activity, location, and primary commodity country of origin. Results of this assessment may initiate a prequalification self-assessment as part of due diligence, as well as, or in addition to, a 1<sup>st</sup> or 3<sup>rd</sup> party audit. In cases of an audit finding, corrective and preventative actions will be implemented to remediate any gaps or observations.

The guidelines are also designed as a platform from which each business region may accelerate its own progress against the DCF commitment, e.g., in our Generation of Good enterprise strategy where we are committed to 2025 and beyond targets as well to meet all relevant local regulations (e.g., EU Deforestation Regulation). These internal guidelines are supported by commodity working groups for each commodity comprising sustainability, procurement, demand creation and corporate regulatory employees from related areas of the company. Additional support and guidance from our executive level sustainability governance process.

## **Policy Requirements**

**To measure and prove progress on our commitment, demand creation and business functions must:**

### **1. Map**

- a. Map the origin of goods in the supply chain to the necessary level of detail needed to identify supply chain risks and evaluate compliance with Rich's deforestation and conversion free commitment. The suitable levels of detail will be determined based on the specific requirements of each supply chain and may involve mapping to the producer, aggregator/intermediary, or jurisdiction levels.



INFINITE POSSIBILITIES.  
ONE FAMILY.

## **2. Define**

- a.** Implement suitable and quantifiable definitions of forests for each specific supply chain to enable the measurement, monitoring, and verification of progress towards our commitment. Rich's acknowledges that forest and land definitions are context-dependent, requiring consideration of the unique characteristics of each supply chain or region. These definitions should consider local social dynamics, rural economic factors, farmer perspectives, and the broader issue of indirect land use change. Businesses will engage in multi-stakeholder collaborations and consult various stakeholders to establish an appropriate forest definition. Forest definitions may encompass methodologies such as the conversion-free approaches or High Carbon Stock Approach (HCSA).

## **3. Quantify and Risk Assess**

- a.** Quantify the level of deforestation in the supply chain so that subsequent action can be taken for its reduction and elimination. Deforestation in a particular geography can be measured once the definition has been established in step 2, thereby allowing each business to annually report the percentage of the supply chain that complies with the deforestation & conversion-free commitment.

## **4. Monitor**

- a.** Establish a monitoring mechanism to enable routine compliance assessment of the supply chain against Rich's deforestation & conversion free commitment. Combined with measurable performance indicators to be developed in step 7, this will enable regular supply chain performance assessment. Depending on the supply chain's unique situation, we consider as applicable a variety of monitoring, as well as external stakeholder engagement and consultation.

## **5. Develop Action Plans for Risk Mitigation**

- a.** Develop clear and credible action plans to address identified supply chain risks and deliver against Rich's Deforestation and Conversion Free Forest Policy. Action plans will be clear, measurable, fall within industry norms, socialized externally and periodically reviewed and updated, as necessary. Plans will consider transparency of supply, steps to address the most salient issues, practical solutions for sustainable development and the role of collaborate efforts and advocacy to drive change at scale.

## **6. Verify**



INFINITE POSSIBILITIES.  
ONE FAMILY.

- a. Where applicable, supply chains will confirm to establish industry standards for verification. Where unavailable, an effective verification approach will need to be developed, based on a determination of the appropriate level required: first-party, second-party or third-party. Rich's views the Accountability Framework Initiative's (Afi) and/or the OECD FAO Policy definition of verification as important context for its supply chains.

#### **7. Measure**

- a. Establish Key Performance Indicators (KPIs) to transparently measure and demonstrate overall progress on Rich's DCF commitments. Each supply chain must report on supply chain specific KPIs and enterprise mandated KPIs.

#### **8. Report**

- a. Transparently share progress on our commitment with stakeholders, including monitoring and verification methods, KPIs and time-bound implementation plans. Procedures for executing each step will be finalized within internal operating guidelines.

## **Related Supplier Expectations & Procedures**

### **PALM**

- o Suppliers are expected to:
  - Demonstrate all palm to be fully traceable and does not come from deforested or cleared after December 31, 2020 (or earlier, as specified by established protocols).
  - Based on price, availability, quality, customer demand, and unique regulatory environments across our global supply chain, we may require palm material to be RSPO (Roundtable on Sustainable Palm Oil) certified Mass Balance or better to protect or enhance HCVs (High Conservation Value) or HCS (High Carbon Stock) forests globally.

### **COCOA & CHOCOLATE**

- o Suppliers are expected to:



**INFINITE POSSIBILITIES.  
ONE FAMILY.**

- Demonstrate all cocoa & chocolate to be fully traceable and does not come from deforestation or clearing of High Conservation Values (HCVs) or High Carbon Stock (HCS).
- Based on price, availability, quality, customer demand, and unique regulatory environments across our global supply chain, we may require codes containing cocoa/chocolate to be Mass Balance certified against an approved third-party verified source i.e., Rainforest Alliance and or Fairtrade.

**SOY**

- Suppliers are expected to:
  - Take steps to reduce or eliminate land and water impacts, such as air emissions, water contamination, soil contamination, deforestation, and waste.
  - Based on price, availability, quality, customer demand, and unique regulatory environments across our global supply chain, we may require codes containing soy materials to have the capability to supply a third-party verified source i.e., Roundtable on Responsible Soy (RTRS), and or USDA (United States Department of Agriculture) Regenerative.

**MEAT**

- Suppliers are expected to:
  - Take steps to reduce or eliminate land and water impacts, such as air emissions, water contamination, soil contamination, deforestation, and waste.
  - Consider worker health hazards and take steps to minimize such hazards.
  - Manage the use of antibiotics in accordance with local, state, and federal laws and regulations, as well as with the FDA (Food and Drugs Administration) guidance documents 209, 213 and 152 and the American Veterinary Medical Association Judicious Use Guidelines.

**FIBER-BASED PACKAGING**

- Suppliers are expected to:
  - Demonstrate that their fiber-based packaging codes will be fully traceable and does not come from deforested or cleared after December 31, 2020 (or earlier, as specified by established protocols).



INFINITE POSSIBILITIES.  
ONE FAMILY.

- Based on price, availability, quality, customer demand, and unique regulatory environments across our global supply chain, we may require Chain of Custody Mass Balance or better to protect or enhance HCVs or HCS forests globally.

## **Acknowledgment**

Your communication and cooperation are essential to the success of your organization as well as Rich Products Corp. You are invited to share your concerns or questions with myself or any member of our team. Thank you very much for your kind attention.

## **Questions**

For additional information, please contact Sarah Herbst, Responsible Sourcing Manager, Global Procurement [Sherbst@rich.com](mailto:Sherbst@rich.com).

## **Resources**

The following resources on established, national, or internationally recognized frameworks may provide credible definitions and best practices to support the Standards shared above.

- [WWF Deforestation and Conversion Free Supply Chains](#)
- [RSPO Principles and Criteria](#)
- [Accountability Framework Initiative \(AFI\)](#)
- [OECD-FAO Guidance for Responsible Agricultural Supply Chains - OECD](#)
- [NDPE Implementation Reporting Framework \(ndpe-irf.net\)](#)
- [RTRS – Round Table on Responsible Soy Association](#)
- [Regulation - 2023/1115 - EN - EUR-Lex \(europa.eu\)](#)
- [The HCFS Approach Toolkit](#)
- [Interactive World Forest Map & Tree Cover Change Data | GFW \(globalforestwatch.org\)](#)