



## **Freepoint Commodities Sustainable Palm Oil Sourcing Policy**

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As a buyer and distributor of palm oil Freepoint is committed to sourcing from suppliers who share our commitment to ethical labor and business practices and sustainable agriculture.

We recognize that as part of the palm oil value chain, we can play a proactive role in improving the practices of the industry players by sourcing from only best-practice suppliers, working with NGOs to help identify and improve those who are striving to be best-practice suppliers, and prioritizing suppliers that are striving to improve work conditions for employees and their local ecosystem.

We require from our suppliers, and the mills and plantations from which they source, their commitment to the below principles. Any supplier found to be out of compliance with our policy will be in breach of our agreement and suspended from further business or terminated depending on the severity of the violation.

Freepoint Commodities Sustainable Palm Oil Sourcing Policy is based on the robust principles of the RSPO and is closely aligned with NDPE best practice. It has been formulated and improved through engagement with our financing banks' requirements as well as NGO's such as Earthworm, with whom we work very closely.

### **HUMAN RIGHTS AND WORKPLACE SAFETY**

#### **1. Child Protection**

- Absolutely no child labor is to be utilized by any plantation, mill, refinery or office.
- The term "child" refers to any person under the age of 18, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is lowest.
- Employees' school-age children must attend school.



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### **2. Worker Freedoms**

- Absolutely no forced, bonded, or compulsory labor is to be utilized by any plantation, mill, refinery, or office.
- The term “labor” includes any type of employee including contract, temporary or migrant workers.
- “Forced labor” is not at the employees’ own free will.
- There must be no retention of workers passports or identity documents and no withholding of employee wages other than as required by law
- There must be no interference with employees’ rights to freedom of association and collective bargaining.
- Plantations, mills, and refineries must ensure ethical recruitment practices with clear and understood terms of employment in writing in the employees’ native language.
- Plantations, mills and refineries must not charge recruitment fees or work with recruiters who require them.

### **3. Compensation**

- Employees must be compensated fairly in accordance with the legal wage requirements in their country of employment.
- Ensure employees are working of their own free will, including overtime.
- The use of worker quotas is to be discouraged.

### **4. Equal Employment Opportunities**

- Provide equal employment opportunities regardless of race, gender, religion or creed.

### **5. Workplace Safety**

- Enforce all local occupational health and safety guidelines and ensure adequate training on equipment and hazardous materials.
- Ensure that workplace environments are free from harassment, violence, discrimination, and sexual harassment.



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### **ENVIRONMENTAL**

#### **1. No Deforestation**

- No new development on any of High Conservation Value (“HCV”) areas and of High Carbon Stock (“HCS”) forests.
- No open burning in plantation areas.

#### **2. Protection of Peat Land**

- No new development on peatlands regardless of depth
- Management of existing peatlands in line with industry best practices

### **FREEPOINT ENFORCEMENT OF COMPLIANCE**

Freepoint is fully committed its Sustainable Palm Oil Sourcing Policy and will not tolerate refiners or plantations within our supply chain deviating from the above principles. Our monitoring program will focus on the following:

#### **1. Traceability**

- Each cargo purchased by Freepoint must come with a Traceability Document which must provide quantity sourced from each mill and the location of said mills.
- Each mill and sourcing area must be acceptable to Freepoint Commodities based on this policy.

#### **2. Monitoring**

- Freepoint will proactively monitor the compliance of members of our supply chain, including using the following tools.
  - A. RSPO Grievance Monitoring
    - For suppliers and mills who are RSPO members, we will monitor their names in the public RSPO grievance lists.
  - B. NGO Grievance Monitoring
    - We will work closely with Earthworm to monitor our suppliers and potential suppliers
  - C. Information exchange with other concerned industry players
    - Regular reviews of other market participants’ acceptable mill lists.
    - Discussion with other market participants’ compliance departments regarding mills and plantations that violate this policy.



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### **3. Enhanced Due Diligence (“EDD”)**

- EDD by an outside contractor will be conducted on counterparties presenting an elevated risk of non-compliance with this policy.
- Additionally, randomly selected counterparties will also be subjected to EDD checks.
- Cooperation with EDD is expected from each counterparty as a key representation of our purchase agreements.
- Counterparties for which EDD uncovers violations of this policy or that refuse to cooperate with EDD checks will be in breach of our agreement and suspended from further business or terminated depending on the severity of the breach.
- All EDD will be at Freepoint’s expense.