



Ede, 16 August 2024

Ref. Brazilian soy

Dear Mr Carvalho,

Thank you for your letter dated August 8, 2024, in which Earthsight raised several questions regarding De Heus's sourcing of soy as a raw material. We appreciate the opportunity to respond to these questions.

De Heus contributes to the sustainable availability and accessibility of safe and healthy food worldwide. We resolve to do this with the utmost care for climate, environment, and animal welfare.

Since the Amazon Soy Moratorium was agreed to in 2006, deforestation has been a priority subject in all our interactions with suppliers and other (supply chain) partners. In addition, De Heus has committed to the Dutch covenant of "Stichting Ketentransitie Verantwoorde Soja" to ensure that all soy products used in Dutch animal feed as per 2015 are RTRS certified or equivalent. In 2019, we signed the FEFAC covenant on 'Sustainable Soy' to use only certified soy for our European-based production activities. It is our ambition to use deforestation-free soy worldwide by the end of 2025.

1. How does your company ensure traceability of the soy embedded in your chicken products back to origin (the farms of origin for the soy used in animal feed)? How are your company's traceability practices monitored and assessed (for example, third-party audits, internal reviews, etc.)?

In Europe, De Heus strives to use 100% certified soy that meets the sustainability standards set at the European level within the European industry organisation for the animal feed industry (FEFAC). Independent (third-party) auditors carry out audits to verify compliance on farm level and within the supply chain.

As we are determined to further enhance transparency throughout the whole soy supply chain, we heavily invest in an ongoing dialogue and collaboration with our partners. In addition, we have installed a dedicated cross-functional team to safeguard and further improve transparency and traceability, not only to ensure prevention of deforestation but also to ensure that human rights and rights of local communities are protected. We engage with our suppliers on these matters on a regular basis. Clearly, the European Deforestation Regulation also helps in this respect.

To ensure that in the future, our suppliers will also perform due diligence according to the same standards that we adhere to, we are currently developing and implementing a monitoring system for verification and validation, which is expected to be fully operational by the end of 2025.

2. Does your company have a human rights, indigenous rights or traditional communities' rights policy in place? How is this policy implemented, monitored and assessed?

Our Supplier Code of Conduct clearly states our dedication to upholding human rights in line with the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, the ILO Convention on Child Labor, and the ILO Declaration on Fundamental Principles and Rights at Work. We ask and expect our suppliers to adhere to our Supplier Code of Conduct in the context of the long-term relationship we pursue with them.

Moreover, De Heus has developed its own sustainability programme, the “Responsible Feeding Programme,” which serves as the foundation for building policies related to human rights and environmentally responsible sourcing. A due diligence process and monitoring system are currently being developed to monitor and assess supplier compliance with the requirements resulting from our Responsible Feeding Programme.

3. What actions does your company take when it finds evidence of human rights (including indigenous rights and traditional communities' rights) violations and deforestation in its supply chains? Can you provide details?

When evidence is found that suppliers are not respecting our Supplier Code of Conduct, and /or there are credible indications of any involvement in human rights violations or deforestation, we will enter into discussions with the supplier(s) involved and jointly set up a remediation plan with time boundaries to resolve, mitigate and eliminate the non-conformities. Should a supplier continue to fall short of our standards once a remediation process has been pursued, we will not hesitate to take action to terminate our commitments.

4. Has your company ever blocked any supplier linked to Brazilian soy due to concerns over human rights violations or deforestation?

At the core of our approach towards ensuring sustainable sourcing is a strong commitment to cooperating with our suppliers and other partners in line with the principles laid out in our Supplier Code of Conduct and all applicable guidelines and regulations. As part of this, we are committed to pursuing a continuous and constructive dialogue with our partners on any potential risk of non-compliance with any of these standards. To date, this has not caused us to reconsider our relationship with any of our Brazilian suppliers.

5. What are your company's views on the EU Deforestation Regulation?

De Heus supports the EUDR principles and is fully committed to complying with this regulation. Our global Responsible Feeding Programme aims to use deforestation-free soy in all our products by the end of 2025.

If you have any further questions, please let me know.

With kind regards,

Joost Belt
Group Director Marketing & Sustainability
De Heus Animal Nutrition B.V.